

Cabinet Agenda

Monday, 8 July 2019 at 6.00 pm

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

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(Simon Hubbard, Director, Operational Services)
(Cabinet Decision)

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| 14. | Notification of Additional Urgent Items | |
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7 MAY 2019

Present: Councillors Chowney (Chair), Forward (Vice-Chair), Batsford, S Beaney, Rogers, Lee and Patmore.

174. APOLOGIES FOR ABSENCE

Apologies for absence were noted for Councillor Fitzgerald and Jane Hartnell, Director, Corporate Services and Governance.

175. DECLARATION OF INTERESTS

None received.

176. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the Cabinet meeting held on 8th April 2019 be approved as a true record.

177. MANAGEMENT RESPONSE TO THE OVERVIEW AND SCRUTINY REVIEW OF SINGLE USE PLASTICS

The Director, Corporate Services and Governance, submitted a report responding to the recommendations made by the Overview and Scrutiny review team on Single Use Plastics.

The report was presented to Cabinet by Mark Horan, Continuous Improvement and Democratic Services manager.

As part of the 2018/19 Overview and Scrutiny Committee annual work programme a review was undertaken into council work to date on phasing out single use plastics (SUP).

The review team made 14 recommendations and the report outlined how these could be potentially taken forward, subject to Cabinet approval.

The Leader of the Council thanked the scrutiny team for the review and suggested, in addition to the recommendations in paragraphs 40 and 41 regarding the local refill project, the Council could provide an online map that shows the locations of public drinking taps in Hastings.

The Cabinet discussed the use of reusable plastic cups at festivals and events. Kevin Boorman, Marketing and Major Projects Manager confirmed that the Council sells commemorative reusable plastic pint mugs at events and in the Tourist Information Centre. Stall holders are also encouraged to sell reusable plastic or compostable cups.

Councillor Beaney noted that the proposed White Rock fountain development referred to in paragraph 41 will include a public drinking tap.

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Councillor Chowney proposed approval of the recommendations of the report, seconded by Councillor Lee.

RESOLVED (unanimously) that:

- 1. That Cabinet thank the scrutiny review team for their report.**
- 2. That Cabinet approve the responses to the review team recommendations as part of our broader commitment to tackling climate change.**

Reasons for the decision:

The Single Use Plastics Overview and Scrutiny review team have worked with officers to arrive at their recommendations and it is important that a considered response is given and situated in the context of our wider commitment to tackle climate change.

178. HASTINGS WAYFINDING PROJECT

The Assistant Director, Regeneration and Culture, submitted a report to provide detail on the Hastings Wayfinding project and seek authority to proceed with it.

Hannah Brookshaw, Regeneration Manager, presented the report to the Cabinet.

The Hastings Wayfinding project is part of the wider Bexhill and Hastings Movement and Access programme being delivered by East Sussex County Council, via £9m funding secured from Local Growth funding.

The Movement and Access programme will deliver an integrated package of cycling, walking and bus infrastructure, traffic management and public realm improvements, aimed at supporting economic growth and planned growth across Bexhill and Hastings.

Phase 1 of this programme will deliver improvements to junction capacity to reduce local congestion, increase the extent of the cycle network across the two towns to support greater connectivity between key destinations and support the growing appetite for cycling for everyday journeys.

Councillor Forward welcomed the report and confirmed that the Council will be developing a wayfinding strategy before proceeding.

It was noted that digital technology could play a part in future wayfinding across Hastings and should be made fully accessible.

Councillor Forward proposed approval of the recommendations of the report. This was seconded by Councillor Rogers.

RESOLVED (unanimously) that:

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- 1. To delegate authority to the Director of Operational Services or his nominee and the Lead Member for Regeneration to proceed with delivery of the Hastings Wayfinding project.**
- 2. To enter into an agreement with East Sussex County Council to deliver the Hastings Wayfinding project on their behalf.**

Reasons for the decision:

The Hastings Wayfinding project is part of the wider Bexhill and Hastings Movement Access Programme, being led by East Sussex County Council (ESCC). ESCC have secured £9m of Local Growth Funding (LGF) to deliver an integrated package of highway, public realm and public transport improvements.

ESCC wish to delegate delivery of the Wayfinding project to Hastings Borough Council, all works must be completed by March 2021 to comply with the conditions of the LGF funding. This project has £200,000 allocated to it, which is fully funded by LGF. Up to £50,000 can be used to produce a strategy and enable officer resource to project manage the work.

(The Chair declared the meeting closed at 6.23pm)

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Agenda Item 4



Report to: Cabinet

Date of Meeting: 8th July 2019

Report Title: Amendments to the Council's Constitution

Report By: Christine Barkshire-Jones
Chief Legal Officer and Monitoring Officer

Purpose of Report

Cabinet is asked to consider the constitutional amendment.

Recommendation(s)

- 1. To recommend that the amendment to the Council's Constitution be adopted by Full Council.**

Reasons for Recommendations

The Council's Constitution is the basis for the Council's Corporate Governance.

Introduction

1. The Council's Constitution is the basis for the Council's Corporate Governance. It needs amending on a regular basis either as a result of discussions at Working Arrangement Group and/or changes in legislative provisions or working practices.
2. Amendments that the Chief Legal Officer is bringing to this meeting are as a result of a conflict of interest by members of the Standards Committee in considering a standards complaint necessitating changes to Part 2 of the Constitution. Members of Working Arrangement Group have been consulted and are supportive of the change.
3. Part 2 - Articles of the Constitution - Article 9 – The Standards Committee delete 9.2. d “Members of the Standards Committee may not appoint substitutes” and replace with "Members of the Standards Committee may on written application to the Monitoring Officer (or Deputy Monitoring Officer) at least three working days prior to the meeting appoint substitutes only if in the opinion of the Monitoring Officer (or Deputy Monitoring Officer) in consultation with the Chair or Vice Chair of the Standards Committee sitting councillors have a conflict of interest in any matter to be considered."
4. This is to allow substitutions onto the Standards Committee in exceptional cases where there is a conflict of interest which will ensure that the meeting is quorate. Substitution will only be approved in circumstances where there is clear evidence on an interest for example, members of the Planning Committee or Licensing Committee hearing a complaint arising from a meeting that they attended. Substitutes will receive training on Standards prior to hearing a complaint.

Timetable of Next Steps

1. Please include a list of key actions and the scheduled dates for these:

| Action | Key milestone | Due date (provisional) | Responsible |
|------------------------|---------------|----------------------------|---------------------|
| Report to Cabinet | | 8 th July 2019 | Chief Legal Officer |
| Report to Full Council | | 24 th July 2019 | Chief Legal Officer |

Wards Affected

All Wards

Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes

Climate change implications considered? Yes

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 | No |
| Human Rights Act | No |
| Organisational Consequences | Yes |
| Local People's Views | No |
| Anti-Poverty | No |

Organisational Consequences

The change to the Constitution is to allow substitutions onto the Standards Committee in exceptional cases where there is a conflict of interest which will ensure that the meeting is quorate.

Additional Information

Part 2 of the Constitution shown as tracked changes

Officer to Contact

Christine Barkshire-Jones, Chief Legal Officer and Monitoring Officer
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The Constitution

Part 2 **Articles of the Constitution**

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Article 1 – The Constitution

Power of the Council

- 1.1 The Council will exercise all its powers and duties in accordance with the law and this Constitution.

The Constitution

- 1.2 This Constitution, and all its appendices, is the Constitution of the Hastings Borough Council.

The purpose of the Constitution is to:

- a. enable the Council to provide clear leadership to the community in partnership with citizens, businesses and other organisations;
- b. support the active involvement of citizens in the process of local authority decision-making;
- c. help councillors represent their constituents more effectively;
- d. enable decisions to be taken efficiently and effectively;
- e. create a powerful and effective means of holding decision-makers to public account;
- f. ensure that no one will review or scrutinise a decision in which they were directly involved;
- g. ensure that those responsible for decision making are clearly identifiable to local people and that they explain the reasons for decisions; and
- h. provide a means of improving the delivery of services to the community.

Interpretation and Review of the Constitution

- 1.3 The Council will be guided by the purposes stated above in all its decision making. The Council will monitor and evaluate the operation of the Constitution as set out in Article 15.

Article 2 – Members of the Council

Composition and eligibility

2.1

- a. Composition. The Council comprises 32 members, otherwise called councillors. Two councillors are elected by the voters of each ward in accordance with an order made by the Local Government Boundary Commission for England.
- b. Eligibility. Only registered voters of the Borough or those living or working there will be eligible to hold the office of councillor.

Election and terms of councillors

- 2.2 Half of all Hastings councillors will be elected every other year from 2004. The terms of office of councillors is four years starting on the fourth day after being elected and finishing on the fourth day after the date of the regular election four years later.

Roles and functions of all councillors

2.3

- a. Key roles. All councillors will:
 - i. collectively be the ultimate policy-makers and carry out a number of strategic and corporate management functions;
 - ii. represent their communities and bring their views into the Council's decision-making process, i.e. become the advocate of and for their communities;
 - iii. deal with individual casework and act as an advocate for constituents in resolving particular concerns or grievances;
 - iv. balance different interests identified within the ward and represent the ward as a whole;
 - v. be involved in decision-making;
 - vi. be available to represent the Council on other bodies; and
 - vii. maintain the highest standards of conduct and ethics.
- b. Rights and duties
 - i. Councillors will have such rights of access to such documents, information, land and buildings of the Council as are necessary for the proper discharge of their functions and in accordance with the law.
 - ii. Councillors will not make public information which is confidential or exempt or divulge information given in confidence to anyone other than a councillor or officer entitled to know it.
 - iii. For these purposes, "confidential" and "exempt" information are defined in the Access to Information Rules in Part 4 of this Constitution.

Conduct

- 2.4 Councillors will at all times observe the Councillors' Code of Conduct and the Protocols set out in Part 5 of this Constitution.

Allowances

- 2.5 Councillors will be entitled to receive allowances in accordance with the Councillors' Allowances Scheme set out in Part 6 of this Constitution.

Article 3 – Citizens and The Council

Citizens' rights

- 3.1 Citizens have the following rights. Their rights to information and to participate are explained in more detail in the Access to Information Rules in Part 4 of this Constitution:
- a. Voting and petitions. Citizens on the electoral roll for the Borough have the right to vote in elections and to petition a request for a referendum for an elected mayor form of Constitution.
 - b. Information. Citizens have the right to:
 - i. attend meetings of the Council and its committees except where confidential or exempt information is likely to be disclosed, and the meeting is therefore held in private;
 - ii. attend meetings of the Cabinet when key decisions are being considered;
 - iii. find out from the forward plan what key decisions will be taken by the Cabinet and when;
 - iv. see reports and background papers, and any records of decisions made by the Council and the Cabinet; and
 - v. inspect the Council's accounts and make their views known to the external auditor.
 - c. Participation. Citizens have the right to participate in the Council's question time and may contribute to investigations by overview and scrutiny committees if invited to.
 - d. Complaints. Citizens have the right to complain to:
 - i. the Council itself under its complaints procedure;
 - ii. the Ombudsman after using the Council's own complaints procedure;
 - iii. the Monitoring Officer about a breach of the Councillors' Code of Conduct.

Article 4 – The Full Council

Meanings

4.1

- a. Policy Framework. The policy framework means the following plans and strategies:-
 - i. The Corporate Plan;
 - ii. Crime and Disorder Reduction Strategy;
 - iii. Plans and strategies which together comprise the Local Plan
 - iv. Plan and strategies which together comprise the Housing Strategy
 - v. The Pay Policy

Such other plans and strategies as the Council shall, from time to time, determine that shall form part of the policy framework.

- b. Budget. The budget includes the allocation of financial resources to different services and projects, proposed contingency funds, setting the council tax and decisions relating to the control of the Council's borrowing requirement and the control of its capital expenditure.

Functions of the Full Council

4.2 Only the Council will exercise the following functions:

- a. adopting and changing the Constitution;
- b. approving and adopting the policy framework and the budget
- c. subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of a Cabinet function which is covered by the policy framework or the budget where the decision maker is minded to make it in a manner which would be contrary to the policy framework or contrary to or not wholly in accordance with, the budget;
- d. appointing the Leader of the Council;
- e. agreeing and/or amending the terms of reference for committees of Council, deciding on their composition and making appointments to them;
- f. agreeing the mechanism for appointments to outside bodies;
- g. adopting an allowances scheme under Article 2.5;
- h. changing the name of the Borough, conferring the title of honorary alderman or freedom of the Borough;
- i. confirming the appointment and dismissal of the Head of Paid Service, and the dismissal of the Monitoring Officer and Section 151 officer;
- j. making, amending, revoking, re-enacting or adopting bylaws and promoting or opposing the making of local legislation or bills;
- k. all local choice functions set out in Part 3 of this Constitution which the Council decides should be undertaken by itself rather than the Cabinet; and
- l. all other matters which, by law, must be reserved to Council.

Council Meetings

4.3 There are four types of Council meeting:

- a. the annual meeting;
- b. ordinary meetings;
- c. special meetings such as that to set the annual budget;
- d. extraordinary meetings.

And they will be conducted in accordance with the Council Procedure Rules in Part 4 of this Constitution.

Responsibility for functions

4.4 The Council will maintain the tables in Part 3 of this Constitution setting out the responsibilities for the Council's functions which are not the responsibility of the Cabinet.

Article 5 – Chairing the Council

Role and function of the Mayor

- 5.1 The mayor will be elected by the Council annually from amongst the councillors. The mayor will have the following responsibilities:
- a. to uphold and promote the purposes of the Constitution, and to interpret the Constitution when necessary;
 - b. to preside over meetings of the Council so that its business can be carried out efficiently and with regard to the rights of councillors and the interests of the community;
 - c. to ensure that the Council meeting is a forum for the debate of matters of concern to the local community and the place at which councillors who are not on the Cabinet are able to hold it to account;
 - d. to promote the Borough and public involvement in the Council's activities;
 - e. in order to promote the Borough, to attend such civic and ceremonial functions as the Council and he/she determines.

Article 6 – Overview and Scrutiny Committee

Terms of reference

- 6.1 At the Annual Meeting the Council shall appoint such Overview and Scrutiny Committee as it sees fit. It will discharge the functions conferred by Section 21 of the Local Government Act 2000.

General role

- 6.2 Within the terms of reference, overview and scrutiny committee will:
- a. review and/or scrutinise decisions made or actions taken in connection with the discharge of any of the Council's functions;
 - b. make reports and/or recommendations to the full Council and/or the Cabinet in connection with the discharge of any functions;
 - c. consider any matter affecting the area or its inhabitants; and
 - d. exercise the right to call-in, for reconsideration, decisions made but not yet implemented by the Cabinet.
 - e. exercise such other functions as shall be allocated to it from time to time by statute or subordinate legislation.

Specific functions

- 6.3 Policy development and review

Overview and scrutiny committee may:

- i. assist the Council and the Cabinet in the development of its budget and policy framework by in-depth analysis of policy issues;
- ii. conduct research, community and other consultation in the analysis of policy issues and possible options;
- iii. advise the Cabinet on mechanisms to encourage and enhance community participation in the development of policy options;
- iv. question members of the Cabinet and Chief Officers about their views on issues and proposals affecting the area; and
- v. liaise with other external organisations operating in the area, whether national, regional or local, to ensure that the interests of local people are enhanced by collaborative working.

- b. Scrutiny

Overview and scrutiny committee may:

- i. review and scrutinise the decisions made by and the performance of the Cabinet and council officers both in relation to individual decisions and overtime;
- ii. review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas;
- iii. question members of the Cabinet and Chief Officers about their decisions and

performance, whether generally in comparison with service plans and targets over a period of time, or in relation to particular decisions, initiatives or projects;

- iv. make recommendations to the Cabinet and/or Council arising from the outcome of the scrutiny process;
 - v. review and scrutinise the performance of other public bodies in the area and invite reports from them by requesting them to address the overview and scrutiny committee and local people about their activities and performance; and
 - vi. question and gather evidence from any person (with their consent).
- c. Finance

The Cabinet is required to meet reasonable requests for funding from the Overview and Scrutiny Committee. Funding should be used for specific activities in support of the functions outlined in the Terms of Reference under 6.1. If the Cabinet refuses funding then the Overview and Scrutiny Committee can ask the full Council to determine whether or not the funding should be granted.

- d. Officers

Officer support for Scrutiny Project Groups and other Officer support for the overview and scrutiny function will be arranged by the Continuous Improvement and Democratic Services Manager.

Proceedings of Overview and Scrutiny Committee

- 6.4 Overview and Scrutiny Committee will conduct its proceedings in accordance with the Overview and Scrutiny Procedure Rules set out in Part 4 of this Constitution.

Article 7 – The Cabinet

Role

- 7.1 The Cabinet will carry out all of the local authority's functions which are not the responsibility of any other part of the local authority, whether by law or under this Constitution.

Form and composition

- 7.2 The Cabinet will consist of the Council Leader (who shall be the Chair of the Cabinet), the Deputy Leader, and at least one, but not more than eight, councillors appointed annually to the Cabinet by the Leader.

The Local Government Act 2000 provides that the political balance rules do not necessarily apply to a cabinet or committees of a cabinet.

Leader and Deputy Leader

- 7.3 The Leader will be a councillor elected to the position of Leader by the Council at the annual meeting or if there is a vacancy in the position of Leader of the Council, the Council shall, at its next meeting, elect a Leader of the Council. The Leader will hold office:
- a. For a term of office which starts on the day of his/her election as Leader, and ends on the day of the post-election annual meeting which follows his/her election as Leader; or until
 - i. he or she resigns from the office; or
 - ii. he or she is no longer a councillor; or
 - iii. he or she is removed from office by resolution of the Council; or
 - iv. he or she is otherwise disqualified by law or by the Court
 - b. The Leader shall appoint one of the members of the Cabinet to be the Council's Deputy Leader at the post-election annual meeting. The Deputy Leader shall hold office until:
 - i. the end of the term of the Leader; or
 - ii. the Leader removes the Deputy Leader from office giving written notice of the removal to the Chief Legal Officer or
 - iii. he or she resigns from office; or
 - iv. he or she is no longer a councillor; or
 - v. he or she is removed from office by resolution of the Council; or
 - vi. he or she is otherwise disqualified by law or by the Court.
 - c. If for any reason there shall be a vacancy in the position of Deputy Leader, the Leader shall appoint another Deputy Leader from among the members of the Cabinet.
 - d. If for any reason the Leader is unable to act or the office of Leader is vacant, the Deputy Leader must act in his/her place.
 - e. If for any reason the Leader is unable to act or the office of Leader is vacant, and the Deputy Leader is unable to act or the office of Deputy Leader is vacant the remaining

members of the Cabinet must either act collectively in the Leader's place or they must arrange for a Cabinet member to act in the place of Leader.

Other Cabinet Members

- 7.4 Other Cabinet members will be councillors who shall hold office until:
- a. they resign from office; or
 - b. they are suspended from being councillors under Part III of the Local Government Act 2000 (although they may resume office at the end of the period of suspension); or
 - c. they are no longer councillors; or
 - d. they are removed from office by the Leader, who must give written notice of the removal to the Chief Legal Officer
 - e. they are otherwise disqualified by law.

Proceedings of the Cabinet

- 7.5 Proceedings of the Cabinet shall take place in accordance with the Cabinet Procedure Rules set out in Part 4 of this Constitution.

Responsibility for functions

- 7.6 The Leader will maintain the list in Part 3 of this Constitution setting out which individual members of the Cabinet, committees of the Cabinet, officers or joint arrangements are responsible for the exercise of particular Cabinet functions.

Decision Making

- 7.7 Decisions made in Cabinet are made collectively on a vote of a simple majority.

Article 8 – Regulatory and other committees

Regulatory and other committees

8.1 The Council will appoint the committees set out in Part 3 of this Constitution under the heading Responsibility for Council Functions to discharge the functions described.

Composition of the Planning Committee, Environment and Safety Committee and Licensing Committee.

8.2

- a. A member of the Cabinet with portfolio will not be able to serve on the Licensing Committee, Environment and Safety Committee or Planning Committee or any other regulatory committee.
- b. No member of these Committees shall take part in any debate or vote on any matter in relation to which the member has predetermined his/her decision on the matter.
- c. Members whose professional or personal interests might create regular conflict of interest in matters coming before the Planning Committee should not be appointed to the Planning Committee. A member who is about to act in a professional or private capacity in any matter in which the Council has an interest should give notice of such intention to the Monitoring Officer.
- d. The Planning Protocol contained in Part 5 of the Constitution applies to Planning Committee Members.
- e. For all Regulatory Committees, in cases where the Chair or Vice Chair is not available to Chair the meeting (or part of), the Legal Officer will ask for a nomination for Chair for the duration of the meeting (or part of). The nomination must be of a permanent member of that Committee and not a substitute.

Article 9 – The Standards Committee

Standards Committee

9.1 The Council will establish a Standards Committee.

Composition

9.2 Membership.

- a. The Standards Committee will be composed of five members of the Council. At least one independent person will be invited to attend. The Political Balance Rules do not strictly apply to the Standards Committee, but will be applied to the Councillor membership of the Committee. No more than one Councillor member of the Standards Committee may be a member of the Cabinet and that member may not be the Leader of the Council.
- b. The appointment of independent person(s) must be approved by a majority of the members of the Council.
- c. A meeting of the Standards Committee will not be quorate unless at least three members are present for its duration.
- d. Members of the Standards Committee may on written application to the Monitoring Officer (or Deputy Monitoring Officer) at least three working days prior to the meeting appoint substitutes only if in the opinion of the Monitoring Officer (or Deputy Monitoring Officer) in consultation with the Chair or Vice Chair of the Standards Committee sitting councillors have a conflict of interest in any matter to be considered."

Role and function

9.3 The Standards Committee will have the following roles and functions:-

- a. promoting and maintaining high standards of conduct by councillors and co-opted members.
- b. assisting members to observe the Councillors' Code of Conduct.
- c. advising the Council on the adoption or revision of the Councillors' Code of Conduct.
- d. monitoring the operation of the Councillors' Code of Conduct.
- e. granting dispensations to councillors from requirements relating to interests set out in the Councillors' Code of Conduct.
- f. hearing and determining complaints made against councillors in accordance with Council procedure.

Article 10 – Joint Arrangements

Arrangements to promote well being

- 10.1 The Council or the Cabinet, in order to promote the economic, social or environmental well-being of its area, may:
- a. enter into arrangements or agreements with any person or body;
 - b. co-operate with, or facilitate or co-ordinate the activities of, any person or body; and
 - c. exercise on behalf of that person or body any functions of that person or body.

Joint arrangements

10.2

- a. The Council may establish joint arrangements with one or more local authorities and/or their Cabinets to exercise functions which are not Cabinet functions in any of the participating authorities, or advise the Council. Such arrangements may involve the appointment of a joint committee with these other local authorities.
- b. The Cabinet may establish joint arrangements with one or more local authorities to exercise functions which are Cabinet functions. Such arrangements may involve the appointment of joint committees with these other local authorities.
- c. Except as set out below, the Cabinet may only appoint Cabinet members to a joint committee and those members may, but need not, reflect the political composition of the local authority as a whole.
- d. The Cabinet may appoint members to a joint committee from outside the Cabinet if the joint committee has functions for only part of the area of the authority, and that area is smaller than two-fifths of the authority by area or population. In such cases, the Cabinet may appoint to the joint committee any councillor who is a councillor for a ward which is wholly or partly contained within the area;

The political balance requirements may, but need not, apply to such appointments.
- e. Details of any joint arrangements including any delegations to joint committees will be found in the Council's scheme of delegations in Part 3 of this Constitution.

Access to information

10.3

- a. The Access to Information Rules in Part 4 of this Constitution apply.
- b. If all the members of a joint committee are members of the Cabinet in each of the participating authorities then its access to information regime is the same as that applied to the Cabinet.
- c. If the joint committee contains members who are not on the Cabinet of any participating authority then the access to information rules in Part VA of the Local Government Act 1972 will apply.

Delegation to and from other local authorities

10.4

- a. The Council may delegate its functions to another local authority.
- b. The Cabinet may delegate Cabinet functions to another local authority or the Cabinet of another local authority in certain circumstances.
- c. The decision whether or not to accept such a delegation from another local authority shall be reserved to the full Council.

Contracting out

10.5 The Council and the Cabinet may contract out their respective functions to another body or organisation :-

Where

- a. such functions
 - i. may be exercised by an officer; and
 - ii. are subject to an order under Section 70 Deregulation and Contracting Out Act 1994; or
- b. under contracting arrangements where the contractor acts as the Council's agent under usual contracting principles provided there is no delegation of the Council's discretionary decision-making.

Article 11 – Officers

Management Structure

11.1

- a. General. The Council may engage such staff (referred to as officers) as it considers necessary to carry out its functions. Appointment of staff cannot be the responsibility of the Cabinet. Appointment of staff below the level of Corporate Director must be the responsibility of the Head of Paid Service or his/her nominee.
- b. Chief Officers. The Council (by a committee or sub-committee) will engage persons for such posts, as it may from time to time decide, who will be designated Directors, collectively described as “Chief Officers” in this Constitution.
- c. The Council will designate the following posts as:-
 - i. One of the Directors – Head of Paid Service
 - ii. Chief Legal Officer – Monitoring Officer
 - iii. One of the Assistant Directors – Chief Finance Officer

Such posts will have the functions described in Article 11.2 - 11.4 below.

- d. Structure. The Head of Paid Service will determine and publicise a description of the overall departmental structure of the Council showing the management structure and deployment of officers. This is set out at Part 7 of this Constitution. Changes made to this Structure do not constitute amendments to this Constitution.

Functions of the Head of Paid Service

11.2

- a. Discharge of functions by the Council. The Head of Paid Service will, from time to time, report to full Council on the manner in which the discharge of the Council’s functions is co-ordinated, the number and grade of officers required for the discharge of functions and the organisation of officers.
- b. Restrictions on functions. The Head of Paid Service may not be the Monitoring Officer but, if a qualified accountant, may hold the post of Chief Finance Officer.

Functions of the Monitoring Officer

11.3

- a. Maintaining the Constitution. The Monitoring Officer will maintain an up-to-date version of the Constitution and will ensure that it is widely available for consultation by councillors, staff and the public.
- b. Ensuring lawfulness and fairness of decision making. After consulting with the Head of Paid Service and the Chief Finance Officer, the Monitoring Officer will report to the full Council, or to the Cabinet in relation to Cabinet functions, if he or she considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.
- c. Supporting the Standards Committee. The Monitoring Officer will contribute to the

promotion and maintenance of high standards of conduct through provision of support to the Standards Committee

- d. Conducting investigations. The Monitoring Officer will arrange for investigations into complaints alleging breach of the Code of Conduct in accordance with procedures adopted by the Council.
- e. Proper Officer for access to information. The Monitoring Officer will ensure that Cabinet decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible.
- f. The Monitoring Officer will advise whether decisions of the Cabinet are in accordance with the budget and policy framework.
- g. Providing advice. The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors.
- h. Restrictions on posts. The Monitoring Officer cannot be the Chief Finance Officer or the Head of Paid Service.

Functions of the Chief Finance Officer

11.4

- a. Ensuring lawfulness and financial prudence of decision making. After consulting with the Head of Paid Service and the Monitoring Officer, the Chief Finance Officer will report to the full Council, or to the Cabinet in relation to a Cabinet function and the Council's external auditor if he or she considers that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.
- b. Administration of financial affairs. The Chief Finance Officer will have responsibility for the administration of the financial affairs of the Council.
- c. Contributing to corporate management. The Chief Finance Officer will contribute to the corporate management of the Council, in particular through the provision of professional financial advice.
- d. Providing advice. The Chief Finance Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all councillors and will support and advise councillors and officers in their respective roles.
- e. Give financial information. The Chief Finance Officer may provide financial information to the media, members of the public and the community.

Duty to provide sufficient resources to the Monitoring Officer and Chief Finance Officer

- 11.5 The Council will provide the Monitoring Officer and Chief Finance Officer with such officers, accommodation and other resources as are in the opinion of these officers sufficient to allow their duties to be performed.

Conduct

- 11.6 Officers will comply with the Officer's Code of Conduct and the Protocol on Officer/Councillor Relations set out in Part 5 of this Constitution.

Employment

- 11.7 The recruitment, selection and dismissal of officers will comply with the Officer Employment Rules set out in Part 4 of this Constitution.

Article 12 – Decision Making

Responsibility for decision making

- 12.1 The Council will issue and keep up to date a record of what part of the Council or individual has responsibility for particular types of decisions or decisions relating to particular areas or functions. This record is set out in Parts 3 and 8 of this Constitution.

Principles of decision making

- 12.2 All decisions of the Council will be made in accordance with the following principles:
- a. proportionality (i.e. the action must be proportionate to the desired outcome);
 - b. due consultation and the taking of professional advice from officers;
 - c. respect for human rights (see below for further details);
 - d. a presumption in favour of openness;
 - e. clarity of aims and desired outcomes;
 - f. and explanation of options considered and reasons for decisions taken.

Types of decision

12.3

- a. Decisions reserved to full Council.

Decisions relating to the functions listed in Article 4.2 will be made by the full Council and not delegated.

- b. Key decisions

- i. A key decision means a Cabinet decision which is likely to involve expenditure or savings in excess of £250,000 or which is likely to have a significant effect on communities living or working in an area comprising two or more wards.
- ii. A decision taker may only make a key decision in accordance with the requirements of the Cabinet Procedure Rules set out in Part 4 of this Constitution.

Decision making by the full Council

- 12.4 Subject to Article 12.8, the Council meeting will follow the Council Procedures Rules set out in Part 4 of this Constitution when considering any matter.

Decision making by the Cabinet

- 12.5 Subject to Article 12.8, the Cabinet will follow the Cabinet Procedures Rules set out in Part 4 of this Constitution when considering any matter.

Decision making by overview and scrutiny committee

- 12.6 Overview and scrutiny committee will follow the Overview and Scrutiny Procedures Rules set out in Part 4 of this Constitution when considering any matter.

Decision making by other committees

- 12.7 Subject to Article 12.8, other committees will follow those parts of the Council Procedures Rules set out in Part 4 of this Constitution as apply to them.

Decision making by Council bodies acting as tribunals

- 12.8 The Council, a councillor or an officer acting as a tribunal or in a quasi judicial manner or determining/considering (other than for the purposes of giving advice) the civil rights and obligations or the criminal responsibility of any person will follow a proper procedure which accords with the requirements of natural justice and the right to a fair trial contained in Article 6 of the European Convention on Human Rights.

Decision making by ward councillors

- 12.9 The Council and Cabinet are able to delegate authority to individual ward councillors to make decisions in relation to matters affecting their ward. Where delegation has been given, the ward councillor is required to produce a record of decisions, which are accessible by the public for six years. The ward councillor is required to act in accordance with a protocol agreed by the Council or Cabinet when exercising the power.

Call-over

- 12.10 The Council, Cabinet and committees may operate a call-over process to determine which matters on the agenda are to be discussed and those that are to be agreed without discussion. The Chair may undertake the call-over and all matters which are not called are the subject of a motion from the Chair to agree all matters not called.

Article 13 – Finance, Contracts and Legal Matters

Financial management

- 13.1 The management of the Council's financial affairs will be conducted in accordance with the financial rules set out in Part 9 of this Constitution.

Contracts

- 13.2 Every contract made by the Council will comply with the Contracts Procedure Rules set out in Part 9 of this Constitution.

Legal proceedings

- 13.3 The Chief Legal Officer is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where the Chief Legal Officer considers that such action is necessary to protect the Council's interests.

Authentication of documents

- 13.4 Where any document is necessary to any legal procedure or proceedings on behalf of the Council, it will be signed by the Chief Legal Officer or other person authorised by the Chief Legal Officer unless any enactment otherwise authorises or requires, or the Council has given requisite authority to some other person.

Common Seal of the Council

- 13.5 The Common Seal of the Council will be kept in a safe place in the custody of the Chief Legal Officer. A decision of the Council, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Chief Legal Officer should be sealed. The affixing of the Common Seal will be attested by the Chief Legal Officer or some other person authorised in that regard by the Chief Legal Officer.

Common Seal of Hastings Housing Company

- 13.6 The Common Seal of the Hastings Housing Company will be kept in a safe place in the custody of the Chief Legal Officer. A decision of the Hastings Housing Company, or of any part of it, will be sufficient authority for sealing any document necessary to give effect to the decision. The Common Seal will be affixed to those documents which in the opinion of the Chief Legal Officer should be sealed. The affixing of the Common Seal will be attested by the Chief Legal Officer or some other person authorised in that regard by the Chief Legal Officer.

Article 14 – Review and Revision of the Constitution

Duty to monitor and review the constitution

- 14.1 The Council's Monitoring Officer will monitor and review the operation of the Constitution to ensure that the aims and principles of the Constitution are given full effect.

Protocol for monitoring and review of constitution by Monitoring Officer

- 14.2 A key role for the Monitoring Officer is to be aware of the strengths and weaknesses of the Constitution adopted by the Council, and to make recommendations for ways in which it could be amended in order better to achieve the purposes set out in Article 1. In undertaking this task the Monitoring Officer may:
- a. observe meetings of different parts of the councillor and officer structure;
 - b. undertake an audit trail of a sample of decisions;
 - c. record and analyse issues raised with him/her by councillors, officers, the public and other relevant stakeholders; and
 - d. compare practices in this authority with those in other comparable authorities, or national examples of best practice.

Changes to the Constitution

- 14.3 Changes to the Constitution will be approved by the Full Council. However, minor changes, not affecting the substance of the Constitution, such as correction of typographical errors or changes in job titles or the management structure, may be made by the Directors with the approval of the Monitoring Officer and in consultation with the Leader of the Council and the Chair of Working Arrangements Group.

Article 15 – Suspension, Interpretation and Publication of the Constitution

Suspension of the Constitution

15.1

- a. Limit to suspension. The Articles of this Constitution may not be suspended.
- b. Procedure to suspend Standing Orders. The procedure to suspend Standing Orders is set out in Part 4 of this Constitution. The extent and duration of suspensions will be proportionate to the result to be achieved, taking account of the purposes of the Constitution set out in Article 1.

Interpretation

15.2 The ruling of the Mayor as to the construction or application of this Constitution or as to any proceedings of the Council shall not be challenged at any meeting of the Council. Such interpretation will have regard to the purposes of this Constitution contained in Article 1.

Publication

15.3

- a. The Monitoring Officer will make available a copy of this Constitution to each councillor of the authority upon delivery to him/her of that individual's declaration of acceptance of the office on the councillor first being elected to the Council
- b. The Monitoring Officer will ensure that copies are available for inspection at council offices, and other appropriate locations, and can be purchased by members of the local press and the public on payment of a reasonable fee.
- c. The Monitoring Officer will ensure that the summary of the Constitution is made readily available within the area and is updated as necessary. The Constitution can be found on the Council's Website at www.hastings.gov.uk.

Schedule 1: Description of Executive Arrangements

The following parts of this Constitution constitute the Executive arrangements:

1. Article 6 (Overview and Scrutiny committee) and the Overview and Scrutiny Procedure Rules;
2. Article 7 (The Cabinet) and the Cabinet Procedure Rules;
3. Article 10 (Joint Arrangements);
4. Article 12 (Decision Making) and the Access to Information Procedure Rules;
5. Part 3 (Responsibility for Functions).

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Agenda Item 5



Report to: Cabinet

Date of Meeting: 8th July 2019

Report Title: Sex Establishments Policy Review

Report By: Mike Hepworth, Assistant Director, Environment & Place

Purpose of Report

To provide Cabinet with feedback from a consultation on proposed changes to the council's sex establishments policy, and seek Cabinet approval to recommend that Full Council adopts the updated policy.

Recommendation(s)

- 1. That Cabinet endorse the draft policy attached at appendix 1, and recommend that it is adopted by Full Council.**

Reasons for Recommendations

From time to time the council's sex establishments' policy should be reviewed and updated. The existing policy was adopted in July 2015 and is now due for a review.

Background

1. Sex establishments have been licensed by local authorities for many years as a result of adopting Schedule 3 of The Local Government (Miscellaneous Provisions) Act 1982. Hastings Borough Council adopted these provisions on the 24th November 1982.
2. At that time sex establishments were defined as either sex shops or sex cinemas and Hastings historically has had up to two such premises (both shops).
3. In November 2005 district and borough councils implemented the responsibilities of the new Licensing Act 2003, and due to an anomaly of that Act there was a rise in applications under that legislation for lap dancing clubs. They were being authorised under the regulated entertainment part of the 2003 Act. Hastings was no different, one such establishment in the Borough that had previously existed with a Public Entertainment Licence developed into a full time lap dancing club (Club XS in Prospect Place).
4. Central government decided that the increase in premises such as lap dancing clubs should be better controlled by an amendment to the 1982 Act. They defined a new category of sex establishment to be known as Sexual Entertainment Venues (SEVs) by an amendment under Sec 27 of the Policing and Crime Act 2009.
5. This amendment needed to be adopted by local authorities if they wished to licence such establishments. They could opt out, but to do so required extensive public consultation. Hastings Borough Council decided to adopt the amendment and did so on the 6th December 2010.
6. At that time the Council had an opportunity to make a resolution setting the appropriate number of sexual entertainment venues in the borough as zero. The Council did not do so, and as a result the one such establishment in Hastings (Club XS) applied and obtained the appropriate SEV licence; and continues to hold that licence now.
7. There is no statutory requirement for the Council to have a specific policy on sex establishments. However, following a relatively high profile application for a sexual entertainment venue 6 years ago, Councillors indicated that adoption of a clear policy would help make the application process more transparent to all concerned, including applicants and objectors, and the Committee Members authorised to determine such applications on behalf of the council.
8. It should be noted that irrespective of whether or not the council adopts a licensed sex establishment policy, and irrespective of the details of such a policy, the council must accept and determine properly made applications, and consider each on its own merits.
9. It is also important to note that the legislation allows operators of entertainment premises already licensed under the general liquor and regulated entertainment provisions of the Licensing Act 2003, to hold up to 11 adult type entertainments a year, without the need for a sex establishment licence. Over the years we have

had several such premises in Hastings, and we are unable to apply licence conditions to such events. Whereas with a full sex establishment licence we can apply a range of reasonable conditions to control the activity and safeguard those involved.

The Existing Sex Establishment Policy for Hastings

10. The existing policy was developed in 2015 with reference to policies already adopted by other licensing authorities, the relevant statutory Home Office guidance, a comprehensive consultation with a range of local stakeholders, and following advice from the Council's Chief Legal Officer.
11. In considering our approach to setting a policy on the appropriate number of SEVs for Hastings, and the most appropriate locations for them, we decided that only predominantly industrial or commercial areas of the borough are suitable locations for such premises. These locations are referred to within the policy and the associated maps are attached in appendices 2 to 8 of the draft policy. The policy allows for 1 sex shop and 1 sexual entertainment venue.
12. We also considered the statutory Home Office guidance in 2015 which indicated that the setting of a zero policy across the entire borough could attract legal challenge from potential applicants, and could be considered a restrictive practice against a legitimate business use. The guidance hasn't changed in this respect. Although the demand for sex establishments and the way people source the type of goods they sell has changed.
13. During the development of the existing policy in 2015 there were significant changes to the way that people access the sort of sex articles sold by licensed sex shops, and the sort of films that can be shown by licensed sex cinemas. Due to advances in internet shopping and digital streaming services, it was questionable whether the old operating model for sex shops and sex cinemas was economically viable. Since then on-line shopping has become even more popular, and this is probably why the council has never received any interest in a sex cinema, and why the last sex shop in the borough closed in about 2015.

Reviewing the Existing Policy

14. This policy has now been in place for 4 years and so the Licensing Manager has reviewed and updated it. His assessment is that the existing policy has stood the test of time and has not been challenged. However, it needed updating to reflect the changes to the Borough over the past 4 years and take account of the latest legal advice.
15. There have been 2 cases that are relevant to this policy review. They related to one licensing authority that tried to set a zero limit across their whole area for sex establishments, and the Court ruled against this in an appeal. The other one related to a licensing authority that tried to set a zero limit for sexual entertainment venues, despite there already being a licensed SEV in their area. This meant that on an annual basis when the SEV had to apply to renew their licence, it was subject to objections on the basis that it was contrary to the local policy. The SEV had operated for years with no issues and argued that it was operating legitimately

in compliance with the appropriate legislation, and therefore the local policy was inappropriate. The Court ruled in their favour.

16. The main change from the existing policy has been to propose reducing the numbers of such establishments deemed to be appropriate for the borough down from the existing one sex shop and one SEV to just one SEV. As mentioned above the only sex shop in the Borough ceased trading over 4 years ago, probably due to the rise in internet sales for such products, and it is unlikely that this proposed policy change will be challenged.

Consultation

17. The proposed updated policy has been subject to a full consultation, including the statutory consultees (which include the police, fire service and operator of the existing licensed premise); in addition the consultation was placed on the Council website and circulated to all councillors. As a result of this, two telephone responses and two e mail responses were received and a précis is outlined below.
18. The existing licensed operator telephoned the licensing department to confirm that he had received and read the draft proposed new policy; he indicated his agreement with the amendments. The police licensing team also made telephone contact. They agreed with the policy change proposals, commenting that the existing SEV was well run and caused no issues.
19. The two e mail responses were both from Councillors. One agreed with the proposed changes, the second commented on her concerns for siting such establishments in her ward in an area that may be developed into homes.
20. In addition, legal advice on the review was obtained from James Button, Solicitor who is nationally recognised as a legal expert in licensing matters. The council subscribes to his advice service. He has indicated that the approach taken in the consultation is legally compliant. We asked for specific guidance on changing the policy on SEVs to nil, and he commented that making a borough wide "nil" policy would be too wide and likely to result in legal challenge and has given stated case evidence to support his advice.

Changes to draft policy following the consultation

21. As explained above the risk of challenge in relation to setting a zero policy for sex establishments (sex shops and cinemas) rather than SEVs is now thought to be very low. If we do receive an application for a sex establishment it will need to be considered on its merits, and the Committee will need to decide whether to refuse it on the basis of the new zero limit on sex establishments and/or other elements of the policy, or to approve it.
22. On balance having considered all the consultation responses, no further changes are needed to the proposals that were consulted on. But in future should the existing preferred areas for siting such establishments change in nature, the policy could be amended to reflect the situation. The amended draft updated policy is attached at Appendix A.

Policy Implications

23. The licensing of sex establishments is an emotive subject. Sex shops and SEVs such as lap dancing clubs are morally and socially offensive to some people. For example, people with strong religious and/or cultural beliefs, and some strongly held social beliefs. When the policy was developed initially several strong views were received, on this occasion no such comments have been received.
24. From an equalities and community cohesion perspective, some people argue that SEVs such as lap dancing clubs are demeaning to women, and promote gender inequality because they may employ more female than male dancers. Some argue that this is a form of exploitation of women, and potentially of young vulnerable women, portraying them as sex objects, which could lead to men being more likely to abuse women.
25. Similarly from an anti-poverty policy perspective, it might be argued that vulnerable people with poor job prospects may be attracted to the sort of work available at SEVs, and therefore be more likely to be exploited as a result.
26. In 2015 we considered these views and perspectives with the assistance of a critical friend, and carried out an equalities screening exercise to assess the potential for the policy to result in discrimination, harassment or victimisation related to the statutory protected characteristics. We concluded that this was unlikely to be the case. As there are no changes proposed relating to this, there is no need to carry out another equalities screening exercise.
27. It should also be noted that sex shops and SEVs are lawful business interests in England, and the Home Office statutory guidance on sexual entertainment venues refers to case law that states that licensing authorities should not consider objections to SEVs based on moral grounds/values.
28. There are also references to case law associated with successful appeals against decisions to refuse applications made by Tunbridge Wells and Cheltenham Borough Councils, in relation to whether or not the entire town or local authority area can be deemed to be the relevant locality, when considering setting a limit on the appropriate number of sex establishments for that locality. This is an important consideration from a corporate risk management perspective, as case law suggests that setting zero as the appropriate number of SEVs for the whole borough could be subject to potentially successful legal challenges from aggrieved applicants. But as mentioned in paragraphs 16 and 21 this appears to be a low risk.
29. In considering the crime and fear of crime policy implications, we noted the fact that the Police have not objected to the sex establishment policy proposals, and that they have not identified any crime and disorder problems associated with the existing sex establishment.
30. We also considered the fact that the Council has not received material complaints about the operation of the existing sex establishment, which was borne out by the telephone conversation with the police during the consultation.

31. The consultation process primarily focussed on seeking feedback from the statutory consultees. It also gave local people the opportunity to submit their views, but none were received.
32. Overall we believe that the proposed update to the sex establishments policy for Hastings still balances the rights of all interested parties, and that if the updated policy is adopted it will continue to be of great help to all concerned, whether applicants, the general public, or Councillors.

Timetable of Next Steps

33. Please include a list of key actions and the scheduled dates for these:

| Action | Key milestone | Due date (provisional) | Responsible |
|---|---|----------------------------|---|
| Report draft updated policy to Cabinet | Cabinet endorse updated draft policy and recommend that Full Council adopts it. | 8 th July 2019 | Assistant Director Environment and Place |
| Report draft updated policy to Full Council | Full Council adopts updated policy | 24 th July 2019 | Portfolio Holder for for Environment, Community Safety and Equalities |

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.

Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes

Climate change implications considered? Yes. None were identified.

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

| | |
|---------------------------------------|-----|
| Equalities and Community Cohesiveness | Yes |
| Crime and Fear of Crime (Section 17) | Yes |

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

Additional Information

Appendix A – Draft Sex Establishment Policy

Officer to Contact

Bob Brown
bbrown@hastings.gov.uk
01424 783249

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Draft

Statement of Policy in respect of Sex Establishments

Under the Local Government
(Miscellaneous Provisions) Act 1982
as amended by
Policing and Crime Act 2009

Licensing Section
Muriel Matters House
Breeds Place
Hastings
East Sussex TN34 3UY

1. This policy:

- Sets out the council's approach for the benefit of operators
- Guides and reassures the public and other public authorities
- Ensures transparency
- Ensures consistency
- Guides and focuses the Environment & Safety Committee when making determinations under this legislation.

Introduction

2. The Hastings Sex Establishments Policy sets out Hastings Borough Council's approach to the regulation of sex establishments and the procedure relating to applications for sex establishment licensing. The limit on the number of sex establishments in the borough are indicated in brackets below:

3. This Policy applies to:

- sexual entertainment venues (1)
- sex shops (None)
- sex cinemas (None)

as set out in the Local Government (Miscellaneous Provisions) Act 1982. The 1982 Act was adopted by the Council on 24th November 1982 and the amendment by the 2009 Policing and Crime Act was adopted on 6th December 2010.

4. The Council does not take any moral stand in adopting this policy. The Council recognises that Parliament has made it lawful to operate Sex Establishments, and that such businesses are a legitimate part of the retail and leisure industries. It is this Council's role as the Licensing Authority to administer the licensing regime in accordance with the law.

5. This Policy may be reviewed from time to time as the Council thinks fit and in line with any significant changes to legislation.

Consultation on this Policy

6. The Council is mindful of the possible concerns of the local community and that there may be conflict between the wishes of applicants for licenses and those who object to such applications. This Policy will therefore guide the Council when considering applications for sex establishment licenses in balancing the needs of residents, communities, commercial interests, patrons and employees. The Council has consulted with stakeholders on the formulation of its policy on sex establishments.

7. Consultation on a first draft of this Policy took place between 12th September 2014 and 2nd January 2015 with a range of partners. On this occasion the following were formally invited to engage in the consultation process:

All Members

Sussex Police

East Sussex Fire and Rescue

Love Hastings (BID)

Hastings Borough Council's Planning Policy Department

Existing sex establishments in the borough (1 in total)

8. An online consultation is also available via Hastings Borough Council's website, this was publicised on our website.

9. The consultation has asked respondents to consider an initial proposal of:

- 1 sex entertainment venue
- Nil sex shops
- Nil sex cinema

10. The Council recognises that Sex Establishment Licensing is controversial and stimulates very emotive arguments. However, the Council does not have the right to, and will not, have regard to the morality of sex establishments. Its approval or disapproval of sex establishments is not a matter that can be considered. Consequently, objections on the grounds that sex establishments should not be allowed on moral grounds will not be considered regarding sex establishment applications and will be rejected.

11. Definitions

“**the Act**” refers to the Local Government (Miscellaneous Provisions) Act 1982 as amended by the Policing and Crime Act 2009

“**the Council**” means Hastings Borough Council

“**the Policy**” refers to the Sex Establishments Policy for Hastings Borough Council

“**relevant locality**” means the locality in which the premises, vehicle, vessel or stall are situated. For the purposes of this policy, each ward has been determined to be a locality. In individual cases, if it is necessary to decide the precise boundaries of the locality, this will be done on the facts of the individual case

“**character of the relevant locality**” means the character or characteristics of the locality in which the premises, vehicle, vessel or stall are situated. In determining the character of the area, the Council will consider the primary use premises in the locality are put to, any additional uses of premises in that locality, and any purposes that may require persons to use that locality, for example transport hubs

“**the premises**” means the premises, vehicle, vessel or stall that are the subject of the sex establishment licence or of the application for a sex establishment licence

“sex establishment” refers namely to ‘sex cinemas’, ‘sex shops’ and ‘sexual entertainment venues’ (defined below)

“**sex cinema**” means any premises, vehicle, vessel or stall used to a significant degree for the exhibition of moving pictures related to, or intended to stimulate or encourage, sexual activity, acts of force or restraint associated with sexual activity, or concerned primarily with the portrayal of or primarily deal with, or relate to, genital organs or excretory or urinary functions, but does not include a dwelling house to which the public is not admitted

“**sex shop**” means any premises, vehicle, vessel or stall used for a business consisting to a significant degree of selling, hiring, exchanging, lending, displaying or demonstrating:

(a) sex articles; or

(b) other things intended for use in connection with, or for the purpose of stimulating or encouraging—

i. sexual activity; or

ii. acts of force or restraint which are associated with sexual activity.

“**sex articles**” include written or visual material such as sex magazines or books, or visual or audio recordings concerned with the portrayal of, or primarily deal with or relate to, or are intended to stimulate or encourage, sexual activity or acts of force and restraint associated with sexual activity, or which are concerned primarily with the portrayal of, or primarily deal with or relate to, genital organs or urinary or excretory functions

“**sexual entertainment venue**” means any premises at which relevant entertainment is provided before a live audience for the financial gain of the organiser or the entertainer

“**relevant entertainment**” means any live performance or live display of nudity which is of such a nature that, ignoring financial gain, it must reasonably be assumed to be provided solely or principally for the purpose of sexually stimulating any member of an audience (whether by verbal or other means). An audience can consist of just one person (e.g. where the entertainment takes place in private booths). For the purposes of this Policy this includes lap dancing, pole dancing, table dancing, strip shows, peep shows, live sex shows “**display of nudity**” means, in the

case of a woman, exposure of her nipples, pubic area, genitals or anus; and in the case of a man, exposure of his pubic area, genitals or anus

“**the organiser**” means any person involved in the organisation or management of relevant entertainment

“**significant degree**” in the context of sex shops, shall be considered by the Council on a case by case basis. In considering significant degree, the Council will consider, amongst other things:

- the amount of shelf space devoted to relevant articles
- the annual turnover in relation to relevant articles and other things
- the way the business is marketed and advertised and
- the primary intention of the majority of customers in visiting the shop

“**permitted hours**” are the hours of activity and operation that have been authorised by the Council under the sex establishment licence

Famously Hastings

12. Hastings has a diverse resident population of approximately 92,000. This number increases significantly in the summer months with an influx of tourists, visitors and foreign students. The town also has a student population since the University of Brighton opened its Hastings campus in 2003.
13. The town has a rich architectural heritage which spans St. Leonards and the Old Town, is home to the largest beach-launched fishing fleet in Europe and the remains of the first castle in England to be built by William the Conqueror. The new Jerwood Art Gallery houses a collection of 20th and 21st century British Art and is sited in the old town area.,
14. Throughout the year, Hastings also has one of the busiest and liveliest events programmes in the county including the Jack in the Green May Day celebrations, Pirate Day, Old Town Carnival Week, the Seafood and Wine Festival, Coastal Currents Arts Festival and the International Piano Concerto competition. These events draw further visitors to the town.
15. Economic regeneration initiatives have distinctly improved the look and feel of the town in many areas. With an increased emphasis on the evening economy, a number of new restaurants, cafes, markets and outdoor events have developed.
16. Hastings is a borough of diversity and contrasts, with some of the most deprived wards sitting alongside more affluent areas of the town. The Council has a strong commitment to working with partners to narrow the gap between the most deprived communities and the rest of the town.

Section 17, Crime and Disorder Act 1998

17. Section 17 of the Crime and Disorder Act 1998, as amended by the Police and Justice Act 2006, requires responsible authorities to consider crime and disorder (including anti-social behaviour and other behaviour adversely affecting the local environment); and the misuse of drugs, alcohol and other substances in the exercise of all their duties, activities and decision-making. This means that in

all policies, strategies and service delivery there is a need to consider the likely impact on crime and disorder.

Equality Act 2010

18. Under the Equality Act 2010, people are not allowed to discriminate, harass or victimise anyone because of the following 'protected characteristics':

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sex
- Sexual orientation

19. The Equality Act includes a Public Sector Equality Duty. This says we must show 'due regard' to:

- eliminating discrimination, harassment and victimisation
- advancing equality of opportunity
- fostering good relations between people who share a protected characteristic
- fostering good relations between people who have a protected characteristic and those who don't

Principles to be applied when considering applications

20. Specific mandatory grounds for refusing an application are laid out in the Act, namely:

- I. that the applicant is aged under 18
- II. that the applicant is for the time being disqualified from holding a sex establishment licence
- III. that the applicant is not a body corporate, and is not resident or has not been resident in a European Economic Area state for six months immediately preceding the date of the application
- IV. that the applicant is a body corporate which is not incorporated in a European Economic Area state
- V. that the applicant has in the period preceding the 12 months of the date of the application been refused the grant or renewal of a licence for the premises, vehicle, vessel or stall in respect of which the application is made, unless the refusal has been reversed on appeal.

21. In each of the circumstances above, the Council is required to refuse the application.

22. The Act also specifies discretionary grounds on which an application may be refused, namely:
- I. the applicant is unsuitable to hold a licence by reason of having been convicted of an offence or for any other reason
 - II. if the licence were to be granted, the business to which it relates would be managed by or carried on for the benefit of a person, other than the applicant, who would be refused the grant of such a licence if he made the application himself
 - III. the number of sex establishments, or sex establishments of a particular kind, in the relevant locality at the time the application is made is equal to or exceeds the number which the authority consider is appropriate for that locality
 - IV. the grant would be inappropriate, having regard to the:
 - character of the relevant locality;
 - use to which any premises in the vicinity are put;
 - layout, character or condition of the premises,
 - vehicle, vessel or stall in respect of which the application is made.
23. In each of the circumstances above, the Council may refuse the application.

Limit on Appropriate Number of Sex Establishments

24. The numbers limit set for each category of Sex Establishment is listed at paragraph 3. This number has been set taking into account the proximity of all areas of the borough to the premises types described at paragraph 13. Maps together with a key showing the location of these premises types are annexed to this Policy at Appendix A.
25. Each application will be considered on its merits. The Council wishes to ensure existing premises are well run and this is only possible by judging applications on their merits and not by granting a blanket exemption.
26. In addition, the character of a locality may change with time, making the existing location of a sex establishment inappropriate.

Character of Locality and Use to which Nearby Premises Are Put.

27. The Council has discretion to refuse applications where the grant would be inappropriate having regard to the character of the relevant locality and the use to which any premises in the vicinity are put. In general, the Council will treat the ward in which the premises is situated as the relevant locality, although a different view may be taken following representations in individual cases, e.g. where the premises is close to a ward boundary. As for "vicinity", this will be determined in the circumstances of each case, although as a general guideline a radius of 250 metres will be taken. In exercising its discretion on these grounds, the Council will take into account the following:

- schools or other facilities frequented by children such as playgrounds and playgroups
- cultural facilities such as museums, theatres and cinemas
- facilities frequented primarily by women such as well woman clinics
- places of worship
- public leisure facilities such as leisure centres, parks and open spaces
- community buildings such as community centres, libraries and drop in centres
- places used by vulnerable persons such as hostels and other adult social care facilities
- residential premises
- hospitals and other medical facilities
- other sex establishments

Suitability of Applicant – All Applications

28. New applicants will be required to obtain a Disclosure and Barring (DBS) check (previously CRB), renewable every three years and may be required to attend for an interview with Council officers to enable a decision to be reached on their suitability to hold a sex establishment licence. Details of applicants' private addresses and other sensitive information will not be published in public Committee documents.
29. Applicants will be expected to demonstrate that they have a good understanding of the conditions applicable to any licence granted to them through management competencies, presence and enforcement of rules internally.
30. Applicants for sexual entertainment will be expected to demonstrate that they will act in the best interest and welfare of their performers. Relevant consideration will be given to policies, facilities, protection for performers and physical and psychological welfare.
31. Applicants will be expected to demonstrate that they have a transparent charging system so users of the premises are completely clear as to the charges applicable for services and products inside the premises.

Other Considerations

32. In all cases, other factors the Council will consider when determining applications are:
- proximity to sensitive premises
 - the nature of any logo for the sex establishment
 - the nature of any external images or advertisements at the sex establishment
 - whether advertising inside the sex establishment can be viewed from outside
 - whether the name of the sex establishment clearly indicates the nature of the activities that take place there

- whether the times the sex establishment is open, coincide with the times relevant nearby premises are used
- queuing arrangements for persons wishing to gain admission to the sex establishment
- whether planning consent exists for the proposed use
- whether there are any planned developments in the area that may render the locality unsuitable for a sex establishment
- any comments received from persons about the grant of the licence whether the applicant has had any enforcement action taken against them by the Police, the Council or other bodies such as Her Majesty's Inspectorate of Revenue and Customs
- whether the applicant is able to comply with the standard conditions applicable to all sex establishments and any special conditions the Council may consider appropriate to apply to that particular sex establishment licence
- accessibility to the premises for disabled persons

Existing Premises

33. For the purposes of this section, existing premises are premises already licensed as sex establishments as described in paragraph 13 of this policy. For existing premises, the Council will also consider whether there have been relevant complaints about the premises, whether the licence holder has complied with the conditions of their sex establishment licence and any licence granted to them under the Liquor Licensing Act 2003, and the general management history of the premises. This would include such factors as whether noise nuisance has been caused, whether there have been problems with dispersing customers from the premises, whether there has been touting for business outside the sex establishment and the way in which staff working at the premises are managed. In determining whether a complaint is "relevant", the Council will consider:

- how recently the complaint was made
- whether the complaint was justified, for example whether it was vexatious
- whether the complaint related to a complaint that had already been made and was still undergoing investigation
- the licence holder's willingness to resolve the complaint
- whether the complaint was substantiated
- whether the complaint was resolved
- whether the management of the premises has changed since the complaint was made

34. The Council may take other factors not listed into account when considering applications for sex establishment licences. No policy can anticipate every possible scenario, and other criteria may be used in judging whether the premises should be granted a licence depending on the individual circumstances.

Planning

35. All applicants should consider whether they meet relevant planning requirements before proceeding with an application for a sex establishment licence. Persons seeking a sex establishment licence are advised to contact the Planning Service for guidance on 01424 451066 or by visiting our website www.hastings.gov.uk

Advertisement of Applications

36. The Local Government (Miscellaneous Provisions) Act 1982 provides for statutory consultation to be carried out by the applicant for a licence, including a newspaper advertisement and the placing of notice of the application at the premises.
37. For newspaper advertisements, the advertisement must be placed in the:
- Hastings Observer (Johnsons Press)
38. The notice of application to be displayed at the premises must be at least A4 size and contain as a minimum the following information:
- the applicant's name and address
 - the date of the application
 - the category of licence being applied for, e.g. sex shop, sexual entertainment venue, sex cinema
 - the proposed hours during which the premises will be used as a sex establishment
 - the application type, e.g. grant, renewal, transfer, variation
 - the date of the application
 - the last date for receipt of objections
39. The notice must be printed on a white background in black type, using a minimum font size of 12pt Arial . It must be displayed in a position where it can be clearly seen by passers-by in the street at all times and must remain displayed until the last date for receipt of objections has passed.
40. Additionally, the Council will carry out extra statutory consultation on applications by:
- displaying details of the application on its website
 - informing the local ward councillors for the premises and the ward councillors of adjoining wards, whether those wards are
 - in Hastings or an adjoining borough
 - consulting with neighbouring Councils where the premises
 - are located close to a borough boundary.

41. Commenting on Applications

42. Comments on an application for a sex establishment licence must be made to the Council within 28 days of the date of the application.
43. Comments may be provided in written form or electronically. Comments may not be made on moral grounds and must relate to one or more of the grounds set out in the Local Government (Miscellaneous Provisions) Act 1982 as described in the section entitled "Principles to be Applied When Considering Applications".
44. Those making comments on applications should state whether they consent to any of their details being disclosed to the applicant, and, if so, what details they consent to sharing, such as street name only. Details shall not be provided to the applicant for the licence of any person or organisation without consent.

Standard Conditions

45. The Council has passed regulations adopting certain standard conditions that will act as default conditions to be applied to sex establishment licences in its district. The conditions shall apply in all cases unless the Licensing Panel specifically excludes them or substitutes them with different conditions. These conditions may change from time to time and therefore applicants are advised to contact the Council to ensure they are familiar with the conditions in force at the time.
46. Where it is reasonable and necessary to do so, the Licensing Panel may impose additional conditions on a sex establishment licence or alter or omit some of the standard conditions from the sex establishment licence.

Hearings.

47. All applications (grant, renewal, transfer or variation) that have attracted objections for sex establishment licences shall be considered by a Environment and Safety Committee. The Council shall determine applications for sex establishment licences in accordance with its Hearings Procedure for Sex Establishment Licences.
48. Licensing Panel decisions may not always be announced at the end of the hearing. In such cases, the Panel's decision and the reasons for it will be notified to the parties within 7 days of the date of the hearing.
49. Where the Licensing Panel refuses to grant an application, they shall provide their reasons for doing so in writing to the applicant within 7 days of the date of the hearing.

50. Those who have made comments on an application shall be invited to attend any hearing and state their case to the Environment and Safety Committee but will only be permitted to speak on matters relevant to their written representation to the Council.

Duration of Licence

51. A sex establishment licence shall normally be granted for a period of one year, but may be issued for a shorter term if the Council deems it appropriate in the circumstances.

Appeals

52. There are no rights of appeal for persons who have objected to the grant of a sex establishment licence nor for other statutory authorities.

53. There is a right of appeal for applicants/licence holders in the following circumstances:

- refusal to grant a new sex establishment licence
- refusal to renew an existing sex establishment licence
- refusal to transfer an existing sex establishment licence
- refusal to vary an existing sex establishment licence
- imposition of conditions on a sex establishment licence
- revocation of a sex establishment licence

54. However, an appeal may not be lodged where the Council's decision has been made on the basis that:

I. the number of sex establishments, or sex establishments of a particular kind, in the relevant locality at the time the application is made is equal to or exceeds the number which the authority consider is appropriate for that locality

II. the grant is inappropriate, having regard:

- i. to the character of the relevant locality
- ii. to the use to which any premises in the vicinity are put
- iii. to the layout, character or condition of the premises, vehicle, vessel or stall in respect of which the application is made.

55. Any appeal to the Magistrates' Court must be made within 21 days from the date on which the person is notified of the decision or became aware of the condition. Where the Licensing Panel have given an oral decisions with reasons at the end of a hearing, the time limit for lodging an appeal will start on that date.

56. Where an appeal is lodged, the sex establishment licence remains in force until such time that the appeal is determined or abandoned. Where an appeal is

lodged against conditions applied to a sex establishment licence, the conditions are deemed not to come into force until the determination or abandonment of the appeal.

57. There is a further and final right of appeal from the Magistrates Court to the Crown Court. This may be brought by the applicant/licence holder or the Council. The Council are not obliged to give effect to any order of the Magistrates Court until the time limit for the bringing of an appeal to the Crown Court has expired and, if such an appeal is brought, until the abandonment or determination of the appeal.

58. If an applicant or other party is aggrieved by a decision made by the Council that cannot be appealed, the only course of remedy is to seek a judicial review of the Council's decision in the High Court. This would have to be on the basis that the Council had made an error of law, had acted perversely, had failed to take a material consideration into account, or had taken immaterial considerations into account when making its decision.

Revocation

59. The Council may revoke a sex establishment licence at any time on any of the grounds for refusing an application, excluding those relating to the character of the premises and locality or the number of sex establishments in a locality.

60. The Council may be prompted to revoke a sex establishment licence by the complaint of a third party, including a ward councillor, or may do so unilaterally on its own behalf.

61. However, the Council will not take steps to revoke a sex establishment licence without giving details of its reasons for considering revocation to the licence holder at least 28 days before holding any hearing to consider the revocation of the licence.

62. The applicant shall in all cases be afforded the opportunity to appear before the Licensing Panel making the decision. Where the Council decides to revoke the sex establishment licence, it shall give the reasons for its decision to the licence holder in writing within 28 days of making its decision.

Burlesque

63. This Policy may apply to some forms of burlesque performances. A decision on whether or not the entertainment provided is relevant entertainment for the purposes of the Act shall depend on the content of the entertainment and not the name it is given. Therefore, any decision as to whether entertainment is relevant entertainment will be made on a case by case basis.

Premises 'Infrequently Used' for Sexual Entertainment

64. Premises providing sexual entertainment on not more than eleven occasions in a twelve month period, greater than one month apart and lasting for not more than 24 hours are exempt from the need to be licensed as sex establishments under the Local Government (Miscellaneous Provisions) Act 1982. These premises shall continue to be regulated under the Licensing Act 2003.
65. Venues licensed under the Local Government (Miscellaneous Provisions) Act 1982 as sex establishments shall be treated as such even where they are used infrequently, unless the licence holder returns their sex establishment licence to the Council together with a request that the sex establishment licence be cancelled. If the sex establishment licence is surrendered for any reason, any future application to license the same premises shall be treated by the Council as a new application.

Further Information

66. Information on sex establishment licensing, including guidance on making an application and making a complaint can be found on the Council's website at www.hastings.gov.uk. Persons wishing to make an application or make a complaint about a sex establishment may also contact the Council on 01424 451042 or visit our website www.hastings.gov.uk.



Draft Sex Establishment Policy



Consultation Roads

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**Draft
Sex Establishment
Policy**

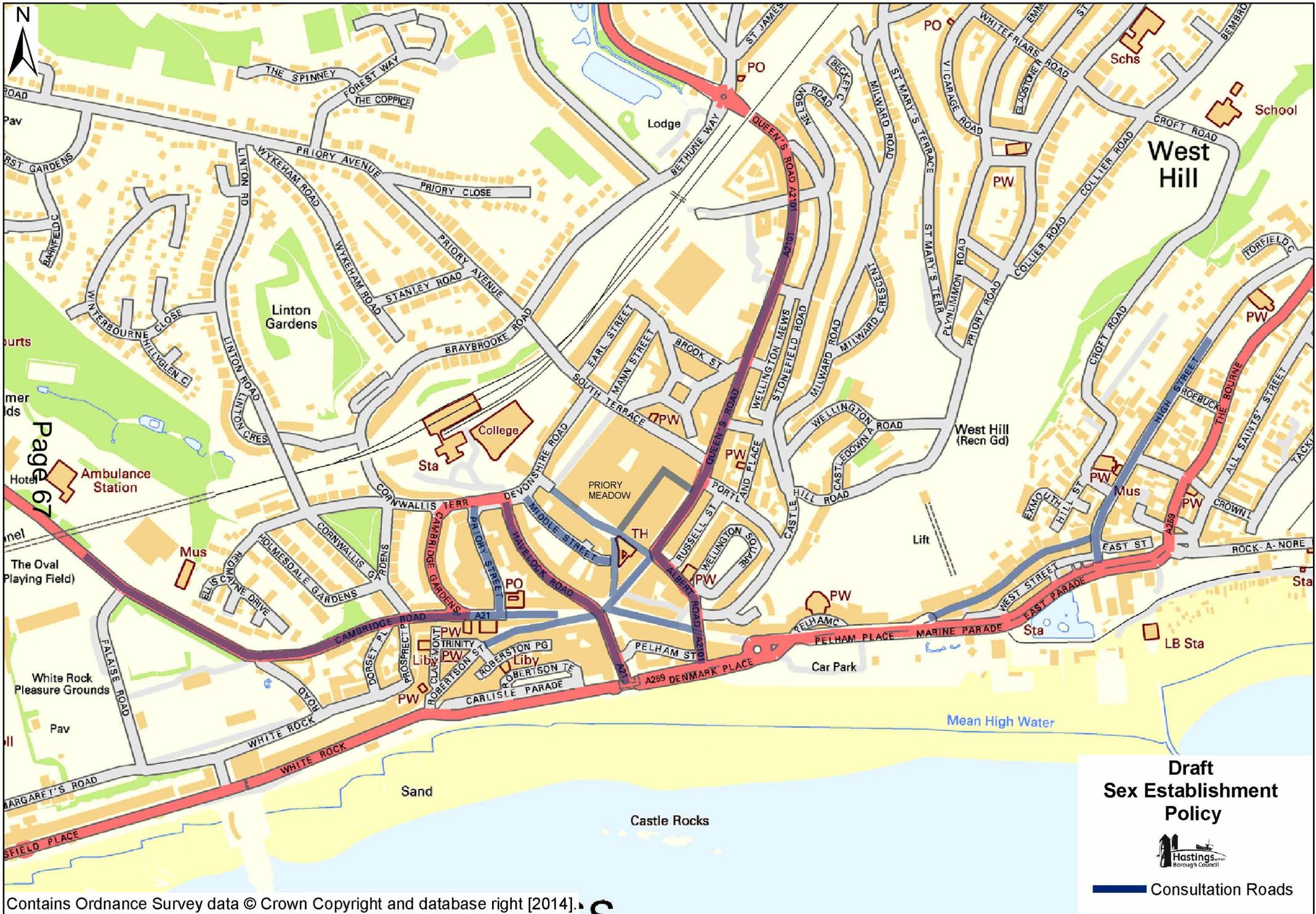


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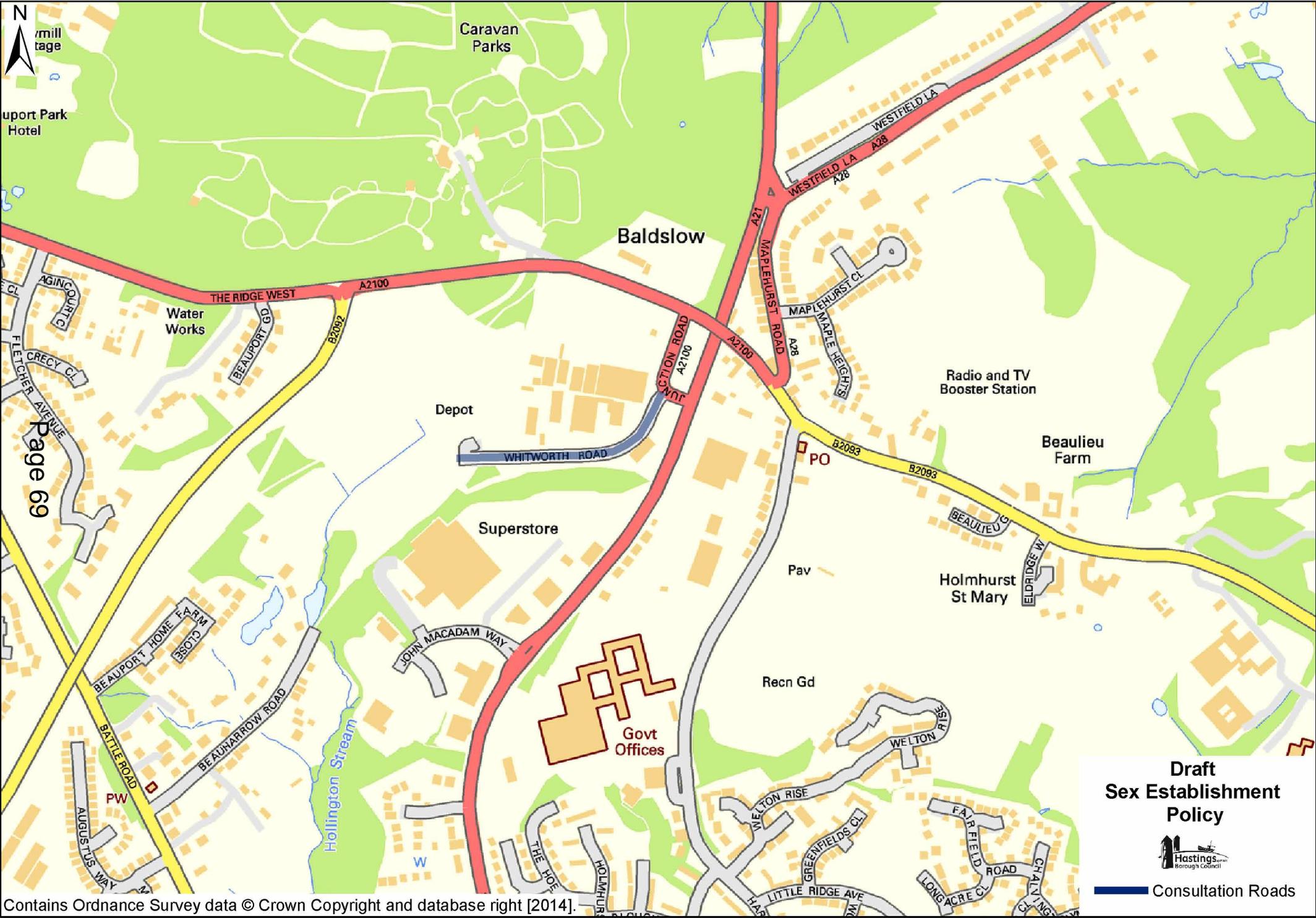


**Draft
Sex Establishment
Policy**



Consultation Roads

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Support Park Hotel

Caravan Parks

Baldslow

Water Works

Depot

Superstore

Govt Offices

Radio and TV Booster Station

Beaulieu Farm

Holmhurst St Mary

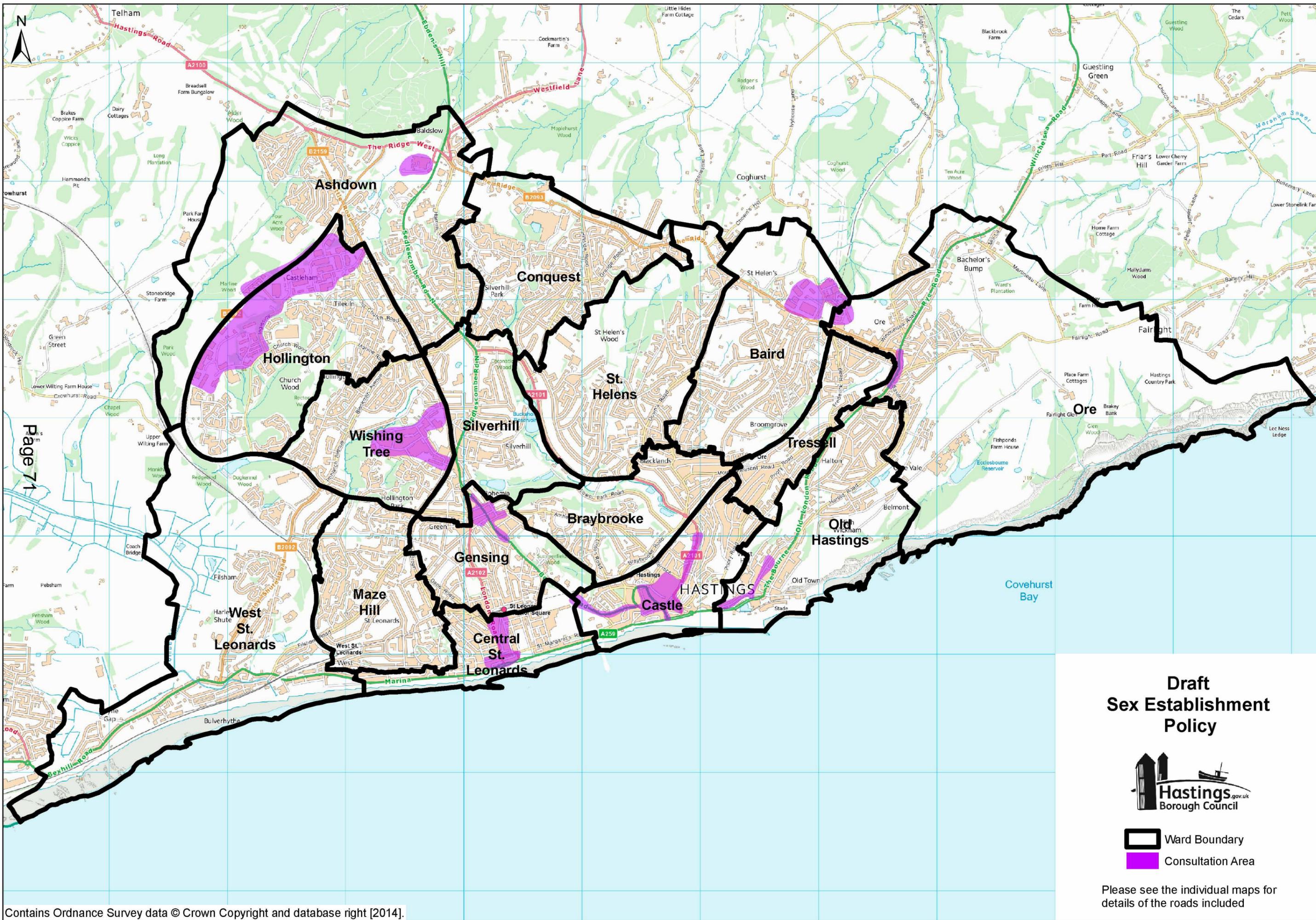
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Draft Sex Establishment Policy



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Draft Sex Establishment Policy



- Ward Boundary
- Consultation Area

Please see the individual maps for details of the roads included

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Agenda Item 6



Report to: Cabinet

Date of Meeting: 8th July 2019

Report Title: Lower Tier Site Development

Report By: Andrew Palmer, Assistant Director Housing & Built Environment

Purpose of Report

To advise members of progress being made in bringing forward the Lower Tier site at Bexhill Road for residential development.

To advise members of the details of Homes England's Grant Funding Agreement.

To establish a budget to cover the Council's costs in advance of any grant monies due from Homes England.

Recommendation(s)

1. That the engagement of Harmony Homes for professional support and project co-ordination prior to planning permission being granted is agreed.
2. That the engagement of Ambiantal Technical Solutions for flood remediation modelling and works is agreed.
3. That the use of the Bloom Procurement Framework to engage professional services including architectural services up to the granting of planning permission is agreed.
4. That the Council agree expenditure of up to £6.9million capital (this expenditure to be funded by Homes England) and £90,000 revenue (interest) to fund development costs associated with the delivery of the Lower Tier residential development.
5. That a further report be produced for Cabinet and Council agreeing a revised Capital Programme for 2019/20 and beyond. This to include the potential development funding for the Lower Tier site.

Reasons for Recommendations

The Council intends to develop circa 190 new homes on part of the former recreation ground at Bexhill Road. Extensive remediation work is required to bring the site up to a marketable value, and the scheme would not be viable without external funding. Through the Homes England Local Authority Accelerated Construction (LAAC) fund, the Council has secured up to £6.9m to bring the scheme forward. This funding must be drawn down by the end of March 2021.

The resulting homes will make a significant contribution to meeting local housing need across a range of tenures and will include for 40% affordable housing. In addition, an opportunity exists to purchase properties through the Council's Housing Company for private letting, creating an ongoing income stream for the Council.

The terms of the funding agreement with Homes England require that claims against the grant funding up to the value of £6.9m are paid quarterly in arrears. Therefore, it will be necessary that payments are made in advance of receiving grant funding.

The funding of the development following the initial grant funding will need to be separately agreed as part of the Council's revised Capital Programme due to be considered in September 2019.

Introduction

1. HBC submitted a bid to the Homes & Communities Agency's (HCA) (now Homes England) Housing Infrastructure Fund (HIF) for its Marginal Viability Fund (MvF) in September 2017 for a project which involved the development of a new sports village and three separate residential sites, one of which was the Lower Tier site at Bulverhythe Recreation Ground. The main developer for this 4 site project was Keepmoat Homes.
2. HBC also submitted a bid to the HCA's Local Authority Accelerated Construction (LAAC) fund solely for the residential development of the Lower Tier site.
3. In December 2017, HBC was advised that it had been awarded £2.225m funding for flood remediation works to the Lower Tier via the HIF. Unfortunately, Keepmoat withdrew from the scheme to focus its business interests in other areas and another appropriate developer wasn't identified.
4. The Council continued to progress the LAAC application with Homes England. Following a significant due diligence exercise carried out by Homes England, the Council was awarded funding of up to £6.9m to take forward a residential development on the Lower Tier site. The scheme has now secured all of the necessary approvals from Homes England and a Grant Funding Agreement has been issued which is being reviewed by the Council's Legal team.
5. A requirement of the scheme is that it must deliver a proportion of homes constructed utilising Modern Methods of Construction (MMC) and do so at a specified pace that is faster than the normal local market average for similar developments. The grant funding of the scheme must also be spent by the end of March 2021. It is imperative therefore that once the funding agreement is signed that the scheme is progressed in line with the programme approved by Homes England.
6. A report to Cabinet on 1 October 2018 outlined the key elements of the proposal and authorised officers to procure a joint venture partner, submit a planning application for the comprehensive redevelopment of the site, and enter into a funding agreement with Homes England to fund remediation and other infrastructure measures to be undertaken. The report also recommended that a

further report be brought to a future Cabinet seeking the necessary development funding required to take the scheme forward.

Development Proposal

7. The site is currently identified for 192 homes, of which 40% would be Affordable Housing. At this stage, the Affordable Housing has been identified as a mix of Shared Ownership and Affordable Rent, which is rent that is up to 80% of open market rental value. At a local level the Council works closely with Registered Providers to maintain Affordable Rent within Local Housing Allowance (LHA) rates. This is supported by Optivo's Rent Setting Policy (2019) which confirms that Affordable Rent properties will not exceed LHA rates when they are let. Similarly, Orbit's Rent Review Policy (2015) confirms Affordable Rent properties are capped at LHA rates. There is also the option for the Council's Housing Company to purchase a number of units with the remainder to be sold on the open market.
8. A key outcome is to ensure the site's potential for housing delivery has been maximised whilst maintaining a high quality scheme and high quality urban design which connects and integrates with the surrounding uses and community to deliver a high quality public and private realm.
9. It's intended that where possible the site acts as an exemplar for local development and maximises social value; this being balanced with the financial considerations of the scheme. To this end, the development will seek opportunities for utilising sustainable energy and lifetime homes standards alongside wider community benefits linked to sports, leisure, play, accessibility and environmental factors. Throughout there will also be a commitment to providing local employment and training opportunities.
10. The completed development value of the scheme is circa £40m and there is a forecast profit of £8m (20% of development value), which would be shared equally between the Council and the Joint Venture (JV) partner. Detailed cost information is set out on the attached appraisal and the financing of the scheme is set out below under Scheme Budget.

Services and Procurement

11. Keepmoat Homes contracted Harmony Homes Development Services to assist with the planning for the three residential sites and the design and development of the new sports village under the original HIF bid.
12. As a result of the detailed knowledge Harmony Homes acquired working on the sports village proposal, they have been able to support the Council in progressing the LAAC bid. Their services will be commissioned as Project Coordinators to assist the Council in the pre-planning work necessary to secure planning permission for the scheme to proceed.
13. A key element of the scheme is the requirement to fully understand and mitigate any flood related issues. Ambiantal Technical Solutions worked on the initial Keepmoat proposal and other nearby sites which have required expert flood

advice. Given their knowledge of the area and site they will be retained to carry out hydraulic modelling and a detailed, site specific flood risk assessment.

14. Having consulted the East Sussex Procurement Hub, the Bloom Procurement Framework will be used to commission a multi-disciplinary team comprising Master planners, Architects & Lead Consultant. The services managed by the Lead Consultant will include: Planning Consultants, Land Use Consultants, Transport Consultants and Civil Engineering Consultants.
15. The Bloom Framework enables the Council to procure professional services more quickly than a traditional tendering process whilst still complying with procurement regulations. Through the use of the Framework and a Lead Consultant the Council will be able to meet the timescales imposed by the LAAC fund, which would not be possible through other procurement routes.
16. The original architects employed by Keepmoat Homes have not been used due to their lack of MMC experience. The architect firm, Metropolitan Workshop, have supported the Council in the bid stage and are likely to formally submit a proposal to be Master planners, Architects & Lead Consultant for the scheme when the Council puts the Project Brief to the Bloom Framework.
17. Metropolitan has a proven track record of delivering MMC projects, a good ethos of community involvement, affordable housing experience and an understanding of the importance of balancing viability alongside social value. Metropolitan has also delivered large scale residential projects and won a number of awards which evidence the quality of their work.

Delivery and Joint Venture (JV)

18. The Council will be solely responsible for taking forward the initial stages of the development until the site is fully remediated, planning is obtained and the land value has been maximised. The Council will then enter into a JV agreement with a Registered Provider (RP) for the housing development phase. This approach is in part due to the need to provide Homes England with the confidence that the Council, who has no recent track record of residential development, has the necessary expertise to take forward a site of the size and complexity presented by the Lower Tier.
19. The Council is seeking expert advice with regards to the JV structure to be adopted. It is envisaged that a 50/50 model will be adopted with both partners investing on a pound for pound basis with the Council's remediated land holdings contributing towards the Council's total investment. Profits would be shared equally with the Council having an option to take these in the form of completed housing units or financial receipts. The RP would be required to purchase the affordable housing element of the development.
20. Some discussions have taken place with Optivo as one of the Council's preferred provider development partners and they have confirmed their interest in working with the Council in terms of a JV approach. The Council is receiving legal advice on how best to contract with a RP partner and is exploring options for entering into a contract following a Voluntary Transparency Notice (VEAT) being published.

Key Risks

Flood Remediation

21. Flood modelling needs to be carried out to demonstrate to the Environment Agency that it is appropriate to develop the site. AECOM is in the process of finalising a Level 1 Strategic Flood Risk Assessment for Hastings. With regards to the site, they have confirmed that they plan to update the designation of Flood Zone 3b to be solely based on the 1 in 20 Year Undefended flood outline for the Combe Haven. Whilst this would keep the 3b designation it provides the opportunity for updated modelling to be used to revise the designation.
22. The Environment Agency has confirmed they are happy with the approach outlined above by AECOM. They acknowledge that the location hasn't been modelled in sufficient detail and that it is appropriate for Ambiantal to carry out hydraulic modelling and a site specific flood risk assessment. Ambiantal will be commissioned to carry out this piece of work as outlined above as part of the pre-application process. Given that this area has been the subject of historic flooding, how flood risk is addressed will be a key consideration in determining the application.

Rother Planning

23. Although the development site is wholly within Hastings Borough, flood remediation measures (balancing ponds etc.) are likely to be required on land in Rother. This will require the submission of a planning application to Rother and whilst we understand at present that they have no objection in principle to this, it will be a matter for Rother to determine.

Town and Village Green (TVG) Application

24. A TVG application was made last year by local residents for a portion of land on the Lower Tier site. East Sussex County Council (ESCC) is the Commons Registration Authority (CRA) and determined that the right to make the application had been lost by reason of a 'trigger event' occurring. Whilst the applicants have tried to challenge this decision, ESCC has upheld that there is no right to apply. There was also a case being heard at the Court of Appeal which could've impacted what constituted a trigger event. The appeal has now been dismissed and there is no longer an associated risk.

Scheme Costs

25. The total development cost of the project, including the cost of the Council's land and the profit built into the scheme, is estimated to be circa £47million. The LAAC grant is deducted from the development costs to provide a completed development value of circa £40million.
26. The total estimated costs needed to fund the development are circa £38.5million; this figure does not include profit or interest, but does include £4,450,000 for the site purchase, which will be used by the Council as its initial investment into the scheme.

Scheme Budget

27. There are two main funding stages to the project: 1) Pre-Development & 2) Development.

Stage 1: Pre-Development Phase

28. Stage 1 includes all of the work required to get the site ready for housing development, including stakeholder consultation, site design, flood modelling, planning permission and site remediation works.
29. The cost of Stage 1, including professional fees, planning and ecology costs and construction costs, is estimated to be circa £6million. The total value of Stage 1 is fully met by grant funding.
30. The grant funding is paid quarterly in arrears, so a budget will need to be established so that payments for LAAC eligible expenditure can be paid in advance of receiving the grant payment.
31. The annual financial year budget required to meet the initial £6.9million Homes England funding is as follows:

| | 2019/20 | 2020/21 | Total |
|---------------------------|----------|------------|------------|
| Capital | £815,677 | £6,154,504 | £6,970,181 |
| Revenue (Interest) | £5,992 | £84,209 | £90,201 |
| Total Budget | £821,669 | £6,238,713 | £7,060,382 |

Stage 2: Development Phase

32. Stage 2 is focused on developing out the site for new homes in accordance with planning conditions, and the sale of completed homes.
33. The cost of Stage 2, including professional fees, acquisition costs, construction costs and sale and marketing fees, is estimated to be £32.5million. Any remaining grant from Stage 1 will contribute towards Stage 2 costs. After grant, it's estimated that there will be circa £31.5million required to complete Stage 2.
34. On the basis that the delivery vehicle is via a JV on a 50/50 basis, each partner would need to invest circa £15,750,000. The Council would invest £4,450,000 as land equity and would be required to make a cash investment of £11.3million.
35. The first cash investment by the JV for expenditure post LAAC funding is forecast for January 2021 however as the Council will have put land equity into the scheme, the cash flow forecasts the Council's first cash investment for June 2021.
36. As seen in the attached cash flow, the scheme generates income before its completion; initially through grant and then through the phased sale of homes. Therefore, it's estimated that the maximum amount being borrowed at any one time by the JV peaks in August 2021 at approximately £11.8m.

Return

37. The JV is anticipated to begin to see a return on its investment from February 2023 onwards, when the cash flow becomes positive.
38. In addition to the value of the remediated land, which is approximately £4million, the Council would also see a financial return from the scheme profits, which are forecast to be in the region of £8million. As a JV, the Council would be entitled to a 50% share of the profits, which would be approximately £4million.
39. A full breakdown of the estimated income, expenditure and borrowing requirements for the scheme are set out in the scheme's appraisal and associated cash flow. These were submitted as part of the grant process and are available upon request. The appraisal will vary over time as scheme plans are finalised, but there is a contingency built into the appraisal to allow for variances.

Key Conditions of the Funding Agreement

40. The LAAC grant awarded by Homes England is based on the estimated abnormal costs of delivering the Lower Tier Site including flood remediation works, off site infrastructure and on-site abnormal. The LAAC grant has two primary objectives namely: 1) achieving delivery of a housing scheme using an agreed level of Modern Methods of Construction (MMC) and 2) achieving a higher rate of pace of delivery than a traditional housing scheme. The scheme also has to deliver the Council's required level of affordable housing as set out in planning policy which in the case of the Lower Tier site is at 40%.
41. In agreeing the terms of the grant the Council has agreed to deliver a minimum of 192 residential units of which 77 will be affordable. Of these, a minimum of 40 units must be delivered using MMC (a combination of SIPS (Structural Insulated Panels), panelised and modular construction types). This requirement has a direct impact on achievement of the second key target which is rate of pace of delivery which has been agreed as 6.5 units per month which starts to be measured after completion of the first houses on site.
42. The agreement will contain a number of milestones regarding progress of the scheme through the undertaking of surveys, preparation and submission of a pre-application, preparation and submission of a full planning application, selection and appointment of contractors for site preparation, flood remediation and off site infrastructure, selection and appointment of a contractor for the on-site works and residential development including MMC providers. The final major deadline is that all of the LAAC grant must be drawn down and spent by 31st March 2021.
43. The agreement contains a standard clause that Homes England can seek a repayment of all or part of the grant in the event that conditions of the grant are not met. Homes England has advised in writing that should the Council fail to secure planning permission that Homes England would act reasonably over any repayment of costs where an application is refused due to reasons outside of the Council's control. This would include factors such as flood remediation and a TVG application.
44. There is also a clawback mechanism within the grant agreement that will come into effect if the scheme makes a larger than expected surplus after all

development costs, including profit, have been met. If this occurs, Homes England will be entitled to 80% of the additional surplus and the Council will be entitled to 20%. This is not a concern to the Council as it would only kick in after the Council's forecast profit had been taken from the scheme and would result in additional profit sharing.

Financial Risk

45. Financial risks can be split between pre and post planning. Development risks post planning will be dealt with at a later date, as and when the Council considers capital funding for the construction phase.
46. The initial financial risk to the Council is linked to the costs for project coordination and consultant fees required for the flood modelling, architecture, planning, traffic and environmental requirements needed in advance of a planning permission. These fees are split between the pre-application and full application stages and are estimated to be as follows:
 - Pre-application: £492,208
 - Full Application: £402,300
 - Total Costs to Planning Permission: £894,508
47. On conclusion of the pre-application process there will be an opportunity for the Council to reappraise its position and any risks identified before proceeding to make a full planning application.
48. Once full planning is obtained the most significant risks will have been mitigated. However, should the Council not meet the remaining milestones and accompanying outputs set out in the Grant Agreement then Homes England could in theory still seek a repayment of some or all of grant monies expended to be repaid.

Next Steps

49. Once the funding agreement is signed, the Council will need to move forward at pace and make payments for work that has been done to progress the scheme to date. It will also be important to formalise procurement aspects of the scheme, progress the JV agreement and consult key stakeholders so that they have an opportunity to feed into the original design concept for the scheme.

Timetable of Next Steps

50. Please include a list of key actions and the scheduled dates for these:

| Action | Key Milestone | Due Date | Responsible |
|---------------------------------|--|-----------|-------------|
| Sign LAAC Funding Agreement | Title Report completed; Budget approved by Cabinet | July 2019 | |
| Commission Project Coordinators | LAAC Funding Agreement signed | July 2019 | |

| Action | Key Milestone | Due Date | Responsible |
|--|---|---------------|-------------|
| Commission Flood Modelling Experts | LAAC Funding Agreement signed | July 2019 | |
| Commission Lead Consultant through Bloom Procurement Framework | Project Brief completed; LAAC Funding Agreement signed | July 2019 | |
| Submit Planning Pre-Application | Public consultations; Flood modelling; Initial site designs | November 2019 | |
| Submit Full Planning Application | Completion of site and flood designs | February 2020 | |
| Obtain Planning Permission | Approval at Planning Committee; Completion of Section 106 | May 2020 | |
| Sign JV Agreement | Procurement process established; Heads of Terms agreed | July 2020 | |

Wards Affected

West St. Leonards

Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes, however, the report involves complex development and financial language which impacts the use of plain English.

Climate change implications considered? Yes

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

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

Additional Information

Report Template v29.0

Equalities and Community Cohesiveness

The brief being developed for the Lead Consultant sets out the requirement for the scheme to show appropriate consideration for the accessibility of the scheme and its integration into the existing community and environment.

Risk Management

See attached Risk Log

Environmental Issues

The project brief for the Lead Consultant sets out the requirement for the scheme to seek opportunities for utilising sustainable energy and the importance of delivering a high quality scheme, which has a low carbon footprint, minimises environmental impact and improves bio-diversity.

Economic/Financial implications

Financial risk up to planning permission is set out above in paragraph 46.

The JV will need to invest funding into the scheme to cover costs required to fund the housing development stage of the scheme as set out above in Scheme Costs and in line with the attached cash flow.

If a JV is not established, the Council will need to look at taking forward the scheme itself and therefore funding the scheme costs not covered by the grant funding on its own. This would also mean that the Council would be entitled to 100% of the profits.

Organisational Consequences

The development will require cross-council support from a range of teams including housing options, planning, legal, finance and estates.

Local People's Views

There are a group of residents who live near the Lower Tier who have some strongly held concerns about the development of the site. The Council will need to ensure that there is a robust communications strategy in place to take forward the development and that residents are consulted throughout.

Climate Change

Some elements, such as the importance of seeking opportunities for utilising sustainable energy and having a low carbon footprint, have been established in the project brief for the Lead Consultant. There will be further detailed consideration of climate change implications as part of the development design in consultation with the Council's Sustainability Policy Officer.

Officer to Contact

Andrew Palmer
apalmer@hastings.gov.uk
01424 451316



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Risk Log – Lower Tier Residential Development

| No | Description | Impact | Likelihood | Severity | Counter Measure(s) |
|----|--|--|------------|----------|---|
| 1 | Grant Funding agreement not signed | Scheme is unviable and does not progress Council is liable for costs incurred | L | H | Provide timely responses to Homes England and seek expert legal advice |
| 2 | Planning Permission for site not granted | Scheme does not progress | L | H | Carryout detailed consultation and pre-application process |
| 3 | Offsite works requiring Rother District Council planning approval not granted | Scheme does not progress | M | H | Continued joint working and consultation with RDC |
| 4 | Town & Village Green (TVG) Application upheld | TVG status is awarded Scheme does not progress | L | H | Obtain expert legal advice Update on 4/6/2019: Risk now mitigated – the TVG application has been refused and no right to reply exists |
| 5 | New case law is made which changes what constitutes a trigger event for TVG applications | Potential for TVG status to be awarded If TVG status is awarded, scheme does not progress | L | H | Explore alternative trigger event options; obtain expert legal advice Update on 3/6/2019: Risk now mitigated – the appeal was dismissed, which maintains position in respect of the Lower Tier that a relevant trigger event has occurred and that ESCC cannot accept any application to register the land as a TVG |

| | | | | | |
|----|--|--|---|---|---|
| 7 | JV development and investment partner not secured | Funding and expertise required for the project not available Scheme does not progress | L | L | The stock transfer Registered Provider has expressed commitment to being a JV partner and funding it in a 50/50 partnership with the council; If they chose not to, the council could secure a new partner or look to deliver the scheme independently as appraisals evidence the viability of the scheme |
| 8 | MMC contractors unable to work to timescales | Failure to meet grant funding conditions | L | M | The council is recruiting Project Coordinators experienced with MMC delivery. The council has not committed to one type of MMC and there is considerable flexibility in how the MMC target can be achieved. |
| 9 | Unable to achieve build out rate agreed with Homes England | Failure to meet grant funding conditions | L | M | Build out rate target set at realistic level; Close working with Homes England to agree variances |
| 10 | Housing Market Failure | Failure to meet grant funding conditions & delay on ROI | L | M | The appraisal factors in a number of contingencies which should buffer changes in market conditions |

Agenda Item 7



Report to: Cabinet

Date of Meeting: 8th July 2019

Report Title: Proposed Variation of the Anti-social Behaviour Public Space Protection Order

Report By: Mike Hepworth, Assistant Director, Environment and Place

Purpose of Report

To summarise consultation feedback on proposals to update the Anti-social Behaviour Public Spaces Protection Order (ASB PSPO).

Agree changes to the draft ASB PSPO.

Seek approval for the Chief Legal Officer to update and extend the ASB PSPO in accordance with regulations published by the Secretary of State.

Recommendation(s)

- 1) Cabinet authorise the Chief Legal Officer to vary the existing ASB PSPO by replacing it with the updated version at appendix 6, and to extend it by 3 years from 9th July 2019, in accordance with regulations published by the Secretary of State.**
- 2) Cabinet authorise the Chief Legal Officer to correct any minor drafting errors that may be identified, and make minor amendments including deletions and insertions that may be necessary to ensure the ASB PSPO is accurate.**

Reasons for Recommendations

PSPOs are made under the Anti-social Behaviour, Crime and Policing Act 2014, and are valid for up to 3 years. The existing ASB PSPO came into force on 12th June 2017 enabling the council and the police to address serious anti-social behaviour in specified public places. PSPOs can be varied and extended, and changes to patterns of ASB in Hastings since summer 2017 have resulted in the need to review and update the council's ASB PSPO.

Background

1. The existing ASB PSPO came into force on 12th June 2017 following a public consultation process that was reported to the council's cabinet in May 2017. It introduced prohibitions on specified types of anti-social behaviour in defined public spaces in Hastings.
2. There are provisions relating to ASB associated with street drinkers, aggressive begging, the abuse of so called 'legal highs', and general ASB such as shouting and screaming causing alarm and distress to the general public. There is also a provision prohibiting overnight sleeping in vehicles in Cinque Ports Way, which had given rise to very high levels of ASB in that area in 2016.
3. The ASB PSPO was made under the Anti-Social Behaviour, Crime and Policing Act 2014. The council can vary and extend the ASB PSPO by up to 3 years, if it holds a public consultation and follows statutory rules.
4. The current proposals for varying the ASB PSPO result from an analysis of complaints from residents, businesses and visitors to the town received since the existing ASB PSPO came into force. Plus feedback from council services and organisations including:-
 - The council's street warden and parks and open spaces services
 - St Leonards Town Team
 - The Hastings Business Crime Reduction Partnership
 - Local ward councillors
 - Operational managers from the Safer Hastings Partnership
 - The Hastings Street Community Partnership
 - The local police
5. The council's Community Safety Manager co-ordinated the review. He is the council's main point of contact on community safety issues, and receives complaints about ASB made by residents, businesses and visitors to the town. He also chairs the local Joint Action Group. This is a multi-agency group that regularly meets to discuss ASB issues and hotspots and ways to address them.
6. Since the introduction of the existing ASB PSPO in 2017 he has dealt with numerous complaints about ASB and met with local residents, businesses and ward councillors to investigate and co-ordinate local action to address the issues. This experience has been important in developing the proposals to update the ASB PSPO.
7. A good example is the proposal to extend the alcohol ban to Wellington Square due to displacement of street drinkers from Wellington Place. He and the ward councillor have received many emails of complaint and have met with distressed local residents regarding the ASB they witness and suffer when street drinkers in the area become rowdy and very intimidating to other people. The residents have also repeatedly raised their frustration at the perceived lack of enforcement action with councillors and the local Member of Parliament.

8. This experience and the associated correspondence, is typical of the body of evidence considered by officers when reviewing the ASB PSPO and developing these proposals.
9. When considering changing a PSPO the council must carry out a formal consultation on the proposals. There are statutory consultees such as the highways authority and the police, and the council must also consult relevant community representatives.
10. So in addition to the statutory consultees, we have consulted a wide range of community representatives and other interested parties, such as other statutory and voluntary organisations operating in Hastings, and the wider general public. The consultation involved posting full details on the council's website and drawing attention to it by emailing interested parties. Hard copy was available at the council's offices.
11. This report sets out the changes to the ASB PSPO proposed through the consultation, summarises the feedback from the consultation, and explains how and why the draft PSPO could be amended to reflect the feedback.

The Changes Proposed in the Consultation

12. The proposals were as follows:-

The requirement to surrender alcohol if requested to do so

13. If an enforcement officer such as a council street warden or police officer believes that the consumption of alcohol in a specified public space is already causing (or is likely to cause) nuisance or annoyance to a member of the public, they can require the person to surrender the alcohol to them.
14. This already applies across the whole borough and we proposed that it be retained. But that the definition be broadened to include "nuisance, or annoyance, or alarm, or distress or harassment". This aligns more closely with the police enforced Designated Public Place Orders that were replaced by the new PSPO regime in 2017. This is also the terminology used by the police within Dispersal Orders made under Part 3 of the Anti-social Behaviour, Crime and Policing Act 2014.
15. This provision will continue to enable the council's wardens and local police to intervene and address ASB associated with the consumption of alcohol in public spaces anywhere in the borough, without the need to ban the consumption of alcohol borough wide. It can be enforced on the basis of common sense judgements on a case by case basis. Without restricting the reasonable social behaviour of the majority, who may for example want to enjoy drinking alcohol sensibly in a park as part of a family picnic that won't result in ASB.

The prohibition on aggressive begging.

16. This already applies across the whole borough, and we proposed that it be retained but that the definition be amended, so it clearly only relates to aggressive begging and not passive begging.

17. The council has received many complaints about begging and it is clear that some people want all begging to be banned. For example some businesses in areas where begging takes place. However, in 2017 when the council first introduced this PSPO, it was concluded that only aggressive begging amounted to ASB. This is still the council's position on begging, and the current proposal tries to clarify this.

The prohibition on general anti-social behaviour (ASB).

18. This currently applies within a quite large defined area of the borough covering much of Central St Leonards, the town centre, and the Old Town. Plus much of the seafront including the pier. It prohibits shouting, swearing, screaming, or acting in a manner causing annoyance, harassment, alarm, or distress to any person. We proposed extending this clause to the whole borough to address displacement issues experienced since the ASB PSPO came into force in 2017. Also to make it a more flexible enforcement power to deal with serious ASB wherever it arises in the borough. We also proposed that the definition used in this prohibition be amended to include "nuisance, or annoyance, or alarm, or distress or harassment" to be consistent with the other prohibitions in the PSPO.
19. See appendix one for a map showing the extent of the existing prohibition on general ASB, compared with the proposed borough wide extension.

The prohibition on consuming alcohol in defined public spaces.

20. This currently applies within 4 relatively small areas of the borough within Central St Leonards, the town centre, and the Old Town. It prohibits the consumption of alcohol in these public spaces unless it is purchased from licensed premises and consumed at the licensed premises.
21. This prohibition was primarily introduced to deal with ASB associated with street drinkers. It's resulted in displacement causing nuisance, annoyance, alarm, distress and harassment to residents, businesses and visitors to these areas. So we proposed expanding the alcohol prohibition to cover a wider area to address the displacement. A good example is the proposed inclusion of Wellington Square, which has experienced ASB associated with the displacement of street drinkers from the roundels area in nearby Wellington Place.
22. There has been lots of joint patrolling between the council's wardens and police to address non-compliance with this prohibition. As a result, areas like the Roundels in Wellington Place are often not frequented by as many street drinkers. But there has been displacement to adjacent areas like Lower Queens Road around the bus shelters. Several businesses have contacted the council about feeling threatened by the presence of street drinkers, saying that their customers have told them they are reluctant to use the bus shelters.
23. In October 2018 displacement issues and the arrival of a new large group of street drinkers lead to the police making a Dispersal Order. It stated that:

"Over the past few months Police have received numerous complaints from residents around members of public congregating and drinking in an area known as Wellington Square, which they are aware is outside of the PSPO area. As this has gone on the numbers of people congregating and drinking in this area has

increased and we are now receiving daily emails of people drinking, shouting, swearing, urinating and now recently fighting in the area. It is likely without intervention this will continue and there will be further incidents of disorder.”

24. The Dispersal Order prohibited street drinkers from accessing large areas of the town centre and Alexandra Park for a 48 hour period. During which the Police proactively patrolled the area and enforced the Dispersal Order.
25. See appendix two for a map showing the extent of the existing prohibition on consuming alcohol in public spaces, compared with the proposed extension.

The prohibition on overnight sleeping in vehicles

26. This currently only applies to Cinque Ports Way as there was a lot of serious ASB associated with people sleeping in vehicles such as cars, vans and caravans in this area in 2016. Since the ASB PSPO came into force in 2017 ASB associated with people sleeping in vehicles and temporary structures such as tents has increased in other areas of the borough. Examples include caravans in Sea Road and more recently also Napier Road. Plus tents in many of the council’s public parks and open spaces and the beach and seafront.
27. In May 2019 the council’s Enforcement Manager advised that since 2018 he’d received 25 complaints about the issues in Sea Road. The impact of this ASB on the community is multi-faceted. There is a detrimental effect on the quality of life of those in the locality. The caravans can be very unsightly and there are concerns about where the occupants dispose of waste. Some people find the presence of the caravans and their occupants intimidating. They are obstructing parking places provided for people visiting to enjoy the amenity of the seafront, and they have obstructed disabled parking bays, and made it harder to organise the Hastings Half Marathon. Over the last 2 years the council has removed and disposed of several vacated caravans, as they were found to be in a dangerous condition, posing a risk to people using the area.
28. People occupying tents on the beach and foreshore are now a long-standing issue. The wardens dealt with 15 in 2016, 22 in 2017, 13 in 2018, and 7 so far this year. They’re often found to be insanitary and littered with drugs paraphernalia.
29. Some seafront shelters are often unavailable for general use because of people adapting them to sleep in. From time to time the council has needed to dispose of potentially hazardous materials left in the shelters.
30. Our council parks and gardens are also increasingly being used by people sleeping in them in tents. This often results in potential safety issues for other people using the parks, such as children. For example when the occupiers of the tents leave drugs paraphernalia in the vicinity.
31. We therefore proposed extending the prohibition on sleeping overnight in vehicles to cover the other public spaces where this has become a problem. As well as clarifying the definition to include all types of vehicle including caravans, plus temporary structures like tents.

32. Although the council already has powers to deal with this issue, they are potentially more expensive and time consuming than issuing warnings and £100 Fixed Penalty Notices (FPNs) under the provisions of a PSPO. Experience at Cinque Ports Way where this provision has been in place since July 2017, has shown that the problem has mostly not recurred, but when it has and an FPN has been issued this has achieved compliance.
33. See appendix three for a map showing the extent of the existing prohibition on overnight sleeping in vehicles in public spaces, compared with the extensions that were proposed in the consultation.

The prohibition on psychoactive substances.

34. This currently applies within a quite large defined area of the borough covering much of Central St Leonards, the town centre, and the Old Town. Plus much of the seafront including the pier. However, there have been changes to the law outlawing so called 'legal highs', so this prohibition is no longer necessary, and we proposed deleting it.
35. The complete proposed updated ASB PSPO that was consulted on including the associated maps is attached at appendix four.

Consultation feedback on the proposed changes to the ASB PSPO

36. The Council received 30 responses to the consultation. 2 from ward councillors, 1 from the Highways Agency which is responsible for trunk roads in the region, 1 from the East Sussex County Council (ESCC) Director of Communities, Economy and Transport. The county council owns land in the borough and is the local Highways Authority responsible for maintaining roads not falling to the Highways Agency.
37. The remainder were from local residents and in some cases, people working within the local social and caring services network. For example, working with homeless people and people with drink, drug and/or mental health issues. The local police had already contributed extensively to the review that resulted in these proposals and therefore didn't comment formally during the actual consultation.
38. A few of the responses were either totally for or against all of the proposed changes, but many expressed differing views on the various proposals, some positive and some negative. 3 people were opposed to all the proposed changes, but 12 expressed general support for all of them.
39. 4 people specifically expressed support for the enlargement of the alcohol ban area. 1 saying it should be borough wide, and another saying that the location of substance abuse services at Thrift House in the town centre was the main reason that street drinkers frequented this area.
40. 8 people made the point that effective enforcement of the ASB PSPO was essential, and criticised a perceived lack of enforcement.
41. Highways England expressed concern about the proposal to extend the no overnight sleeping in vehicles ban because it might displace such activity to the parts of the A21 and A259 that they manage. They suggested a limited time

parking restriction would be more appropriate. However, this would need to be introduced and enforced by ESCC as an on-street parking enforcement initiative, and they have already advised the council they don't consider the overnight sleeping in vehicles issue a matter for ESCC enforcement.

42. ESCC said they didn't have any comments regarding the proposals from a highways authority perspective. But did suggest that we include a clause banning alcohol within 100m of education sites. But, at present without evidence of a serious persistent problem associated with education sites this can't be justified. The existing 'surrender alcohol if requested to do so' clause can already be used to address issues that might arise in these areas. The proposal to extend the ban on general ASB borough wide could also be used to address ASB near schools. If specific alcohol related issues arise that require consideration of an alcohol ban adjacent to specific education sites this can be considered as a future variation of the ASB PSPO.
43. Whilst supporting the proposals 1 person suggested that the alcohol ban should also be extended to cover Warrior Square Gardens and the Stade Open Space, as this might be helpful when they're being used for events. However, officers carrying out the review were concerned to ensure that people visiting this type of public space and the council's other parks and open spaces, should be able to enjoy alcohol responsibly. For example as part of a family picnic. So, the proposal for council parks and open spaces is to retain the 'surrender alcohol if requested to do so' clause, rather than banning it. Alcohol and regulated entertainment restrictions already apply to events through the Licensing Act 2003.
44. Another person said that the sort of large public events prevalent in Hastings encourage the abuse of alcohol and related ASB. Interestingly, experience of the May Day celebrations over the last 3 years is that there has been far less alcohol related ASB during the event than in previous years.
45. Another person expressed concern about adults cycling on pavements and also about mobility scooters being driven too fast on pavements. The police already have powers to address these issues, and officers are unaware of an evidence base justifying the introduction of further measures via the ASB PSPO at this time.
46. The following extracts from feedback from a town centre resident encapsulate the frustration, and serious concerns of many people who contact the council about ASB. It helps us understand the impact of ASB on some of our residents, and the importance of taking this seriously and doing our best to address it:

"I have repeatedly been in contact with the council regarding the distress caused by the constant drinking, fighting, swearing, drug-taking and public urination that takes place in the shelters and sunken garden in front of the parade....."

Our daughter recently picked up the plastic part of a syringe while walking on the grass area round the back of Debenhams. Businesses are losing money and residents are at their wits' end....."

We work from home, and so this behaviour impacts us constantly. We have no escape and are on the verge of moving. We cannot have windows open in the summer as then we have to listen to shouting and swearing. We cannot leave the

house and turn right as then we have to subject our toddler to unsavoury language. This is a situation that needs to change, for the mental health of residents and for the safety of tourists and visitors.”

47. Another person who stated that they worked in the social caring sector in Hastings supported the proposals. Saying that their client group of elderly people were often intimidated by the presence of street drinkers and this could lead to increased loss of confidence and social exclusion, as they stopped coming out of their homes.
48. 3 respondents fed back on the aggressive begging proposals. 1 said that many beggars were feeding their addictions through begging, and another said that all begging (aggressive or not) should be banned. 1 said that there should be more effective enforcement against begging in the Old Town.
49. There was a lot of feedback on the proposals to extend the areas where sleeping overnight in vehicles is prohibited, and also on the proposal to prohibit camping or sleeping overnight in designated structures such as tents, sheds, stalls, stands, or any other temporary structure, or any public shelter or other structure intended for public use.
50. Views on this were mixed with 3 people saying they supported the proposals, 2 of whom also suggested they should be applied borough wide to prevent displacement. 1 person supported the no overnight sleeping in vehicles/caravans clause, but was against the no sleeping/camping in designated structures clause.
51. However, 8 people were against both proposals. They argued that this was a step towards the council criminalising rough sleeping, and targeted some of the most vulnerable in society. Several said that the proposals would displace and disperse the people and make it much harder for support services to engage with them. Some people thought that the council should be doing more to help the homeless, working more closely with homeless charities, and providing somewhere else for people living in vehicles to go. However, Hastings has some of the best services available anywhere for helping the homeless and people with health issues such as substance abuse.
52. Several of the respondents identified themselves as being part of organisations working with the homeless and people with drink/drug and/or mental health issues in Hastings, citing their own local professional experience.
53. The following is typical of the negative feedback about the no overnight sleeping in vehicles/designated structures proposals:

“I understand that there is a need for HBC to address the needs of rough sleeping as well as addressing anti-social behaviour however the 2 issues are not mutually exclusive. I am concerned that, if approved, these proposals are a step towards the council criminalising rough sleeping. The PSPO should absolutely not target those with nowhere else to live; those in the caravans on Sea Road or the shelters for example do so because they feel safer in this location. Caravans, cars and tents can provide rough sleepers with a very small amount of privacy that would be lacking elsewhere. Although the council is working towards helping those who are rough sleeping (through the RSI and Rapid Rehousing Pathway) there continues to be a shortage of bed spaces and affordable accommodation; rough sleeping is not

something that will be resolved overnight. Furthermore these proposals, if they went ahead, would make it increasingly difficult to engage with rough sleepers, who are already difficult to engage with therefore the time and effort put into the RSI and RRP would be counteracted by the message being given by this enforcement. There is also a risk of rough sleepers disengaging with outreach services, if it is perceived that outreach is somehow linked to the council. It feels as though these approaches are different, and a joined up approach is required.”

54. In addition to the local feedback summarised above, detailed feedback was also made by the human rights organisation Liberty. Their submission is attached at appendix 5. It is included in full because it also opposes the proposals about sleeping in vehicles and designated structures, and questions the lawfulness of the ASB PSPO, and the process we have followed in reviewing it and consulting on the proposed changes. It also raises concerns about the ‘no aggressive begging’ clause.
55. Liberty expressed disappointment because the council didn’t publish evidence to support the proposals. As outlined in the background section of this report, the council’s Community Safety Manager carried out an extensive review of ASB issues in Hastings, and there is no statutory requirement to publish the evidence. However, much of it is summarised in this report.
56. Liberty said the council hasn’t provided a clear explanation of the enforcement penalties for the ASB PSPO. In fact the consultation page on the website included the proposed updated ASB PSPO in full, which sets out information about Fixed Penalty Notices.
57. On page 3 in paragraph 3 Liberty say *“There is a clear risk that the vague terms included in the proposed PSPO (ie. Causing an obstruction) fail to satisfy this requirement, and are therefore unlawful in Article 8 terms”*. However, the Hastings ASB PSPO makes no mention whatsoever of “obstruction” and is clear on the activities that are prohibited.
58. Liberty says that the proposals are a potential interference with the human rights of people sleeping overnight in vehicles, caravans, and designated structures. However, their rights need to be balanced against the rights of people living and working in the areas affected.
59. Liberty quotes Government guidance on the use of PSPOs in relation to rough sleepers and the homeless. It is argued that there may not be sufficient ASB associated with people simply occupying vehicles/caravans/tents etc in places like Sea Road, the foreshore, and the council’s parks and open spaces to warrant the use of PSPO powers.
60. This depends on how we define ASB. In some cases, there is clear ASB such as rubbish, human waste, dangerous drugs paraphernalia, and aggressive and threatening behaviour. In other cases, the occupants may be generally ‘well behaved’ in the vicinity of the vehicle they are occupying, but the unkempt nature of the structures can over time start to have a negative effect on the local environment and wellbeing of local residents, and blight the area. It’s also impossible to predict whether this sort of activity will result in serious ASB or not. Sometimes it does and sometimes it doesn’t.

61. The council's enforcement officers have been dealing with complaints about this type of activity for the last 3 years at various locations such as Sea Road and the foreshore, and more recently parks and open spaces. They have well established arrangements for working with colleagues across housing and other social and caring, and health services within the statutory and voluntary sectors. Any members of the street community the enforcement services are dealing with are also referred to the appropriate support services, and outreach visits made to assess their needs. Such as for housing and support with drug, drink and/or mental health issues.
62. Liberty also argue that it is neither reasonable or necessary to issue £100 Fixed Penalty Notices to beggars, and that it is inappropriate to include begging restrictions within a PSPO. In fact in 2017 when this provision was originally considered, the council concluded that only aggressive begging should be prohibited. The current proposal isn't to expand the prohibition to all forms of begging as requested by some respondents, but only to clarify what is meant by "aggressive begging".
63. They also say that the proposed terminology is still vague. On this point we decided to revisit the previous definitions. As a result, it is proposed that the wording is changed as follows, and that this will be easier to understand and allow common sense discretion by enforcement officers:

4 - Prohibition on aggressive begging within the Restricted Area (Land Edged Black - Map 1)

Persons are prohibited from Aggressive Begging within the Restricted Area. For the purposes of this paragraph, "Aggressive Begging" means:

- a. Approaching people in order to beg for money in a way that people may find intimidating and/or menacing.
- b. Using verbal requests for money, donations, goods or other materials, help or assistance in a way that people may find intimidating and/or menacing.
- c. Loitering or approaching people in close proximity to a cash machine.

This prohibition shall not apply to any authorised collections made on behalf of registered charities or other approved organisations with the prior written express consent of the Authority

64. Based on the Cambridge dictionary definitions of *intimidating* and *menacing*, it is suggested that the addition of these words to the aggressive begging clause will make it easier to understand for the general public, enforcement officers and people who are begging.

Concerns about the council's approach to the street community

65. Some people who responded to the consultation were concerned that the council wasn't doing enough to support the street community and the homeless. In fact Hastings Borough Council continues to provide a comprehensive range of services for the homeless, and works in close partnership with other service providers such

as the Seaview Project, and social and caring services commissioned by the health sector and ESCC.

Rough sleeper engagement/services:

66. The council's warden team communicates instances of rough sleeping prior to any enforcement action to find out whether the rough sleeper(s) are known to the council, engaging to work towards a housing solution, as well as any other information considered relevant such as health problems. The enforcement team considers delaying enforcement action if the rough sleeper is engaging and working towards a solution.

Rough Sleepers Initiative (RSI):

67. The government funded RSI comprises of a multi-disciplinary team, including a housing specialist. The housing specialist will proactively visit rough sleeper locations to assess whether a rough sleeper is eligible for the RSI (entrenched rough sleepers with multiple and complex needs) as well as encourage rough sleepers to engage with local services to work towards finding a housing solution (and other needs such as addressing health problems).

Housing Options Officer (Rough Sleepers):

68. Within the housing options team is an officer dedicated to working with rough sleepers, assessing what statutory duties are owed in accordance with the Housing Act 1996 Part VII (as amended).

Rapid Rehousing Pathway (RRP):

69. The recent government funded RRP has enabled the council to employ 2 officers in Hastings (7 across the county) to work with rough sleepers with low/medium needs.

Seaview Outreach:

70. The council funds Seaview to provide an outreach service twice a week in the early hours of the morning to engage with rough sleepers checking on their wellbeing as well as encouraging them to engage with services.
71. The council's enforcement officers and the local police have well established arrangements in place to link with these services, to ensure that vulnerable people they come across are referred to them.

Proposed amendments to the Anti-Social Behaviour PSPO proposals arising from the consultation feedback

72. Following consideration of the consultation feedback it is suggested that Cabinet should consider whether or not the ASB PSPO proposals we consulted on at appendix 4 should be changed.
73. Officers recommend that the aggressive begging clause should be changed as set out above in paragraphs 63 and 64.

74. Feedback on the sleeping overnight in vehicles, caravans, and designated structures clauses suggests that there is strong feeling against these provisions, and Cabinet may wish to amend or delete them.
75. Some people object to any enforcement action being taken against people occupying what we have described as ‘vehicles, caravans, and designated structures’. However, other people including some living and working in the immediate vicinity want the council to take action to stop this issue.
76. In the past the council has taken a different type of enforcement action to remove caravans/vehicles/tents from council land. So it is possible for the council to address this issue in ways that don’t involve a PSPO. However, they are potentially more time consuming and expensive. In the past the council has applied for repossession of its land in relation to tents on the beach (2016 and 2017) and vehicles and caravans in Cinque Ports Way (2016). On each occasion the Judge granted the Order and it was successfully enforced by the Court Sheriffs. However, on each occasion the cost was significant.
77. Interestingly, Rother District Council which surrounds the borough of Hastings, introduced a PSPO last autumn including the following clause with effect throughout the entire Rother district:
- “No persons, will sleep or deposit any materials used or intended to be used as bedding in any public space within the restricted area identified in Map 1. In the first instance, any person contravening this condition, will be given a warning, advice and/or signposted to support services by Authorised Officers. The order will also apply to persons lying down or sleeping in the open air or within a vehicle or other non-fixed structure such as a caravan or tent without prior permission of the council. This includes shop doorways and car parks.”*
78. Having reviewed the consultation feedback and the latest Home Office guidance, officers recommend that cabinet agrees not to proceed with the original proposals relating to sleeping/camping in vehicles and designated structures set out in clauses D and E of appendix 4. There are several reasons for this:-
- The latest government guidance on PSPOs is that they “should not be used to target people based solely on the fact that someone is homeless or rough sleeping”. Local experience of this issue is mixed. In some cases there has been clear ASB, but this isn’t always the case.
 - Some people responding to the consultation were concerned that these clauses could result in dispersal of vulnerable people, making it much harder for social/caring/housing/health outreach services to engage with them.
 - There are other legal provisions enabling land owners including local authorities to repossess their land.
79. This will mean removing the ‘no overnight sleeping in vehicles’ clause from the existing ASB PSPO which relates to Cinque Ports Way. However, the provision of a height restrictor on the entrance to this area has largely stopped this practice, and if there is any recurrence other legal measures can be used to address it.

80. Officers have drafted an updated version of the ASB PSPO incorporating the changes outlined above. It is attached at appendix 6 and is recommended to Cabinet for approval and implementation instead of the original version that was consulted on.

Alternative legal measures to address illegal ‘camping’

81. The other legal measures already available include:-

Part 55 application under Part 55 Civil Procedure Rules 1998:

Re-possession of land – application made to County Court and once the Order is granted we need the court bailiff to execute warrant. We have in the past asked the police to assist.

Section 77 Criminal Justice and Order Act 1994:

Application to magistrates court requiring unauthorised campers to leave land.

82. These legal powers are also available to East Sussex County Council, in relation to land in their ownership and the highway. But they believe that it is more appropriate for the Borough Council to address this issue, and have refused to take action using these powers.

83. The Borough Council can also use all the other powers contained within the Anti-Social Behaviour, Crime and Policing Act 2014 namely Community Protection Notices, and Criminal Behaviour Orders.

84. We also have Bye Laws that cover the parks and open spaces and 7 nature reserves, and also the foreshore and promenade. Typically they prohibit the erection of structures such as booths, caravans, tents, sheds, whether fixed or movable.

85. East Sussex County Council also have the following powers in their capacity of Highways Authority:-

Section 137 Highways Act 1980 Wilful Obstruction of Highway:

A fixed penalty Notice can be issued. If not paid ESCC could seek to prosecute the offender in the Magistrates Court.

Section 149 Highways Act 1980:

Removal of things so deposited on highways as to be a nuisance. ESCC can seek to recover the reasonable costs of removing the materials and/or apply to the Magistrates Court for a disposal order.

Process for implementing the updated ASB PSPO

86. If Cabinet approves the recommendations in this report the updated ASB PSPO can come into effect on 9th July 2019, and be in force for up to 3 years.

87. As a matter of urgency new signage will be erected in the areas affected by the updated ASB PSPO, and we will also raise awareness of the changes through a combination of media releases, our website, social media posts, and interaction between council front line services such as the Wardens and people who may be

affected by the changes. Our approach to enforcing the changes will take account of the need for updated signage and awareness raising.

88. Any challenge to the PSPO must be made in the High Court by an interested person within six weeks of it being made. An interested person is someone who lives in, regularly works in, or visits the restricted area. This means that only those who are directly affected by the restrictions have the power to challenge. This right to challenge also exists where an Order is varied by a Council.
89. Interested persons can challenge the validity of a PSPO on two grounds. They could argue that the Council did not have power to make the Order, or to include particular prohibitions or requirements, perhaps because there was insufficient evidence of a particular problem. In addition, the interested person could argue that one of the requirements (for instance consultation) had not been complied with.
90. When the application is made, the High Court can decide to suspend the operation of the PSPO pending the verdict in part or in totality. The High Court has the ability to uphold the PSPO, quash it, or vary it.
91. The maximum duration of a PSPO is 3 years. At any point before the expiry, the Council can extend a PSPO by up to 3 years if they consider that it is necessary to prevent the original behaviour from occurring and recurring. However, they should first consult with the local police and any other community representatives they think appropriate. If a new issue arises in an area where a PSPO is in force, the Council can vary the terms at any time. This is the process that has been followed in relation to these proposals.

Enforcement of the ASB PSPO

92. Enforcement of the ASB PSPO will continue to be a partnership between the Council and the Police. The council's warden service achieved Community Safety Scheme Accreditation from the Chief Constable in January 2018. This means they can be authorised to use additional powers normally only available to the Police. For example requiring the surrender of alcohol, and requiring a person suspected of committing an offence to provide their name and address.
93. Since the introduction of the original PSPO in 2017 the warden service has updated their operating procedures and now uses body worn video to help evidence their interaction with potential offenders, and safeguard their health and safety. Given the nature of some of the offending behaviour the wardens will continue to require police support, including some joint patrolling.
94. When fully staffed the warden service consists of 2 Lead Wardens and 8 Wardens. Unfortunately we have experienced some staff retention and recruitment problems during the last 2 years. However, we have just reviewed and improved the salary structure for the service, and are advertising our 2 remaining vacancies.
95. The warden team have spent a lot of time patrolling and enforcing the provisions of the ASB PSPO and dealing with other ASB issues. This enforcement work includes the following:-

- 216 verbal warnings (120 for drinking, 91 for aggressive begging and 5 for general ASB)
- 25 Community Protection Warnings (10 for drinking, 15 for aggressive begging). These are a required before a Community Protection Notice can be issued.
- 11 Community Protection Notices (5 for drinking and 6 for aggressive begging).
- 10 Fixed penalty Notices (9 for alcohol offences and 1 for aggressive begging).

96. On the 24th June a case was heard at Hastings Magistrates for a well-known street drinker. The case related to the offence of failure to comply with a community protection notice in regards to possession of alcohol. He was represented at Court but found guilty.

97. 3 other cases of CPN prosecutions for drinking and aggressive begging have been closed. This was because one offender went to prison for a more serious offence. Another left the area so the offending stopped, and in the third case the offender changed their behaviour and stopped offending. If any of these people started to offend again we would consider re-opening their cases.

98. In another case a potential injunction was not pursued as the offender relocated to Brighton, and so the offending stopped. We have another pending prosecution for breach of a Community Protection Notice for drinking.

Policy Implications

Financial Implications

99. There are costs associated with the proposed variation of the ASB PSPO. This primarily relates to the design, manufacture and erection of new signage throughout the areas affected by the proposed changes. However, it's anticipated that the costs can be met from within existing budgets.

Local people's Views

100. The consultation process has taken account of local people's views.

Crime and Fear of Crime/Environmental Issues

101. The updated PSPOs should have a positive impact on crime and fear of crime. However, the degree of success will be dependent upon the council's ability to recruit and retain a full complement of wardens, and the continued support of the police.

Environmental Issues

102. Enforcement of the updated ASB PSPO should have a positive impact on the local environment as enviro-crime is often associated with the sort of ASB that the PSPO prohibits.

Equalities and Community Cohesiveness

103. From an equalities and community cohesiveness perspective, ASB issues associated with the wider street community have continued to generate a lot of complaints and probably undermined community cohesiveness. It is hoped that if the ASB PSPO is updated community cohesiveness will improve, and enforcement linked with assertive outreach support will help vulnerable members of the street community to address their health and wellbeing issues, and improve their quality of life.
104. In 2017 when the Council first considered introducing the ASB PSPO it carried out equalities impact screening. This identified that enforcement of the ASB PSPO would involve work with vulnerable people such as the street community. However, it concluded that there would be no discrimination against any group with protected characteristics. In fact the local multi-agency approach to addressing issues associated with the street community should result in greater access to support services. So there is no requirement to carry out a full Equalities Impact Assessment.

Organisational Consequences

105. There will also be significant continuing demands on our Legal Services providing ongoing advice and support to our enforcement officers, for example when enforcement action is required in the local Magistrates Court.

Timetable of Next Steps

| Action | Key milestone | Due date (provisional) | Responsible |
|---|---|--|--|
| Cabinet approves proposals to vary the ASB PSPO | Cabinet meeting on 8 th July 2019 | 8 th July 2019 | Assistant Director Environment and Place |
| | Chief Legal Officer varies and extends the ASB PSPO | 9 th July 2019 | Chief Legal Officer |
| | New explanatory signage put up throughout the borough | Week commencing 29 th July 2019 | Community Safety Manager |
| | Awareness Raising | 15 th July 2019 | Community Safety Manager |

Wards Affected

Report Template v29.0

Policy Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes

Climate change implications considered? Yes.

This report doesn't propose any new measures relevant to climate change.

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

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

Additional Information

Anti-social Behaviour, Crime and Policing Act 2014: Reform of anti-social behaviour powers - Statutory guidance for frontline professionals published by the Home Office July 2014

Tackling Street Drinking - Police and Crime Commissioner Guidance on Best Practice - published by the National Consortium of Police and Crime Commissioners November 2016

Local Government Association: Public Spaces Protection Orders – Guidance for councils – February 2018.

Appendices

Appendix 1 - map showing the extent of the existing prohibition on general ASB, compared with the proposed borough wide extension.

Appendix 2 - map showing the extent of the existing prohibition on consuming alcohol in public spaces, compared with the proposed extension.

Appendix 3 – map showing the extent of the existing prohibition on overnight sleeping in vehicles in public spaces, compared with the proposed extensions.

Appendix 4 – Version of ASB PSPO that was used for the consultation including the associated maps.

Appendix 5 – Feedback on consultation from Liberty.

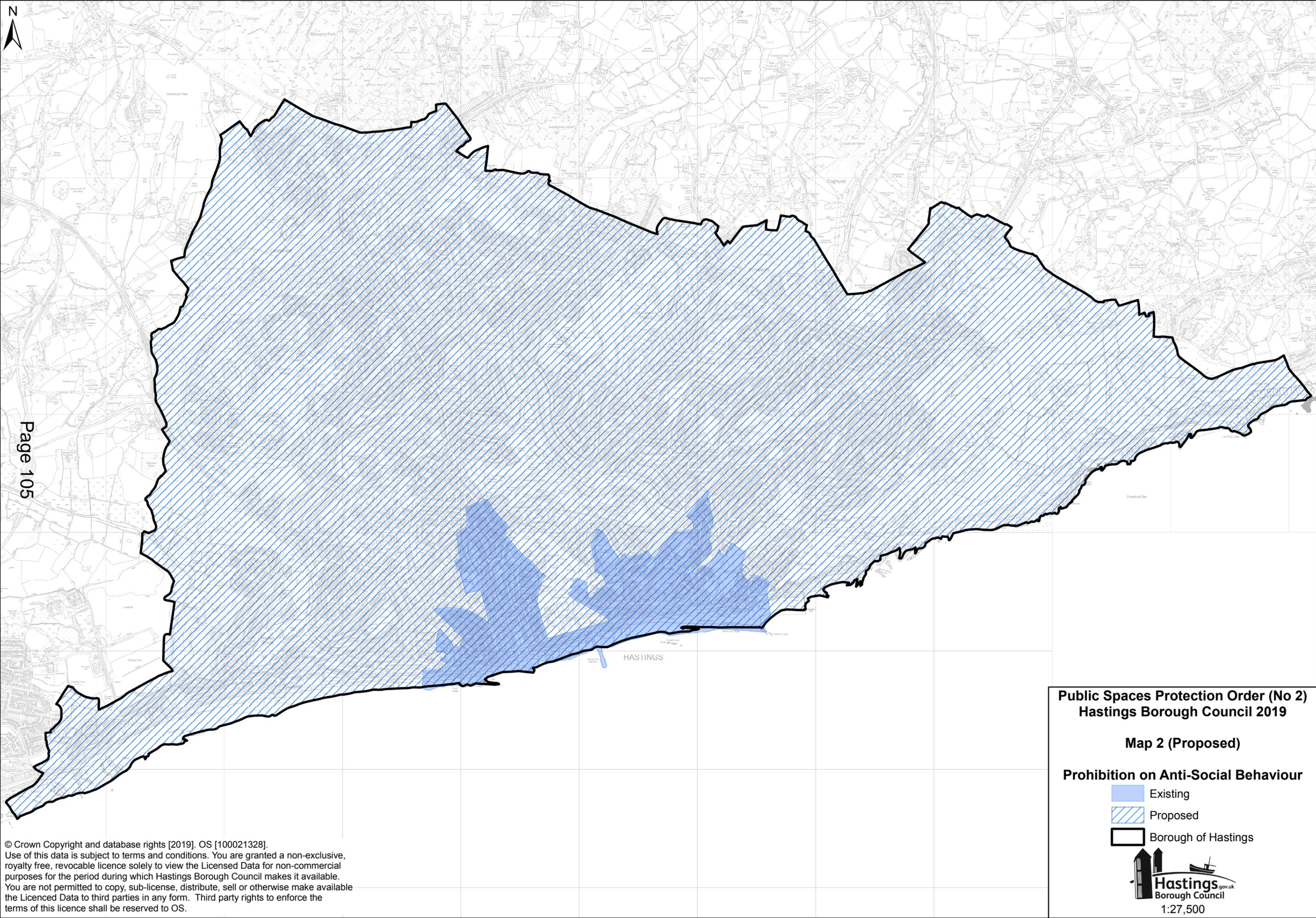
Appendix 6 – Post consultation updated version of the ASB PSPO recommended to Cabinet.

Officer to Contact

Mike Hepworth - Assistant Director Environment and Place

mhepworth@hastings.gov.uk

01424 783332



**Public Spaces Protection Order (No 2)
Hastings Borough Council 2019**

Map 2 (Proposed)

Prohibition on Anti-Social Behaviour

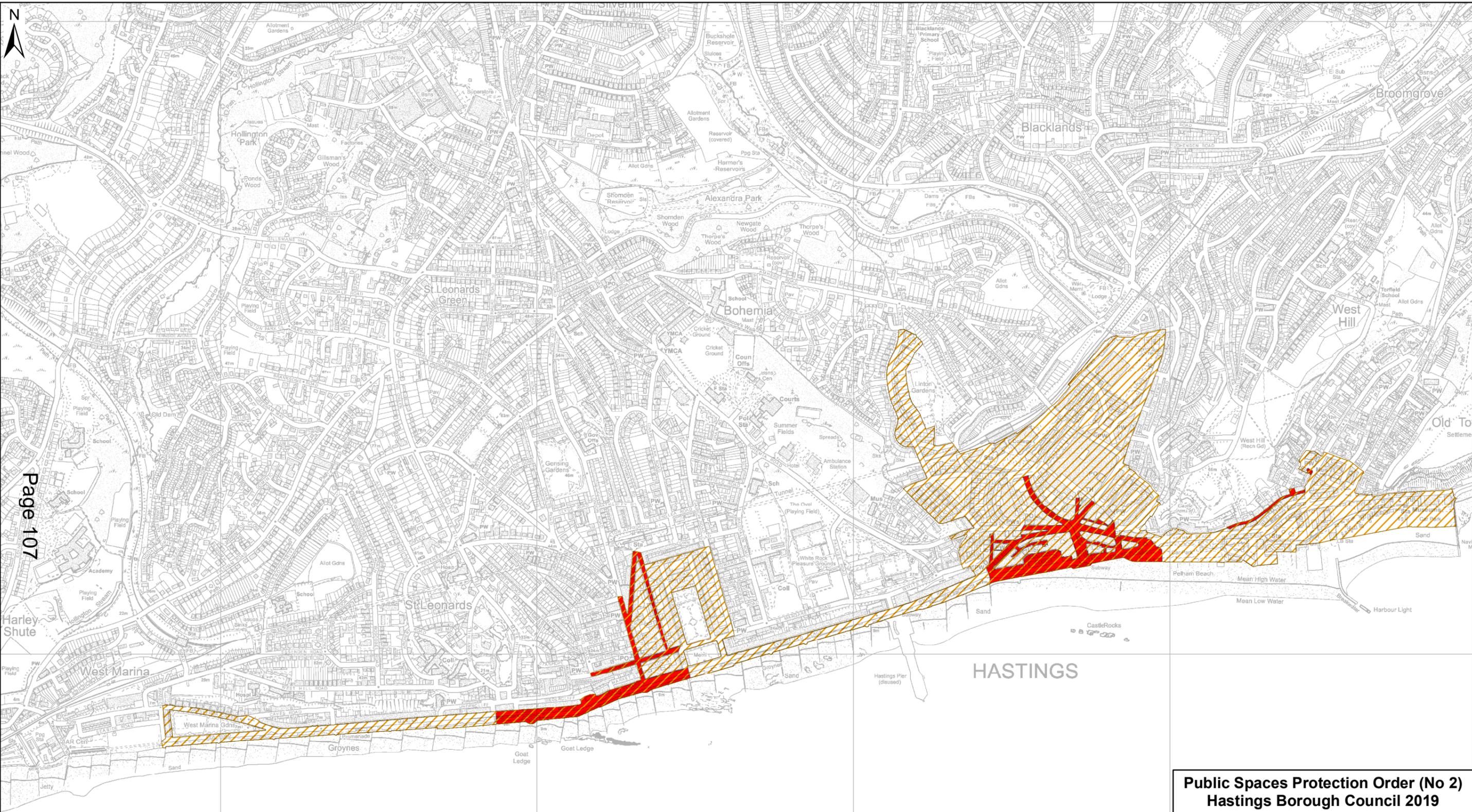
-  Existing
-  Proposed
-  Borough of Hastings



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**Public Spaces Protection Order (No 2)
Hastings Borough Council 2019**

Map 3 (Proposed)

Prohibition on Alcohol

- Existing
- Proposed



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**Public Spaces Protection Order (No 2)
Hastings Borough Council 2019**

Map 4 (Proposed)

**Prohibition on Overnight Sleeping in
vehicles/temporary structures**

- Existing
- Proposed



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The Anti-Social Behaviour, Crime and Policing Act 2014

The Public Spaces Protection Order (No 2) Hastings Borough Council 2017

In exercise of the power under Section 59 of the Anti-Social Behaviour, Crime and Policing Act 2014 (the Act) being satisfied that the conditions set out in Section 59 of the Act have been met Hastings Borough Council (in this order called "the Authority") hereby makes the following Order.

This Order came into effect on 12 June 2017 for a period of 3 years and was subsequently varied and extended for a further period of 3 years on XXXX 2019.

This Order relates to various public spaces within the Borough. The plan of the whole Borough of Hastings is marked as Map 1, being public space in the Council's area to which the Act applies.

The effect of the Order is to impose the following prohibitions at all times within the relevant Restricted Areas:-

BY THIS ORDER

A - Prohibition on Drinking in Public Place within the Restricted Area (land coloured red - Map 2)

1. (i) All persons are restricted from drinking alcohol in any public place located within the Restricted Area. This provision does not apply to alcohol being consumed within premises licensed under the Licensing Act 2003 or S115E of the Highways Act 1980.

(ii) Where an Authorised Person reasonably believes that a person is consuming alcohol or has been consuming alcohol in breach of Paragraph A.1.(i) (above) then the Authorised Person may require that the person must stop consuming alcohol or anything which the Authorised Person reasonably believes is an alcoholic beverage and the Authorised Person may require that the person must surrender any alcohol, or anything which the Authorised Person reasonably believes to be alcohol, that is in the person's possession including a container for alcohol.
2. Surrender Alcohol on request within the Borough of Hastings (Land Edged Black - Map 1)
Where an Authorised Person reasonably believes that a person is, has or intends to consume alcohol within the Borough of Hastings and is causing or is likely to cause nuisance or annoyance or alarm or distress or harassment to a member of the public, or disorder associated with the consumption of alcohol then the Authorised Person may require that the person must surrender any alcohol, or anything which the

Authorised Person reasonably believes to be alcohol, that is in the person's possession including a container for alcohol.

Disposal of alcohol may be undertaken by the Authorised Person in whatever way he or she thinks fit.

B – Prohibition on Anti-Social Behaviour within the Borough of Hastings (Land Edged Black - Map 1)

1. Persons are prohibited from intentionally or recklessly, shouting, swearing, screaming or acting in a manner to cause, or likely to cause, nuisance or annoyance or alarm or distress or harassment to a member of the public, or disorder within the Borough of Hastings.

C - Prohibition on aggressive begging within the Restricted Area (Land Edged Black - Map 1)

Persons are prohibited from Aggressive Begging or intimidating begging within the Restricted Area. For the purposes of this paragraph, “Aggressive Begging” means:

- a. Approaching people in order to beg for money.
- b. Using verbal requests for money, donations, goods or other materials, help or assistance.
- c. Loitering or approaching people in close proximity to a cash machine.

This prohibition shall not apply to any authorised collections made on behalf of registered charities or other approved organisations with the prior written express consent of the Authority

D - Prohibition of sleeping or camping in vehicles within the Restricted Area (land coloured green - Map 3)

1. Persons are prohibited from camping, sleeping or staying in a Vehicle between the hours of 10pm and 6am within the Restricted Area.
2. For the purposes of Paragraph D.1 above, “Vehicle” has the same meaning as “motor vehicle” in Section 11 of the Refuse Disposal (Amenity) Act 1978 which states a motor vehicle means a mechanically propelled vehicle intended or adapted for use on roads, whether or not it is in a fit state for such use, and includes any trailer intended or adapted for use as an attachment to such a vehicle, any chassis or body, with or without wheels, appearing to have formed part of such a vehicle or trailer and anything attached to such a vehicle or trailer.
3. For the avoidance of doubt, the definition of Vehicle at Paragraph D.2 above includes but is not limited to any car, van, caravan or motorhome and/or any part of the same, regardless of its condition.

E. Prohibition of camping or sleeping in Designated Structures within the Restricted Area (land coloured green - Map 3)

1. Persons are prohibited from camping, sleeping or staying in a Designated Structure between the hours of 10pm and 6am within the Restricted Area.
2. For the purposes of Paragraph E.1 (above), a “Designated Structure” is any tent, shed, stall, stand, or any other temporary structure, or any public shelter or other structure intended for public use.

AUTHORISED PERSON

For the purposes of the above prohibitions an 'Authorised Person' means a constable, a police community support officer or a person so authorised by the Authority.

EXEMPTIONS

Nothing in Prohibition A, 1 & 2 (alcohol) shall apply to:-

- a) Premises authorised by a premises licence to be used for the supply of alcohol;
- b) Premises authorised by a club premises certificate to be used by the club for the supply of alcohol;
- c) A place within the curtilage of premises within paragraph (a) or (b);
- d) Premises which by virtue of Pt 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within 30 minutes before that time;
- e) A place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under S115 of the Highways Act 1980 (highway related uses);
- f) Council-operated licensed premises -
 - (i) When the premises are being used for the supply of alcohol, or
 - (ii) Within 30 minutes after the end of a period during which the premises have been used for the supply of alcohol.

OFFENCES

- (a) A person commits an offence if they fail, without reasonable excuse, to comply with an Authorised Person's request pursuant to Paragraph A above that the person:
 - i. Stop consuming alcohol or anything which the Authorised Person reasonably believes is an alcoholic beverage, and/or
 - ii. Surrender any alcohol or anything which the Authorised Person reasonably believes to be alcohol, that is in the person's possession including a container for alcohol, and

And the Authorised Person told the person that failing without reasonable excuse to comply with the requirement was an offence. A person convicted of an offence under this Sub-Paragraph (a) is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

- (b) A person commits an offence if he breaches a prohibition listed in Paragraphs B-E above without reasonable excuse. A person convicted of an offence under this Sub-Paragraph (b) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

FIXED PENALTIES

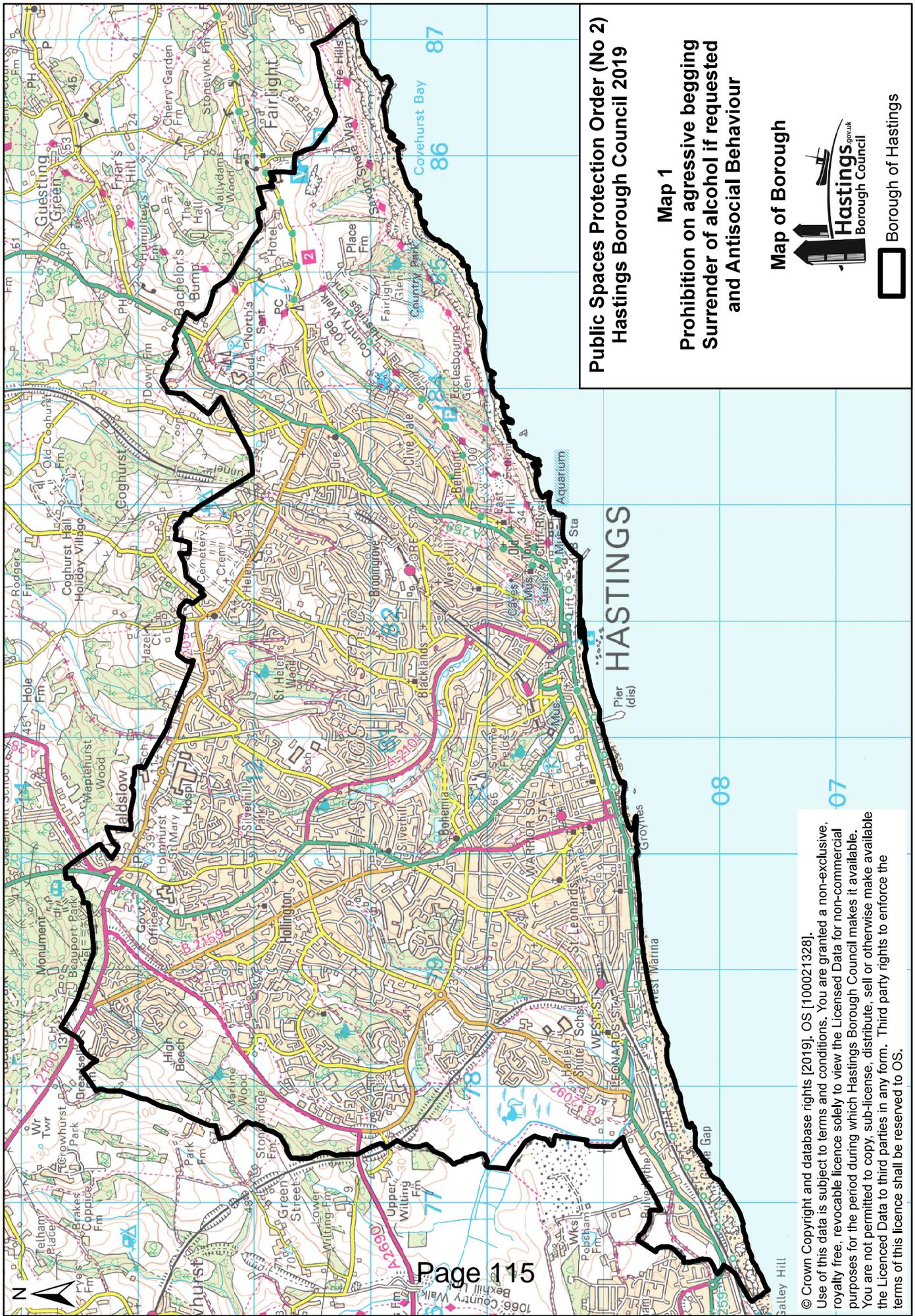
- a) An Authorised Person may issue a fixed penalty notice (FPN) of up to £100 to anyone he or she has reason to believe has committed an offence as described above.
- b) A FPN is a notice offering the person to whom it is issued the opportunity of discharging any liability to conviction for the offence by payment of a fixed penalty to a local authority specified in the notice.
- c) Where a person is issued with a notice under this section in respect of an offence;
- (i) No proceedings may be taken for the offence before the end of the period of 14 days following the date of the notice, and
 - (ii) The person may not be convicted of the offence if the person pays the fixed penalty before the end of that period.
- d) A FPN will give reasonably detailed particulars of the circumstances alleged to constitute the offence, it will state the period during which proceedings will not be taken for the offence; it will specify the amount of fixed penalty; it will state the name and address where payment should be made and specify the permissible methods of payment.

THE COMMON SEAL of HASTINGS

BOROUGH COUNCIL was hereunto affixed the



Authorised Signatory



**Public Spaces Protection Order (No 2)
Hastings Borough Council 2019**

Map 1

**Prohibition on aggressive begging
Surrender of alcohol if requested
and Antisocial Behaviour**

Map of Borough



Borough of Hastings

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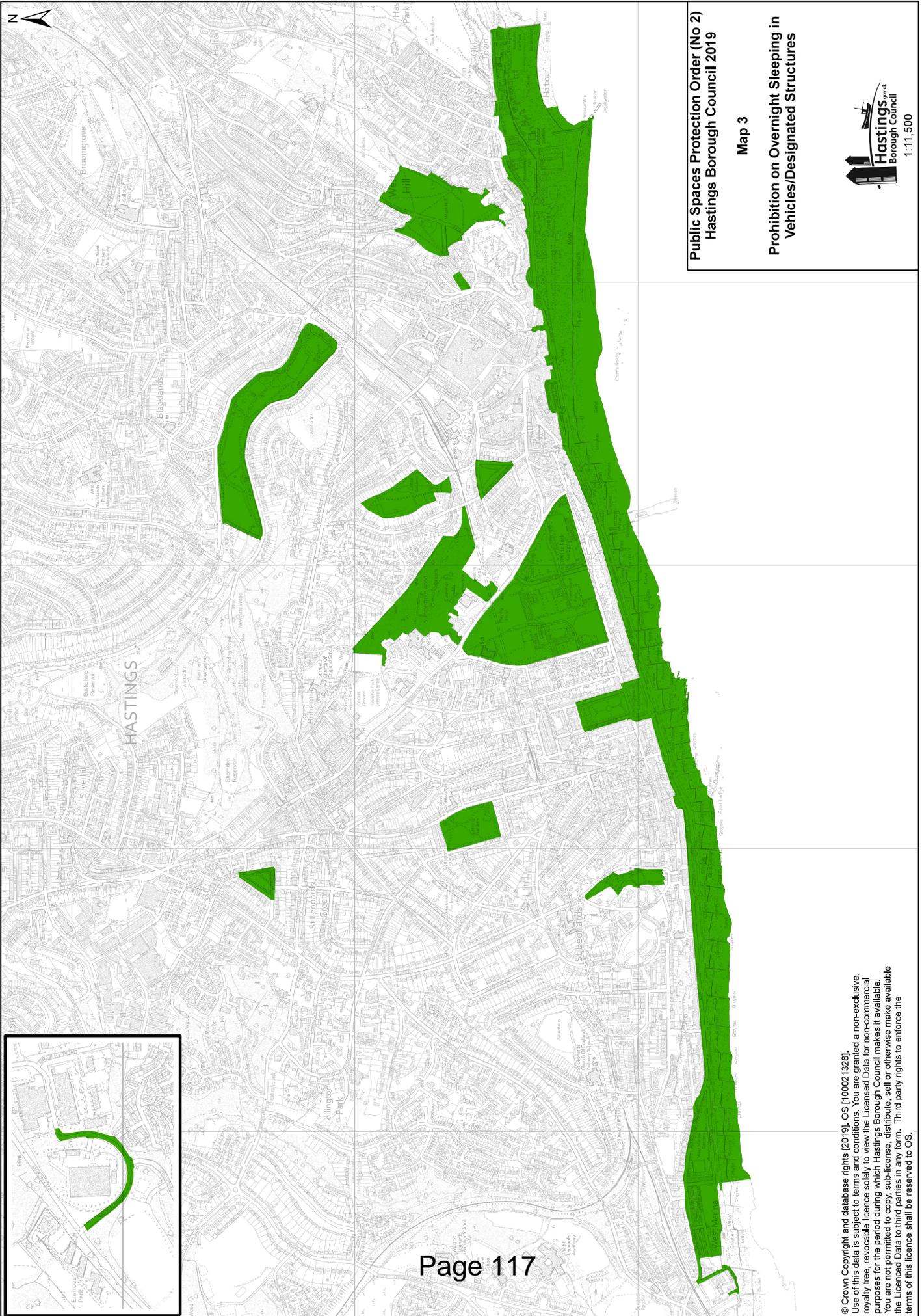
**Public Spaces Protection Order (No 2)
Hastings Borough Council 2019**

Map 2

Prohibition on Alcohol



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**Public Spaces Protection Order (No 2)
Hastings Borough Council 2019**

Map 3

**Prohibition on Overnight Sleeping in
Vehicles/Designated Structures**



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LIBERTY

Community Safety
Hastings Borough Council,
Muriel Matters House, Breeds Place
Hastings, East Sussex
TN34 3UY

10 May 2019

LAWYERS

HEAD OF LEGAL CASEWORK
Emma Norton, Solicitor

Rosie Brighthouse, Solicitor
Debaleena Dasgupta, Solicitor
Lara ten Caten, Solicitor
Megan Goulding, Solicitor

The solicitors employed by Liberty are individually authorised and regulated by the Solicitors Regulation Authority

BY EMAIL TO consultation@hastings.gov.uk

Dear Madam / Sir

The Public Spaces Protection Order (No 2) Hastings Borough Council 2017

I write in relation to the proposed extension of the above-referenced Public Spaces Protection Order ('the PSPO'), as set out on your website.

1. Background to Liberty's concerns

Liberty has been concerned about the impact of PSPOs since their inception and has successfully persuaded a number of local authorities not to pursue their proposed PSPOs. We are particularly concerned about the potential misuse of PSPOs, especially those that punish poverty-related behaviours such as rough sleeping or begging. For the reasons set out below, we disagree with your proposed PSPO.

2. Lack of evidence

We are disappointed that no evidence has been published on the Council's website to support extending the PSPO. Hastings Borough Council ('the Council') is required by s. 59 of the Anti-Social Behaviour, Crime and Policing Act 2014 ('the 2014 Act') to be satisfied on reasonable grounds that the conditions to implement a PSPO are met before it can lawfully make a decision to introduce a PSPO. The Council cannot reasonably be satisfied of the relevant conditions without first considering robust evidence on the situation in the area which will be covered by the proposed PSPO. However no data or other forms of evidence are actually provided. This is especially

concerning given how extensive the provisions of the PSPO are, and the broad range of behaviours it prohibits. Has there been any thorough assessment of the impact of extending the PSPO? If so, it should have been published in the call for consultation.

By way of comparison, we have found that other councils have relied on, and published, data, witness statements, police reports, surveys, impact assessments, and many other sources of information to justify the need for a PSPO before setting out a proposed order and starting a consultation. Furthermore, when considering any evidence the Council should ensure that its consultation has heard a representative sample of views, including from those who will be negatively affected by the PSPO, who are likely to be among the most vulnerable and marginalised members of the community and may be difficult to reach through normal forms of public consultation.

We also note that the consultation page on your website does not explain clearly to the public what enforcement options a PSPO gives rise to. It does not explain, for example, that the only punishment available for breaching a PSPO is a monetary penalty. Any responses to the survey are therefore unlikely to be sufficiently well informed as the suitability of a PSPO for dealing with the issues raised in the consultation.

3. Rough sleeping

- ***Prohibitions D and E – sleeping or camping in vehicles or designated structures within restricted area***

We are concerned that these vague provisions would grant an excessively broad discretion to enforcement officers and might be used to wrongly target those who may be sleeping rough in the PSPO area, and not causing a nuisance or engaging in violent or anti-social behaviour.

The Government's statutory guidance, issued on 17 December 2017, clearly advises against such targeting:

“Public Spaces Protection Orders should not be used to target people based solely on the fact that someone is homeless or rough sleeping, as this in itself is unlikely to mean that such behaviour is having an unreasonably detrimental effect on the community's quality of life which justifies the restrictions imposed. PSPOs should be used only to address any specific behaviour that is causing a detrimental effect on the community's quality of life *which is within the control of the person concerned*.”¹

¹ Home Office, 'Anti-social Behaviour, Crime and Policing Act 2014: Anti-social behaviour powers', Statutory guidance for frontline professionals, p 51. Available at <https://www.gov.uk/government/publications/anti-social-behaviour-crime-and-policing-bill-anti-social-behaviour>.

People sleeping in tents or vehicles because they are homeless are likely to have no other choice, aside from sleeping rough in the street; their behaviour therefore is not within their control. By criminalising their behaviour, the council is forcing them to choose between being penalised for sleeping in a tent or vehicle, and sleeping rough with no protection, putting them at risk of experiencing attacks and abuse. According to research from Crisis, *“people sleeping on the street are almost 17 times more likely to have been victims of violence, and 15 times more likely to have suffered verbal abuse in the past year, compared with the general public. This includes being hit or kicked, or urinated on.”*²

The presence of rough sleepers in an area is a *symptom* of poverty and of the detrimental impact of economic inequality and other factors, not the cause. According to official data (which is likely to under-estimate the actual scale of the problem), the number of rough sleepers in Hastings has steadily increased in recent years to about 10 times the number recorded in 2010, putting Hastings at 8th highest by the number of rough sleepers per capita, out of all local authorities in England. Hastings also has the 4th highest percentage of statutory homelessness in England.³ A PSPO will do nothing to deal with the root causes of such problems.

These provisions also constitute a potential interference with Article 8 of the European Convention of Human Rights (‘the Convention’). Local authorities are bound by section 6 of the Human Rights Act 1998 not to act in any way which is incompatible with any rights contained in the Convention. Article 8 of the Convention extends to the protection of personal autonomy and can apply to activities conducted in public; this is especially true of the homeless whose scope for private life is highly circumscribed. Any interference with this right must be ‘in accordance with the law’, a concept which has been interpreted to mean that any relevant legal provision must be circumscribed with precision and allow sufficient foreseeability of its breadth and consequences.⁴ There is a clear risk that the vague terms included in the proposed PSPO (i.e. causing an obstruction) fail to satisfy this requirement, and are therefore unlawful in Article 8 terms.

There are well-established links between homelessness and disability, based on a range of academic studies in this area.⁵ This is recognised in the Government’s August 2018 *Rough Sleeping Strategy*, which sets out as one of its goals to “*address associated issues such as substance misuse and mental health issues which*

² <https://www.theguardian.com/commentisfree/2019/mar/11/homeless-people-rough-sleepers>

³ Ministry of Housing, Communities & Local Government, ‘Rough sleeping statistics England autumn 2018: tables 1, 2a, 2b and 2c’ at <https://www.gov.uk/government/statistical-data-sets/live-tables-on-homelessness>

⁴ *Gillan and Quinton v UK* (Application no. 4158/05), ECtHR.

⁵ See for instance Fitzpatrick, S., Bramley, G. and Johnsen, S. (2013) [‘Pathways into multiple exclusion homelessness in seven UK cities’](#), *Urban Studies* 50(1), p 158.

frequently contribute to repeat homelessness.”⁶ There is therefore a risk that these provisions would unlawfully discriminate against disabled people. There is no indication that the Council has conducted an Equality Impact Assessment or in any other way considered the equalities implications of the proposed PSPO. Failure to do so is likely to amount to a breach of the Equality Act 2010.

4. Begging

• **Prohibition C – ‘Aggressive Begging’**

As mentioned above, the Council is required by s. 59 of the Anti-Social Behaviour, Crime and Policing Act 2014 to be satisfied on reasonable grounds that the conditions to implement a PSPO are met. Further, the Council can only impose PSPO requirements that it is reasonable to impose. It is clearly not reasonable to impose requirements that are simply not needed. It is not reasonable (or efficient) to impose fines on people who cannot afford to pay them. We note that recently, Southampton City Council scrapped fines for begging under its PSPO, because *"[f]ew of these fixed penalties were paid and they did little to change the behaviour of these individuals."*⁷

The only method of enforcing a PSPO is by way of a Fixed Penalty Notice (‘FPN’) of up to £100 or, upon prosecution, a fine of up to £1,000. A PSPO does not give council officers, police officers or Magistrates any other additional powers, including dispersal powers or powers to require engagement with substance misuse services, for example.

As a specific example, this contrasts with a prosecution for begging under the Vagrancy Act 1824, which can give rise to the imposition of a community sentence as an alternative to a fine or sentence of imprisonment. Prosecution for breaching a PSPO cannot, other than in the most exceptional circumstances, lead to the imposition of a community sentence. A PSPO is an extremely blunt and inappropriate measure to use when dealing with the effects of poverty. It is therefore likely that this provision will be ineffective. As the statutory guidance suggests, *“introducing a blanket ban on a particular activity may simply displace the behaviour and create victims elsewhere.”*⁸

Your consultation documents purport to clarify the begging provisions in the renewed PSPO by restricting the prohibition to only “aggressive begging” and not “passive begging” because the previous PSPO as worded is “a little ambiguous on this”. However the new PSPO defines “Aggressive Begging” so widely as to make the term “aggressive” meaningless. The definition includes, for instance, “loitering...in

⁶ See [Rough Sleeping Strategy](#), August 2018, p 44 [para 124.].

⁷ ‘Southampton begging fines removed by council’, BBC News, 16 April 2019.

⁸ Statutory guidance, p 49.

close proximity to a cash machine"; and "using verbal requests for money" (with no mention of any requirement that such requests should involve aggressive or anti-social behaviour as such).

We note that, according to the Index of Multiple Deprivation 2015, Hastings is the 13th most deprived area in England (having deteriorated from being 20th most deprived in 2010),⁹ and 8th most deprived on the 'Employment Deprivation' measure, out of 326 local authorities.¹⁰ It is therefore highly likely that a significant portion of people begging in the proposed PSPO area are doing so because they are in need of financial help. No one in that situation should be fined and criminalised. The PSPO does not provide an effective mechanism for distinguishing between such people and those who may be begging despite having adequate subsistence through other means. There is therefore a significant risk of the genuinely desperate being penalised with ineffective fines which do nothing to address the causes of their behaviour.

CONCLUSION

We appreciate that the plans are still at an early stage; however this proposed PSPO is potentially not only unlawful and unreasonable, it is also a disproportionate interference with basic rights and will not alleviate poverty or its detrimental effect on the community. Poverty and homelessness can only be made worse by such measures. We urge you to think again before making this PSPO.

Yours faithfully



Rosie Brighthouse
Solicitor

⁹'The English Indices of Deprivation 2015', Statistical Release, p 14. See the data and statistical release at <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2015>. See also map at <http://dclgapps.communities.gov.uk/imd/idmap.html>.

¹⁰ IMO 2015, Statistical Release, p 22.

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The Anti-Social Behaviour, Crime and Policing Act 2014

The Public Spaces Protection Order (No 2) Hastings Borough Council 2017

In exercise of the power under Section 59 of the Anti-Social Behaviour, Crime and Policing Act 2014 (the Act) being satisfied that the conditions set out in Section 59 of the Act have been met Hastings Borough Council (in this order called "the Authority") hereby makes the following Order.

This Order came into effect on 12 June 2017 for a period of 3 years and was subsequently varied and extended for a further period of 3 years on 9th July 2019.

This Order relates to various public spaces within the Borough. The plan of the whole Borough of Hastings is marked as Map 1, being public space in the Council's area to which the Act applies.

The effect of the Order is to impose the following prohibitions at all times within the relevant Restricted Areas:-

BY THIS ORDER

1. Prohibition on Drinking in Public Place within the Restricted Area (land coloured red - Map 2)

(i) All persons are restricted from drinking alcohol in any public place located within the Restricted Area. This provision does not apply to alcohol being consumed within premises licensed under the Licensing Act 2003 or S115E of the Highways Act 1980.

(ii) Where an Authorised Person reasonably believes that a person is consuming alcohol or has been consuming alcohol in breach of Paragraph 1.(i) (above) then the Authorised Person may require that the person must stop consuming alcohol or anything which the Authorised Person reasonably believes is an alcoholic beverage and the Authorised Person may require that the person must surrender any alcohol, or anything which the Authorised Person reasonably believes to be alcohol, that is in the person's possession including a container for alcohol.

2. Surrender Alcohol on request within the Borough of Hastings (Land Edged Black - Map 1)

Where an Authorised Person reasonably believes that a person is, has or intends to consume alcohol within the Borough of Hastings and is causing or is likely to cause nuisance or annoyance or alarm or distress or harassment to a member of the public, or disorder associated with the consumption of alcohol then the Authorised Person may require that the person must surrender any alcohol, or anything which the Authorised Person reasonably believes to be alcohol, that is in the person's possession including a container for alcohol.

Disposal of alcohol may be undertaken by the Authorised Person in whatever way he or she thinks fit.

3. Prohibition on Anti-Social Behaviour within the Borough of Hastings (Land Edged Black - Map 1)

Persons are prohibited from intentionally or recklessly, shouting, swearing, screaming or acting in a manner to cause, or likely to cause, nuisance or annoyance or alarm or distress or harassment to a member of the public, or disorder within the Borough of Hastings.

4. Prohibition on aggressive begging within the Restricted Area (Land Edged Black - Map 1)

Persons are prohibited from Aggressive Begging within the Restricted Area. For the purposes of this paragraph, "Aggressive Begging" means:

- a. Approaching people in order to beg for money in a way that people may find intimidating and/or menacing.
- b. Using verbal requests for money, donations, goods or other materials, help or assistance in a way that people may find intimidating and/or menacing.
- c. Loitering or approaching people in close proximity to a cash machine.

This prohibition shall not apply to any authorised collections made on behalf of registered charities or other approved organisations with the prior written express consent of the Authority

AUTHORISED PERSON

For the purposes of the above prohibitions an 'Authorised Person' means a constable, a police community support officer or a person so authorised by the Authority.

EXEMPTIONS

Nothing in Prohibition 1, i & ii (alcohol) shall apply to:-

- a) Premises authorised by a premises licence to be used for the supply of alcohol;
- b) Premises authorised by a club premises certificate to be used by the club for the supply of alcohol;
- c) A place within the curtilage of premises within paragraph (a) or (b);
- d) Premises which by virtue of Pt 5 of the Licensing Act 2003 may at the relevant time be used for the supply of alcohol or which, by virtue of that Part, could have been so used within 30 minutes before that time;
- e) A place where facilities or activities relating to the sale or consumption of alcohol are at the relevant time permitted by virtue of a permission granted under S115 of the Highways Act 1980 (highway related uses);
- f) Council-operated licensed premises -
 - (i) When the premises are being used for the supply of alcohol, or
 - (ii) Within 30 minutes after the end of a period during which the premises have been used for the supply of alcohol.

OFFENCES

- (a) A person commits an offence if they fail, without reasonable excuse, to comply with an Authorised Person's request pursuant to Paragraph 1 above that the person:
- i. Stop consuming alcohol or anything which the Authorised Person reasonably believes is an alcoholic beverage, and/or
 - ii. Surrender any alcohol or anything which the Authorised Person reasonably believes to be alcohol, that is in the person's possession including a container for alcohol, and

And the Authorised Person told the person that failing without reasonable excuse to comply with the requirement was an offence. A person convicted of an offence under this Sub-Paragraph (a) is liable on summary conviction to a fine not exceeding level 2 on the standard scale.

- (b) A person commits an offence if he breaches a prohibition listed in Paragraphs 2-3 above without reasonable excuse. A person convicted of an offence under this Sub-Paragraph (b) is liable on summary conviction to a fine not exceeding level 3 on the standard scale.

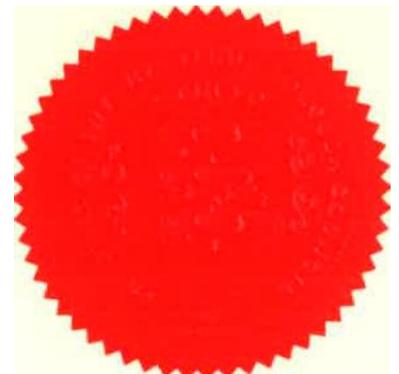
FIXED PENALTIES

- a) An Authorised Person may issue a fixed penalty notice (FPN) of up to £100 to anyone he or she has reason to believe has committed an offence as described above.
- b) A FPN is a notice offering the person to whom it is issued the opportunity of discharging any liability to conviction for the offence by payment of a fixed penalty to a local authority specified in the notice.
- c) Where a person is issued with a notice under this section in respect of an offence;
- (i) No proceedings may be taken for the offence before the end of the period of 14 days following the date of the notice, and
 - (ii) The person may not be convicted of the offence if the person pays the fixed penalty before the end of that period.
- d) A FPN will give reasonably detailed particulars of the circumstances alleged to constitute the offence, it will state the period during which proceedings will not be taken for the offence; it will specify the amount of fixed penalty; it will state the name and address where payment should be made and specify the permissible methods of payment.

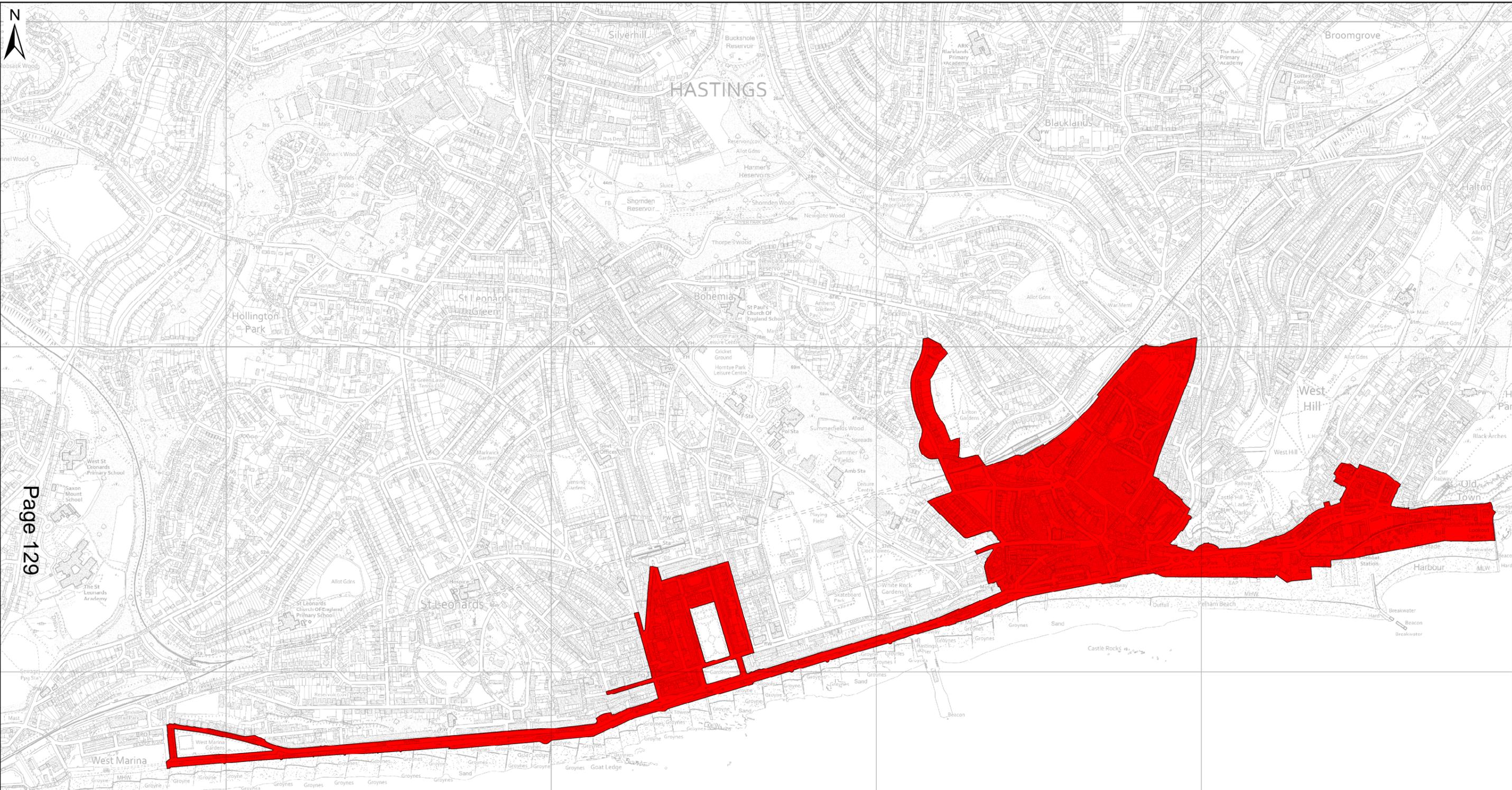
THE COMMON SEAL of HASTINGS

BOROUGH COUNCIL was hereunto affixed the

Authorised Signatory



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**Public Spaces Protection Order (No 2)
Hastings Borough Council 2019**

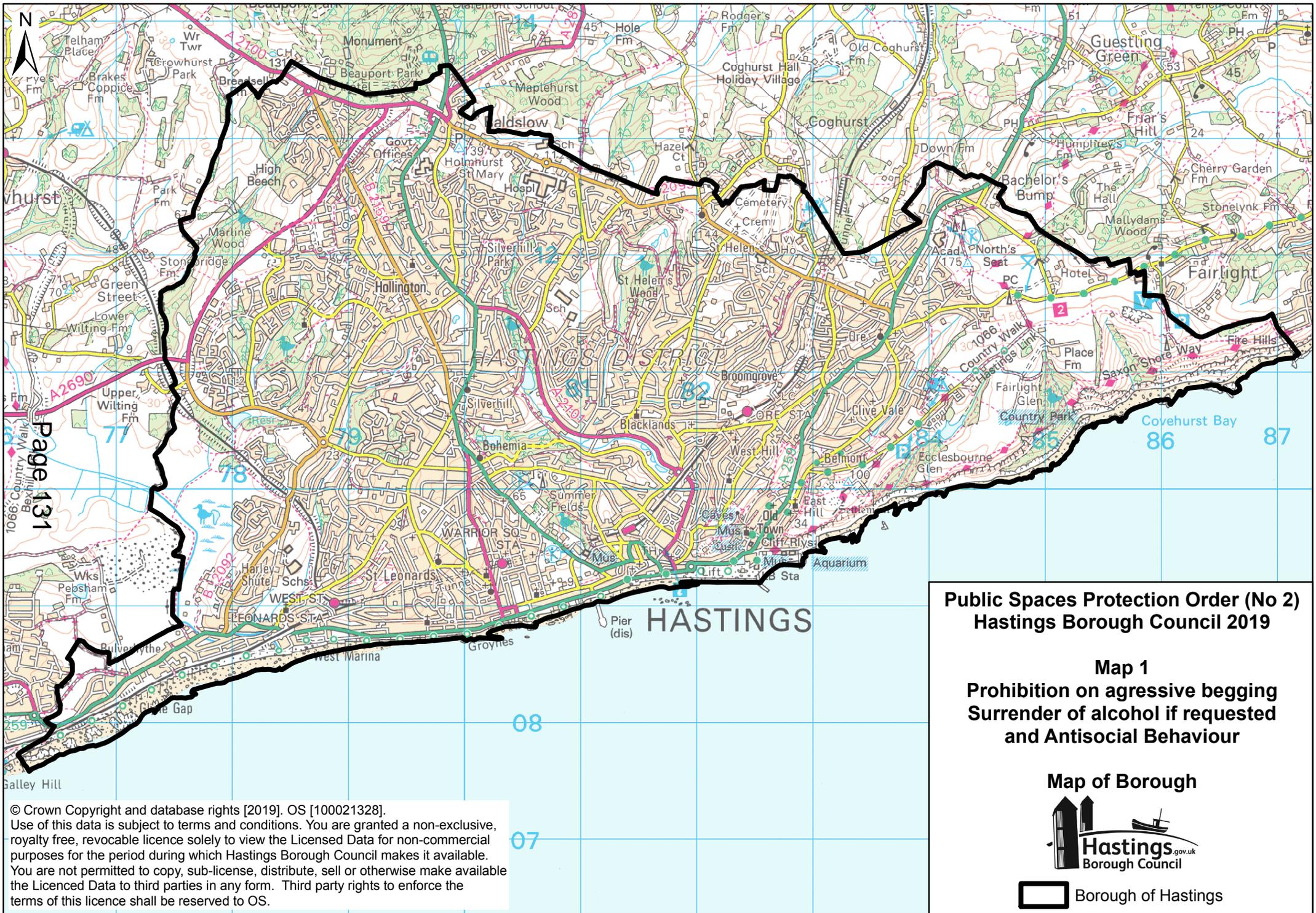
Map 2

Prohibition on Alcohol

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**Public Spaces Protection Order (No 2)
 Hastings Borough Council 2019**

**Map 1
 Prohibition on aggressive begging
 Surrender of alcohol if requested
 and Antisocial Behaviour**



Borough of Hastings

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Agenda Item 8



Report to: Cabinet

Date of Meeting: 8th July 2019

Report Title: Development of Income Generation Programme

Report By: Simon Hubbard, Director of Operational Services

Purpose of Report

To review:

- i) Progress in delivering income generation activity.
- ii) How this work has become integrated with the council's wider approach to regeneration, climate change and employment.
- iii) To outline how it is proposed to take forward work to generate further sustainable income.

Recommendation(s)

1. That cabinet welcome the delivery of a range of actions that are anticipated to generate income or savings for the council circa £1.3m in a full financial year.
2. That the council should continue to acquire suitable commercial properties if they meet our investment criteria when they should become available within the Hastings Travel to Work Area (TTWA).
3. That a revised and adjusted business plan for the Hastings Housing Company be presented to Cabinet before the council commits to a further programme of investment
4. That the council should consider continuing acquiring housing directly in order to reduce the costs and social impact of extended residence in B&B. The Assistant Director Housing and Built Environment be instructed to bring a separate report and business case to Cabinet if a future programme of acquisition is viable.
5. That the council continues to direct resources to explore energy generation within the borough or elsewhere both to earn income and as part of its commitment to address climate change.
6. That generating sustainable income should be a central theme underpinning the council's major projects and its service provision.
7. That the Capital Programme be reviewed and prioritised in order to support the financing of further investment in commercial property, housing and energy within the council's overall means.

Reasons for Recommendations

That despite challenges the council has achieved substantial income and savings with the potential for more in the future.

That it is clear that the council's climate, housing, energy and employment creation priorities should embrace the generation of an increased sustainable income for the council wherever this is possible. Future acquisitions and development should constitute part of our capital programme delivery work of major projects.

Government policy supports investment for regeneration and economic development rather than solely income generation.

The need to address both climate change and economic growth means treating these as being closely related.

Introduction

1. Cabinet agreed an initial programme for income generation at its meeting on the 4th July 2016. This followed an analysis of the council's financial position that identified a potential revenue funding gap of £3.5m. The severity of this financial position has, if anything increased. The council still needs to reduce its budget deficit by £2.5m in 2020/21 if it is not to further deplete its reserves. Unallocated reserves at 31st March 2019 stood at £8.045m and the Chief Finance Officer's recommendation is they should not fall below £6m.
2. The council submitted its proposed approach to the scrutiny of a Productivity Expert allocated by the Local Government Association. This was Robin Porter then a Director of Luton Borough Council who also served as chief operational officer of the council run airport there. This provided both confirmation of the approach being developed and suggestions from him on how the council could change to meet these challenges.
3. A number of areas were identified as priorities
 - a) The development of housing for sale or rent.
 - b) Investment in commercial property and property investment funds.
 - c) Investment in more beach huts, chalets and seafront assets.
 - d) Income from parks and open spaces.
 - e) Energy.
4. A number of proposed actions flowed from this report including:
 - a) The setting up of a housing company and the development of the business case and business plan for investment.
 - b) It was proposed to both invest in new chalets and beach huts and to increase the income from the existing ones.
 - c) The council would investigate the potential to become both a generator and potential trader in power including the installation of photovoltaic (PV) cells.
5. The council adopted an income generation strategy in September 2017 and a commercial property investment strategy which committed the council to making available of the levels of investment for the period 2017/18 – 2020/21.

Table 1 – anticipated expenditure end June 2019

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|---------------------|------------|------------|-----------|-----------|
| | £ | £ | £ | £ |
| Commercial Property | 9,000,000 | 20,000,000 | | |
| Housing | 1,500,000 | 5,000,000 | 5,000,000 | 3,500,000 |
| Energy | | 2,000,000 | 2,000,000 | 2,000,000 |
| Total | 10,500,000 | 27,000,000 | 7,000,000 | 5,500,000 |

Table 2 – Expenditure at 20 June 2019

| | Allocation (£m) | Spend (£m) | Variance (£m) | Notes |
|---------------------|-----------------|------------|---------------|--|
| Commercial Property | 29 | 33.623 | +4.623 | The additional purchases will be funded using an underspend from the current Housing Company budget. |
| Housing Company | 15 | 5.494 | 9.506 | |
| Energy | 6 | 0.091 | 5.909 | This should remain committed. |
| Balance | 50 | 39.208 | 10.792 | |

*Please note the table does not include the additional capital funding allocated for emergency accommodation, as set out later in the report.

- It is suggested that the sum for energy remains committed. It is also suggested that the £4.883m remaining be allocated to cover the completed purchase of emergency accommodation and towards potential future purchases.

Review of Activity and Returns

- It was anticipated that the allocation of up to £50m would have to be subject to issues of deliverability, individual business cases and government guidance. The £50m currently represents the upper limit of borrowing set by the council for this purpose. This can be reviewed by the council should the conditions exist to justify it.

Commercial Property Acquisition

- Cabinet has agreed to exceed the £29m cap for commercial properties to acquire Heron House and Lacuna Place, the final figure is now £33.623m. The additional spend of Muriel Matters House and Sedlescombe Road North approved separately brings expenditure on commercial property acquisition overall to £45.8m.
- In some ways this was the most straightforward of the 3 chosen areas for investment as property was available for purchase subject to this providing regeneration outcomes or potential as well as an adequate rate of return. The council has only purchased commercial property within the borough to ensure

investment in the local economy. This has advantages in terms of ease of management alongside the rest of the council's estate.

10. All purchases are considered against a set criteria and points awarded. This guidance is intended to assist in reducing risk, establishing benefits and ensuring an adequate rate of return.
11. The capital strategy is due to be reviewed before the end of September. If further opportunities arise before this date these will be brought to Cabinet individually.

The council has acquired these properties under the income generation budget.

| Property | Income/Rent saved 2019/20 (£) | MRD – Interest 2019/20 (£) | Net – 2019/20 (£) | Additional 2023/24 (£) |
|----------------------------|-------------------------------|----------------------------|-------------------|------------------------|
| Sedlescombe Road North | 465,067 | 294,613 | 170,454 | 170,454 |
| Seafront kiosks | 7,900 | - | - | 7,900 |
| Bexhill Road Retail Park | 547,080 | 365,660 | 190,420 | 190,420 |
| Sedlescombe Road North (2) | 136,527 | 97,346 | 39,181 | 50,435 |
| Bexhill Road – Aldi | - | - | - | 93,611 |
| Lacuna Place | 427,126 | 355,737 | 71,389 | 250,049 |
| Heron House | 190,000 | 107,952 | 82,048 | 82,048 |
| Property Fund | 85,000 | - | 85,000 | 85,000 |
| | 1,858,700 | 1,221,308 | 638,492 | 929,917 |

12. The council has also:

| | Income/Rent saved 2019/20 (£) | MRD – Interest 2019/20 (£) | Net – 2019/20 (£) | Additional 2023/24 (£) |
|--|-------------------------------|----------------------------|-------------------|------------------------|
| Acquired Muriel Matters House – rent save and shops rent | 362,000 | 220,880 | 141,200 | 141,200 |
| Financed BD Foods factory expansion | 401,000 | 91,488 | (51,488) | (51,488) |
| Achieved income from Town Hall leasing | 97,000 | - | 97,000 | 97,000 |
| Muriel Matters Space rent earned | 23,000 | - | 23,000 | 23,000 |

13. This means the council will earn net £1.191m p.a. in extra earned income by 2023/24 and this figure is expected to be £856k in 2019/20 inclusive of the revenue loss agreed when the extension to BD Foods premises was supported.

Housing

14. Housing Investment takes two forms: Investment in the council's wholly-owned Housing Company; and through the direct acquisition of property for temporary use by homeless households where the council has a statutory duty to accommodate.
15. The council set up the wholly-owned Hastings Housing Company (HHC) in September 2017, with a view to it building and acquiring housing for the purposes of regeneration, whilst realising a financial return for the council. The initial business plan focused primarily on acquiring family-sized properties which were to be let to tenants on an assured shorthold basis at market rents. A 3-year street purchases programme was agreed, with a view to the company establishing itself and 'finding its feet' before moving on to a larger programme of housing development or acquisitions.
16. The HHC was incorporated and registered with Companies House on the 1 September 2017. It became functional in March 2018 after acquiring its first property at Waldegrave Street. The current Directors are:

Councillor Sue Beaney; Andrew Palmer, Assistant Director for Housing and Built Environment and Carole Mount, Commercial and Technical Accountant.
17. Previous directors included Marcus Lawler, the council's Income Generation Manager, and Alan Mitchell, the council's Chief Accountant. Both left the employment of the council requiring their resignation from the Board. The company is a separate legal entity from the council and its Directors must conform to company law. The council exercises its control as the sole shareholder and sole lender rather than through individual directors. The council also approves the company's business plan.
18. The existing HHC business plan requires adjusting as several of the key assumptions underpinning it have been revisited. These include less favourable lending conditions now imposed on the company as a result of Government guidance on prudential borrowing. Additionally, the company has struggled to find suitably conditioned properties for sale on the open market at a price that produces a level of return anticipated in the original business plan.
19. At the same time, the current crisis in homelessness and temporary accommodation use has meant a change of emphasis in terms of housing priorities. In October 2018 the council agreed a programme of acquisition of temporary accommodation in order to meet its legal obligations and offset the huge costs involved in accommodating households in bed and breakfast accommodation. This became the primary focus of the Housing Acquisition Team.

Acquisitions by Hastings Housing Company (HHC)

20. HHC has bought the following properties:

| Address | Description | Purchase Price | Purchase costs | Fixtures and fittings | Stamp Duty Land Tax | Date of completion |
|--|---|-------------------|-----------------|-----------------------|---------------------|--------------------|
| Waldegrave Street | 13 room HMO | £695,000 | £30,130 | £30,000 | £33,973 | 12 March 2018 |
| Nelson Road | 1x self-contained 1 bedroom flat 1x self-contained 2 bedroom flat 1x 3 room HMO | £315,000 | £17,758 | £5,000 | £9,450 | 19 February 2019 |
| Claremont, Cambridge Road, Cambridge Road, Cambridge Road, Sedlescombe Road | Portfolio of mixed commercial and residential HMOs. 45 rooms in total. | £3,880,000 | £94,552 | £200,000 | £183,500 | 17 June 2019 |
| Sub-Total | | 4,890,000 | £142,440 | £235,000 | £226,923 | |
| Total | | £5,494,363 | | | | |

*The business plan was based on buying a portfolio of post-1980 single family dwellings. However, the return offered on larger HMOs has been more attractive than that offered for individual properties.

21. Nelson Road is managed in-house by the council's social lettings agency. The remaining properties owned by HHC are managed by an external company.
22. Now that those purchases by HHC have been completed, it is proposed that the programme is put on temporary hold whilst the business plan is reviewed.
23. From July 2019, HHC will receive rental income in the region of £24,000 per month. The interest owed to the council will be approximately £22,000 per month (excluding interest already owed). However, HHC will still need to meet monthly overheads from the remaining income, which includes management fees payable to the council. HHC will not have the funds to make any principal repayments.

24. The company itself is currently operating at a small loss once the cost of loan repayment/interest to the council is taken into account. This is a position that is not permissible in the longer term; a more ideal position would be for the company to be generating a very small profit with any surpluses being repaid back to the council in terms of dividends.
25. The levels of investment and return being achieved at this point through the company purchases is still considerably lower than that originally profiled. The business plan review will test the case for buying further property on the market or through development.

Acquisitions by Hastings Borough Council

26. There has been a significant increase in the number of households placed in emergency accommodation. At present there are 152 households temporarily housed and the average length of a placement is 121 days. Of these, 76 of the placements require 2 or more bedrooms.
27. This trend creates a significant additional cost to the council and badly affects the quality of life of people living in emergency accommodation.
28. In October 2018, Cabinet approved the purchase of 5 units of emergency accommodation, with a capital allocation of up to £640,000 (plus stamp duty and land tax). Cabinet also amended the capital programme to include an additional £2,500,000 to acquire further properties for use as emergency accommodation. The council has prioritised the buying of family sized accommodation (2 or more bedrooms), as this gets the most significant savings.

| | |
|---|------------|
| Capital funding allocated for the purchase of emergency accommodation | £3,142,614 |
| Funds committed at 20 June 2019 | £2,949,514 |
| Balance | £193,100 |

29. The council is projected to acquire a total of 17 units of emergency accommodation with the current capital funding. The units will be managed by the council's Social Lettings Agency (SLA).
30. The homes purchased and identified so far are projected to achieve savings of £200,000 per annum, compared to traditional emergency accommodation.
31. Once the original allocation is fully committed, a further report will be brought to cabinet to consider a further round of investment, in order to assist the council manage its use of emergency accommodation more cost effectively
32. The council recently secured grant funding for a team of Tenancy Sustainment Officers, who will work with households placed in emergency accommodation to improve access to long term accommodation in the private rented sector. The council has also allocated funding from its Flexible Homelessness Support Grant for rent in advance and deposits and a new rent guarantor scheme.

33. The council is currently in negotiation with Optivo regarding a service level agreement which will enable us to utilise a number of their family-sized properties as temporary accommodation. This approach is based on good practice developed in a similar local authority.
34. The council is also developing a new business case for the SLA, which is likely to recommend expanding the private sector leasing scheme. This approach would further reduce the number of households placed in emergency accommodation and reduce costs. A report on the revised business case will be brought to cabinet later in the summer.

Energy

35. Energy production is a difficult field to enter quickly and only a limited number of local authorities have managed to do so. Following the income generation manager leaving the council the opportunity exists to design structures that will help us develop new projects, improve our energy efficiency and costs whilst developing a longer term approach with local and regional partners.
36. It is believed that following Brexit the UK government will need to identify further policy and funding initiatives to encourage the carbon neutral generation of power and its storage.

Roof top solar array

37. Project to date
The council has solarised two rooves within the Feed in Tariff (FIT) scheme which has now ended. We are currently reviewing options around future roof top solar on our own buildings and with partners. It is believed that the best opportunities may be larger schemes. We are in discussion with a significant local partner about a scheme. Work will commence with the estates team to assess the potential use of council owned property under these new conditions.
38. We will also continue to consider if we can work with and support community organisations which have the opportunity to register projects for access to FIT for 12 months after the ending of the wider scheme.

Ground Mounted Solar

1st Stage - Feasibility

39. Cabinet agreed to commit up to £80,400 to examine the feasibility of ground mounted solar at Hastings Country Park and Upper Wilting Farm, subject to the advice of Natural England. Some studies need to be done before to formal advice from Natural England can be obtained.
40. Public Power Solutions Limited (PPS) (<https://www.publicpowersolutions.co.uk>) have been engaged to manage the tender process and liaising with Natural England once all the studies have been returned.

41. Natural England's advice will be included in a further cabinet report currently timed for the autumn.

2nd Stage – Planning Consent and financial feasibility

42. Should the cabinet decision following Natural England's advice be to progress to full planning consent, officers recommend tendering for an organisation to deliver the following activities:

- i) Pre planning consultation and professional studies:
- ii) Grid application to local District Network Operator
- iii) Financial modelling and business case support, including:

The findings of the feasibility study will be presented in an electronic document and will include an executive summary and recommendations.

3rd Stage – implementation

43. The final Stage would be dependent on a cabinet decision to progress with a scheme and seek planning permission. The cabinet report will set out build costs and options for delivery. This would be the key decision and will need to be preceded by an agreed programme of community engagement.

Future Renewable energy schemes

44. Car Park Solar Canopy

PPS offered to undertake, at no cost, a desk top analysis of the suitability of car park solar canopies of car parks in the borough which included:

- Foreshore trust car parks
- HBC car parks
- HBC owned Industrial Estate Car Parks
- Potential for additional EV charging points

45. The desk top analysis has returned with a number of potential sites, when considering size, location and shading, and it is felt worthwhile to progress to full feasibility/business case stage.

46. Officers are preparing a report for Cabinet to request authorisation to tender for a feasibility study and develop a full business case. This will cover core aspects such as planning constraint, energy generation/storage and financial viability. However, for a scheme to be viable it will need to also consider the following environmental considerations (amongst others):

- CCTV and community safety
- Street cleaning and waste services
- Future events currently held in our seafront car parks
- Impact on homeless and rough sleepers

- Potential damage by storms
- Seagull excrement

47. It is hoped that a report to Cabinet and Charity Committee will be tabled in the autumn. This scheme is likely to require additional funding beyond the current allocation which is likely to be used if the current ground mounted solar schemes proceed.

48. Officers have also proposed to SELEP that a coastal project utilising seafront car parks and other areas may be an attractive project to examine in more depth how energy development of the coast might be supported – for instance with connections to the network.

Management of HBC energy use

49. The council also needs to ensure money savings and reducing carbon emissions by better control of its energy usage:

- Managing our relationship with LASER (our energy broker) better
- Proper metering throughout the estate
- LED replacements and other local energy improvements
- Reporting energy savings and reductions in emissions
- Developing a new transaction model post FIT scheme
- Future account management as we begin to generate power

Human resources requirements – Energy programme

50. Members will know that a “blueprint” will be produced identifying priorities for the Council’s future and the staff and other resources needed to deliver them. This will form part of the corporate plan/budget process for 2020/21. The delivery of energy generation requires some changes now if progress is to be made.

51. It is proposed to establish and recruit an energy development/infrastructure manager post to lead the-development and delivery of a programme of capital renewable projects. This would be funded from within existing budgets in the current year but would need to be accommodated within long term structures as part of the 2020/2021 budget.

52. It is suggested that a second post be established to lead climate change work at a strategic level. The council will also need to identify the staff resource to better manage and control its own energy use. A key priority will be to work with the business support, finance and estates teams to produce a business case for the further improvement of the council’s energy efficiency.

Climate Change Policy

53. A climate change motion was adopted by the Council on 13th February 2019

- “Reducing greenhouse gas emissions and planning adaptive responses to prevent and/or minimise the impact of climate change on the town and its communities.

- ii. To develop a new climate policy ‘To make Hastings carbon neutral by 2030’ aiming for the borough to become energy self-sufficient through local sustainable energy generation”

54. The climate change motion has a potentially profound impact on the choices the council makes in terms of policy development and delivery priorities. In terms of energy the council will need to look at both generation and energy efficiency.

55. The existing climate change policy will be updated and expanded to incorporate the council’s adopted policy and a project plan will sit underneath this policy to deliver the programme that will be agreed by Cabinet.

Local Plan

56. The Climate Change motion and the delivery of significant energy projects anticipates the council will use the current review of the Local Plan to introduce policy requirements that new buildings should meet the most rigorous possible energy efficiency standards (for example, the ‘Passivhaus’ standards), include electric vehicle charging points in new housing and commercial developments, minimise the impacts of climate change (for example, by making sure contribution to flooding is minimised) and include solar arrays or other sustainable energy generation wherever possible.

57. The Local Plan will need to identify sites for energy generation, storage and distribution. The implications for both conservation and energy efficiency need to be addressed. This is critical in a Borough with old housing stock and very significant conservation area coverage.

58. Planning Policy have tendered for a Renewable Energy Study, to inform policy within the new refreshed local plan. This study will return a report in two stages.

59. The first stage will advise the policies needed to form the local plan, and will also aim to:

- Identify the technical potential for renewable and low carbon energy
- Provide the evidence to enable any suitable areas for renewable and low carbon energy generation to be included in the plan
- Consider planning policy requirements for renewable and low carbon development in conservation areas
- Recommend planning policy options in relation to renewable and low carbon energy for the Local Plan Review that helps meet the Council’s motion on carbon neutrality for the borough.

60. Stage 2 will go further and will form the basis of an action plan as it will recommend appropriate council actions and interventions including those relating to buildings and land and assisting initiatives by the private sector.

Strategic work around energy policy and opportunity

61. The South East Local Enterprise Partnership (SELEP) has worked with Coast to Capital and Enterprise 3M LEPS to produce Energy South2East. This energy

strategy covers an area from Harwich to Winchester. It offers the opportunity to work alongside other partners learning and benefiting from the project models being developed. In order to achieve the UK government's target of a 57% Co2 emission by 2032 (100% by 2050) it is anticipated nearly £15 billion would be required in investment in new technology and infrastructure. A number of potential areas of work that match the Tri-LEP objectives include:

- District heating scheme
- Energy efficiency in homes
- Off shore wind development
- Solar microgrid in landfill sites
- Solar potential in car parks
- Marketing or trading in power in partnership with others

62. HBC is working with a group of 11 coastal local authorities in a study intended to influence SELEP forthcoming Local Industrial Strategy (LIS). It is likely that energy will feature highly alongside sustainable employment and housing development. This work is currently timed to be presented to the SELEP Board in December.

Other initiatives

63. The council (and Foreshore Trust) has invested in additional beach huts. In 2018 27 units were built for the council and 12 for the Foreshore Trust at a cost of £85.5k for the council and £22.7k for the Foreshore Trust. With full occupancy the anticipated income is £56k p.a. and £11k respectively. The council has also increased its charges for these facilities – at the time of writing 351 out of 357 units are occupied. Anticipated income has now risen to £257k surplus for the council and £12,500 for the Foreshore Trust.

64. The Council, following thorough reviews by individual services, has sought to increase fees and charges wherever possible in line with market rates and its fees and charges strategy. The resultant additional income in 2018/19 amounted to some £330,000 and represented a 7.2% increase. For comparative purposes this increase represents an additional sum of £192,000 above what a 3% inflationary increase would have resulted in i.e. £137,500 of income. Please note that some of the additional income may be the result of purely volume changes and that areas where there was a clear decline in volume of activity have been excluded from the above calculation. There are some areas where the fees are set by statute e.g. planning which go nowhere near covering the costs of providing the service, and some areas where the Council is able to cover its costs but is not permitted to make a surplus eg. licensing functions.

65. The Council has again looked to increase fees and charges wherever possible in 2019/20, and estimates that the additional raised will amount to some £360,000. These income figures are already built into the 2019/20 budget (which is forecasting a £1.746m deficit).

Governance

66. The council set up an Income Generation Board (IGB) consisting of the Leader, Deputy Leader, Chair of Audit and senior officers to oversee the income generation process. The IGB was serviced by the Income Generation Manager.
67. The Board played a considerable role in both reviewing the setting up of the housing company structures and in considering the major commercial property acquisitions that were considered by Cabinet. The Council's senior officer team has re-organised its work patterns to focus on programme management of our major projects, income generation being one of them.
68. At the point where the Board was set up income generation was identified as needing separate structures to achieve the focus on generating new revenue income streams. However, it is clear that:
- a) Achieving long term sustainable income is substantially linked to the council's wider housing, energy and regeneration programmes
 - b) That the council must have economic development and inclusion, housing and employment objectives clearly as the key determinant in decisions regarding property acquisition and development programme if we need to borrow money from the PWLB to fund acquisitions
 - c) That the energy and housing programmes are subject to much wider national and local objectives as well as income generation.
 - d) Future income around energy and housing is unpredictable because of the uncertainty around the speed of development. This relates both to external factors, but also the council's ability to carry debt while schemes are developed.
69. It is critical however that the focus is not lost. The council needs to be able to fund new developments. Capital expenditure impacts directly on the revenue budget through borrowing costs for schemes, until this is covered by income. It is proposed that the terms of reference of the Income Generation Board be amended to 'review progress twice annually and also consider new innovation ideas for future income generation projects from staff, councillors or the public'.
70. It is proposed the following streams constitute the "core" of future work:
- Economic Development and Energy Development and Acquisition
 - Housing Development and Acquisition
 - Estate Management and Efficiency
 - New Commercial Services
 - Fees and Charges
 - Community engagement on major projects

Implications

Equalities and Community Cohesion

71. This programme has potentially wide ranging impacts. The evidence nationally and locally is one of a society increasingly polarised and it is important that the council works to ensure:

- a) That housing investment benefits people on low incomes as well as those who can afford market rents. With the continuing growth of the private rented sector in Hastings it's critical that social and affordable housing is built.
- b) That our commercial investments show the ability to create or sustain employment for Hastings residents within our travel to work area (TTWA) or benefit local business.
- c) Energy programmes should aim to produce benefits in terms of fuel poverty when sufficient critical mass has been achieved. Local people's employment and training should be a priority in delivering a future programme.

Risk Management

72. The level of risk around interventions in housing, commercial property and energy is obviously present and cannot be avoided. Procedures exist to review risk for commercial property acquisition and the purchase of housing. Specialist advice has been obtained for the energy programme and any future ground mounted scheme would be subject to procurement procedures.

73. The council balances its risk through participation in a variety of investment schemes including housing investment funds.

74. All investment in commercial and housing property must carry risk and it will be essential to review acquisitions to see that the council continues to benefit from ownership and/or that they are being used effectively. For instance if emergency accommodation is required in the future then the council could chose to dispose or rent it out on the conventional rented market.

75. It is possible that the economy may be impacted by Brexit or wider global economic issues. However, it is clear that climate change is likely to force the pace towards public demand for low carbon electricity irrespective of Brexit.

76. The confined physical nature of the Borough is likely to mean that the space for housing will always be comparatively constrained. Inflow from higher priced areas is likely to continue. Over a period of time therefore it is likely that housing will remain a relatively secure investment. The housing company will also seek to acquire new property from HBC developments, thus securing stock which is of a known quality and in the knowledge of its value.

77. The council wishes to develop Bohemia, the town centre and in other areas. It will be necessary to prioritise projects and spend to ensure it has the organisational and financial capacity to safely deliver its programme.

Environmental Issues

78. Central to this agenda is the development of new planning policy. It is intended this policy should create the opportunity for power generation and distribution and set high standards for the design of new housing.
79. The climate change motion recently adopted by council is likely to have significant impact on planning policy and demand a substantial commitment of space for the generation and distribution of power. If successfully implemented it is likely to mean substantial impact to the physical environment.

Economic/Financial Issues

80. One of the most challenging aspects of the budgetary exercise is predicting the borrowing required for an ambitious programme and how risk might be shared with other partners. Given the need to finance schemes from initiation with rewards being delayed (often by years) the council will need to assess the revenue costs of development and its impact on the budget. The capital strategy will therefore become an increasingly important policy which will set the envelope for the spending and risk that the council will agree.
81. Without further investment and drawing down of external funds Hastings cannot progress economically or socially.
82. A new consultation policy will be brought forward to guide and standardise our approach involving local people and business in the development and delivery of schemes.

Anti-Poverty

83. Employment, affordable and emergency housing and potential action around energy efficiency should be viewed as anti-poverty actions.

Organisational Consequences

84. It will be necessary to review and divert staff resources to both meet these challenges and achieve potential savings. This report contains proposed “first step” actions with the overall review anticipated to be part of the council’s future blueprint which will set out what the council will do in the future and how we will organise ourselves to deliver these programmes

Local People’s Views

85. Engagement will be critical to success. Much of what is essential for the future will cause concern and potential opposition in the present.
86. The council’s planning policies will be consulted and will need to be “policy led” in terms of expressing the council’s ambitions, although this will be subject to an examination by an Inspector. Local views need to be generally sought from a wide cross section of the public. It is important for this not to become a dialogue with just long standing participants in planning and environmental matters.

87. The council will review its consultation/engagement policies to try and secure maximum understanding and support for its overall approved and individual schemes.

Timetable of Next Steps

Please include a list of key actions and the scheduled dates for these:

| Action | Key Milestone | Due Date | Responsible |
|--|--|--------------|---|
| Review local plan and adopt changes | Public participation | December '19 | Asst. Director Regeneration and Culture |
| | Publication of proposed plan | August '20 | |
| | Adoption of plan | October '21 | |
| Review Housing Company Business Plan | Agreement to bring plan to Cabinet before decision of Board | November '19 | Asst. Director Planning and Built Environment |
| Acquire further premises for emergency accommodation through the Borough Council | Cabinet to consider further allocation of finance | October '19 | Asst. Director Planning and Built Environment |
| | Acquisition of new premises | | |
| To consider plans for energy generation and bring forward if agreed | Cabinet to consider viability and advice of Natural England on Country Park and Upper Wilting Farm | October '19 | Asst. Director Regeneration and Culture |
| | Take forward scheme if agreed | TBA | Asst. Director Regeneration and Culture |
| | Appoint new energy development programme manager | October '19 | Asst. Director Regeneration and Culture and Director of Operational Services |
| | Consider potential seafront car park solar panels | December '19 | Asst. Director Regeneration and Culture |

| Action | Key Milestone | Due Date | Responsible |
|----------------------------|--|---------------|---|
| | To seek SELEP support for investment in power generation in its Coastal Policy and Local Investment Strategy | December '19 | Director of Operational Services/Leader |
| Review of Capital Strategy | Adoption of Cabinet report | September '19 | Asst. Director Finance and Revenues |

Wards Affected

All

Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes

Climate change implications considered? Yes

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

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

Additional Information

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Agenda Item 9



Report to: Cabinet

Date of Meeting: 8 July 2019

Report Title: FINAL ACCOUNTS 2018/19 - DRAFT

Report By: Peter Grace
Chief Finance Officer

Purpose of Report

This report sets out the draft final accounts position for 2018/19. These are subject to completion of the external audit.

Recommendation(s)

- 1. Cabinet review the revenue and capital outturn positions for 2018/19.**
- 2. That the 2018-19 outturn position, along with the revised estimates for 2019/20 be taken into account when preparing the 2020/21 budget.**
- 3. Cabinet review the achievement of Priority Income and Efficiency Review (PIER) savings for 2018/19.**

Reasons for Recommendations

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

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

The 2016/17 Audit Completion Report from the council's external auditors (BDO at the time) recommended that management report on the achievement of PIER savings following their implementation.

Introduction

1. This report provides members with the draft outturn results for the General Fund and Capital Programme for 2018/19. The financial accounts are subject to change until the external auditors have completed their audit report.
2. Variances are shown in (brackets) if they are favorable and without if they are adverse.
3. The Accounts & Audit Regulations 2015 require the Chief Finance Officer (Section 151 officer) to certify the Statement of Accounts by the 31st May each year and publish them by 31st July.
4. The Council's external auditors (now Grant Thornton) commenced auditing the full accounts in early June. The audited Statement of Accounts will be considered by the Audit Committee on 30th July– along with details of the auditor's findings and any material amendments made to the accounts.

Final Accounts

General Fund Position - Revenue

5. Total direct service expenditure amounted to £11,468,517 in 2018/19 compared to the revised budget estimate of £13,313,580, a variation of £1,845,063. This was offset by a variation in the budgeted use of reserves of £2,090,724. Overall there is an improvement in the General Fund revenue outturn position compared to the revised budget of £66,089 (a budgeted deficit of £747,194 compared to an expected outturn deficit of £681,105). A summary of the provisional outturn for the year is shown in Appendix A.
6. The significant service budget variations are shown in Appendix B. Those over or under budget by £20,000 or more are narrated. Please note that the depreciation and capital charges, International Financial Reporting Standard adjustments, and notional aspects of the Minimum Revenue Provision (MRP) are excluded from this analysis – as they do not affect Council Tax.
7. In addition to the budget variations on services as shown in Appendix B there were underspends/ increased income in the year in respect of the contingency provision which was unused (£46,790 out of the original £500,000), provision for the repayment of MRP (£275), net interest and investment income (£26,622), business rates section 31 grant (£67,343) – as highlighted in Appendix A.
8. The budgeted income from businesses rates has an adverse variance of £66,335 due to a lower precept of £134,351 offset by a reduction in the levy paid by the council (£18,701) and a reduction in the tariff (£49,315). The levy is payable to offset disproportionate financial benefits that some authorities experience as a result of business rates growth. The tariff is payable because the council's business rates base is more than its baseline spending level.

9. The direct service expenditure outturn at £11,468,527 is some £1,845,063 lower than the revised estimate. There are a number of significant one-off adjustments that account for the majority of the difference. These include an accounting adjustment for unspent Disabled Facilities Grants in the year (£628,000), Clinical Commissioning Group expenditure of £239,000, carry forwards (£686,000), Selective Licensing income received in advance (£484,000), Council Tax and Business Rates Collection bad debts provision adjustment (£139,000). Overall the outturn is very close to the revised estimate albeit that there are numerous positive and negative variances as detailed in Appendix B.
10. Further work is being undertaken through the Priority Income and Efficiency Review process to identify the future ongoing savings, above and beyond those already included in the 2019/20 budget.

Council Tax

11. The Council Tax balance on the Collection Fund at 31 March 2019 was a surplus of £1.448m, of which the Council's share was £195,000.

National Non Domestic Rates (NNDR)

12. The rateable value of business premises at 31 March 2019 was £62,294,534 compared to £62,806,889 at 31 March 2018. This change mainly reflects the movement to the new 2017 rating list, and changes resulting from prior year rating appeals. The result of Cash Machine (ATM) appeals has for example led to a reduction in the rateable value of £217,000 along with backdated refunds.
13. The net collectable sum for the year was £20,793,000, £140,000 less than original forecast (NNDR1) of £20,933,000. This partially reflects additional reliefs imposed by the Government, for which the Council is compensated by Section 31 grants.
14. The NNDR element of the Collection Fund as at 31 March 2019 has a deficit balance of £398,000, of which the Council's share was £159,000.
15. It is important to note that the deficit for 2018/19 takes into account estimates for the cost of appeals not yet decided, on the basis of the success rate of appeals actually determined by 31 March 2019. The final cost will only be evident when the appeals are decided during 2019/20 and possibly afterwards. The real difference between estimated and actual losses on outstanding appeals will therefore fall on years after 2018/19. Currently the appeals provision stands at £3.96m of which £1.58m is the Council's element.
16. Excluding multiple appeals there were still 76 appeals outstanding relating to the 2010 list, with a total rateable value of £10.1m, and many date back to the start of this list. There are a number of multiple appeals for the same property, making an accurate estimate of the liability very difficult. There is very little information on appeals against the 2017 list (i.e. very few settlements), so a standard percentage reduction in income has been estimated (4.7%). There has also been a significant national appeal in respect of rate relief for NHS Hospital Trusts which has not been accepted by the Council and the case remains ongoing.

17. The new regime for dealing with non-domestic rates, which started on 1 April 2014, is mitigated by safety net provisions, funded by levies payable by councils with higher rates of growth in business rates. This Council opted to form a pool along with other East Sussex councils and the Fire Authority in 2016/17 to avoid paying a levy to Government, which would have been £32,162 in 2016/17, but the pool was dissolved for 2017/18 due to the potential losses that could be incurred following the latest revaluation. The pool was established again for 2018/19. For 2019/20 the Council is part of the 75% Business Rates retention pilot scheme in East Sussex – as reported in the February budget.

Reserves

18. Appendix E details the reserves position. As at 31 March 2019 the total of the reserves amounts to £18,619,000. This is an increase in the year of £577,000 but includes a £686,000 carry forward figure which will be spent in 2019/20 on existing commitments. This year £150,856 was used from the Invest to Save Reserve leaving a balance on the reserve of £269,000 – a proportion of which is already earmarked for spend in 2019/20 and beyond. The balance on the General Reserve at 31 March 2019 is £7,714,000 and the General Fund working balance remains at £500,000. The earmarked reserves total is £10,755,000 and includes such items as Disabled Facility grants (£1.494m), Transition Reserve (£1.343m), and Renewals and Repairs Reserve (£1.6m). It should also be noted that £349,000 of the total balance is in respect of monies held in respect of the NHS Clinical Commissioning Group initiatives.
19. The Council agreed at its budget meeting in February 2019 that the minimum level of General and Capital reserves should be £6m – given the risks and liabilities that the Council faces. The general reserve amounting to £7.714m at 31 March 2019.
20. The Medium Term Financial Strategy identified the need for any underspend to be used as an opportunity to strengthen reserves, and given the estimated budget reductions required in 2020/21 and beyond there remains a strong case for doing so. The Medium Term Financial Strategy will be reviewed shortly and will include a further review of reserves in the light of future government funding and expenditure pressures.
21. Underspends on reserve funded items during 2018/19 e.g. repairs and renewal monies will be re-profiled into 2019/20.

Capital Programme and Resources

22. Capital expenditure in the year amounted to £24.247m which was some £2.065m less than the revised budget estimate. The main variations being the underspends in respect of Hastings Housing Company (£5.386m), Disabled Facility Grants (£628k), Work on the Harbour Arm and New Groyne (£119k) and additional expenditure on Commercial Property Investment of £3.913m as agreed by Cabinet.
23. Capital receipts, reserves, grants and borrowing have been used to finance the £24.247m of expenditure e.g. the purchase of 591 Sedlescombe Rd, 311-323 Bexhill, Lacuna Place, Heron House, temporary homelessness accommodation,

Hastings Housing Company property purchase, and development and implementation of the new ERP system. The majority of the programme was financed by new borrowing which amounted to £19.396m from the Public Works Loan Board (PWLB).

Provisions for Credit Liabilities

24. From 1 April 2007 the Government introduced new regulations concerned with the treatment of MRP (Minimum Revenue Provision – a sum calculated to repay capital debt). This places a general duty on the Council to make prudent provision for the re-payment of capital debt. The option chosen by the Council has given rise to a charge to revenue in 2018/19 of £795,000.

Financial Strategy

25. Maintaining the Council's financial standing remains challenging in the current circumstances. The deficit in 2018/19 results in the use of £481,000 from the Transition Reserve and a further £200,000 from specific reserves.
26. Given the major reductions in future funding, the Council needs to continue to take important and potentially difficult decisions. This will include identifying significant efficiencies and service reductions, invest to save opportunities and to generate more income to balance the budget in the future.
27. It is standard practice to analyse previous year variations when determining the forthcoming budget. It is recommended that the 2018/19 outturn position, along with the revised estimates for 2019/20, be taken into account when preparing the 2020/21 detailed revenue estimates.
28. A number of significant one-off items have been identified and transferred to the Council's reserves – particularly unspent grant monies such as those from Disabled Facility Grant (£569,000). The level of reserves, as well as the identification of future funding expectations, and potential spending pressures will be considered as part of the Medium Term Financial Strategy review.

Review of PIER Savings

29. In the 2016/17 Audit Completion Report from BDO the then external auditors observed that PIER savings are planned in detail within the council's annual budget process reports and savings identified are removed from the budgets once approved by Cabinet. They commented that there is opportunity to enhance reporting to Cabinet further by stating actual savings achieved compared to the original estimate.
30. It was recommended that management include the actual savings achieved against each PIER scheme following their implementation when reporting the outturn variance. This recommendation was accepted by the Chief Financial Officer and Appendix F details the achievement of the savings in 2018/19.

31. The 2018/19 budget identified net PIER savings of £703,000 and it has been calculated that £541,700 of savings were achieved within the year. The variance is an underachievement of £161,300 or 23% of the targeted savings. Some of the savings can be hard to quantify and for these accountants have provided commentary to help in the understanding of the figures. Appendix F only considers the PIER savings and growth and does not look at other savings generated within the year or identify any non-related overspends.

Timetable of Next Steps

32. Please include a list of key actions and the scheduled dates for these:

| Action | Key milestone | Due date (provisional) | Responsible |
|---|----------------|------------------------|-----------------------|
| Review of 2018/19 under and over spends | 2020/21 budget | September 2019 | Chief Finance Officer |
| Review of Revised Budget 2019/20 to identify savings for 20/21 budget | 2020/21 budget | February 2020 | Chief Finance Officer |

Wards Affected

None

Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? Yes. This has been done as much as possible considering the complex financial issues involved.

Climate change implications considered? N/A

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 Yes

Human Rights Act
Organisational Consequences
Local People's Views
Anti-Poverty

Additional Information (preferably provide links)

Appendix A - Final Accounts Summary 2018/19
Appendix B - Major Variations
Appendix C - Capital Programme Expenditure (total) 2018/19
Appendix D - Capital Programme Financing 2018/19
Appendix E - Statement of Reserves
Appendix F - PIER Savings achievement for 2018/19

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Revenue Budget Summary**Appendix A**

| | 2018-19 Revised Budget £ | 2018-19 Actual Outturn £ | Variance £ |
|---|---|---|-----------------------|
| Corporate Resources | 3,916,280 | 3,544,153 | (372,127) |
| Operational Services | 9,397,300 | 7,924,364 | (1,472,936) |
| Direct Service Expenditure | 13,313,580 | 11,468,517 | (1,845,063) |
| Contingency Provision | 46,790 | 0 | (46,790) |
| Total Service Expenditure | 13,360,370 | 11,468,517 | (1,891,853) |
| Provision for repayment of debt (MRP) | 795,000 | 794,725 | (275) |
| Net interest | 884,204 | 857,582 | (26,622) |
| Total Expenditure | 15,039,574 | 13,120,824 | (1,918,750) |
| Funded By | | | |
| Revenue Support Grant | (1,542,094) | (1,542,094) | 0 |
| New Homes bonus | (649,559) | (649,559) | 0 |
| New Homes bonus return funding | (8,670) | 0 | 8,670 |
| New Burdens grants | 0 | (226,893) | (226,893) |
| NNDR (Surplus) / Deficit | 63,396 | 63,396 | 0 |
| Council Tax (surplus) | (125,899) | (125,899) | 0 |
| Housing Benefit Administration grant | (420,606) | (420,606) | 0 |
| Council Tax Support Admin Grant | (166,913) | (166,267) | 646 |
| Business rates | (2,884,302) | (2,817,967) | 66,335 |
| Business rates - Pooling | (85,711) | (105,190) | (19,480) |
| Business rates - Section 31 Grant | (1,043,810) | (1,111,153) | (67,343) |
| Council tax | (6,595,295) | (6,595,295) | 0 |
| Total funding | (13,459,463) | (13,697,527) | (238,064) |
| Funding deficit / (surplus) | 1,580,110 | (576,703) | (2,156,813) |
| Reserve movements | | | |
| Contributions to Earmarked Reserves | 1,038,810 | 2,735,817 | 1,697,007 |
| Use of earmarked reserves | (1,871,726) | (1,478,009) | 393,717 |
| Net Contribution to (from) Reserves | (832,916) | 1,257,808 | 2,090,724 |
| Use of Reserves to fund deficit | | | |
| Trans to / (from) Transition Reserve | (547,194) | (481,105) | 66,089 |
| Contributions to / (from) Specific Reserves | (200,000) | (200,000) | 0 |
| Total | (747,194) | (681,105) | 66,089 |
| General Fund movement | 0 | 0 | 0 |

Corporate Resources Major Variances 2018/19

| General Fund Activities | Cost Centre | Variance Narrative | Total Full year Variance excl. Recharges £'s |
|---|-------------|---|--|
| Estates Services | 20104 | | (4,403) |
| Director of Corporate Services and Governance | 20101 | | (2,685) |
| Internal Audit Services | 20107 | | (22) |
| Accountancy & Exchequer Services | 20109 | | (16,342) |
| Revenues and Benefits Service | 20110 | | (6,735) |
| Fraud Joint Working Initiative | 20108 | | (19,634) |
| Corporate Expenses | 20120 | | 933 |
| Employment Areas | 20130 | | 1,566 |
| Unit Factories | 20131 | (£44k) rents following reviews. (£27k) rates budget for vacant periods not required. £11.5k over on repairs spend. | (59,506) |
| Properties & Estates | 20132 | (£184k) higher rents following purchase of Lacuna Place. £45k additional costs for surveyors fees. £100k reduction in income against budgeted rental income from Priory Meadow . £76k not recovered from anticipated disposals as programme has slipped into future years. £20k additional repairs. | 59,512 |
| St.Mary-in-the-Castle | 20133 | | (17,106) |
| Housing Benefit Payments | 20126 | Lower than anticipated benefit subsidy paid on some aspects of Housing Benefit administration. This constitutes less than 1% variation on the level of benefits subsidy expenditure. | 298,702 |
| Housing Benefit Administration | 20127 | | 1,006 |
| Fin.Serv.-Other Expend.& Income | 20135 | Severance usage less than expected partially offset by write-offs. Severance is budgeted for centrally in this code by charged out to the services once redundancies are identified. | (225,223) |
| Corporate Management Costs | 20124 | | (5,486) |
| Corp. Man. Non-distributed Costs | 20125 | | 17,080 |
| Tax Collection Costs | 20129 | Credit due to reduction in level of bad debts | (138,727) |
| Personnel and Business Support | 20111 | | 9,696 |
| Corporate Policy and Partnerships | 20102 | | (2,866) |
| Democratic Services | 20103 | | (2,944) |
| Legal Services | 20106 | | 3,338 |
| Digital By Design | 20115 | | 19,130 |
| Corporate POD Expenses | 20112 | Training budget £12k under, contractors budget also £12k under (Occ Health, DBS checks, Employee assistance etc.) | (22,417) |
| Admin.Bldgs.-Town Hall | 20116 | Additional rent income | (28,398) |
| Admin.Bldgs.- Murial Matters House | 20117 | Underspend on repair due to delay in planned lightning protection. | (45,602) |
| Admin.Bldgs.-General Expenses | 20118 | | (8,508) |
| Admin Bldgs - HBC Archive, Castleham | 20119 | | 8,033 |
| Registration Of Electors | 20136 | | (5,799) |
| Sustainable Development | 20145 | | (2,080) |
| Cost Of Democratic Processes | 20138 | | 2,010 |
| Borough Council Election Expenses | 20139 | | 148 |
| General Election Expenses | 20140 | | 1,316 |
| Contact Centre | 20113 | | (5,638) |
| Contact Centre - Trading Account | 20114 | | 288 |
| Building Surveyors | 20105 | | (388) |
| Shelters and Seats (Highway) | 20148 | | (7,902) |
| Naming and Numbering Streets | 20149 | | (492) |
| Decorative Lighting | 20150 | Underspend due to £14,500 reserve funded works to be done in 2019/20 and the rest being delayed as they are linked to those works (Sticks of Rock repairs following County repairs of lights). | (29,572) |
| DCE-Information Technology Division | 20121 | | (3,092) |
| IT Reserve Expenditure | 20122 | Large underspend due to the rollout of hardware being delayed as we are waiting to upgrade to a newer operating system. The variance will go back to the reserve to be spent in 2019/20. | (127,150) |
| Land & Property Systems-GIS | 20123 | | (19) |
| Communications and Design | 20324 | | (4,400) |
| Corporate Systems - ERP | 20318 | | (1,806) |
| Foreshore Trust | Various | | 116 |
| Corporate Directorate Total | | | (372,127) |

Operational Resources Major Variances 2018/19

| General Fund Activities | Cost Centre | | Total Full year Variance excl. Recharges |
|--|-------------|--|--|
| Environment Management & admin | 20169 | | (12,782) |
| Food Safety | 20276 | | (1,718) |
| Health & Safety Enforcement | 20277 | | (435) |
| Environmental protection | 20279 | | (17,699) |
| Health & Safety Corporate | 20278 | | (427) |
| Pest Control | 20280 | | (1,183) |
| Local Licensing | 20281 | Additional Income | (39,397) |
| Scrap Metal Licensing | 20282 | | (283) |
| Liquor Licensing | 20283 | | 6,739 |
| Gambling Licensing | 20284 | | 4,173 |
| Stray Dog Service | 20285 | | 1,500 |
| Neighbourhood Safety | 20299 | | 3,088 |
| Safer Hastings Partnership | 20300 | | (9,211) |
| Domestic Violence | 20301 | | (230) |
| Emergency Planning | 20286 | | (1,192) |
| Environmental Health Total | | | (69,058) |
| Waste and Parking Team | 20171 | | 18,283 |
| Parking and Enforcement Team | 20317 | | (14,738) |
| Off Street Car Parking | 20287 | Mainly due to lower than budgeted payment to the Foreshore Trust (£55,000) and reduced cash collection costs (£20,000). There is also (£15,270) slippage on the repairs and renewals reserve for concrete testing at Priory Street Car Park due to delays in works being carried out. | (92,234) |
| Hornbye Car Park | 20288 | | (1,371) |
| CCTV Control Room | 20290 | Severance paid out and holiday in lieu pay. | 27,259 |
| Public Realm | 20292 | Public Realm budget was allocated towards a Coastal Communities funding bid to develop the roundels and Harold Place plinth. This bid was unsuccessful. However other public realm projects are in development and the money is requested to be carried forward in reserves. | (40,000) |
| Waste Services Management and Administration | 20316 | | 1,019 |
| Public Conveniences | 20315 | | 8,062 |
| Abandoned Vehicles | 20289 | | (521) |
| Refuse Collection | 20293 | | (19,582) |
| Street Cleansing | 20295 | | (15,455) |
| Street Cleansing - DSO | 20323 | | (2,698) |
| Recycling | 20294 | | (4,401) |
| Greenwaste | 20296 | | (19,379) |
| Waste and Environmental Enforcement Team | 20297 | | (14,690) |
| Together Action | 20298 | The Together Action had a (£16,270) grant received in March for community clear ups which has been transferred to reserves to be spent in future years. The budget also had an under spend of (£7,160), this has been requested as a carry forward for community clear up projects not achieved in the year. | (23,431) |
| Waste and Parking Services Total | | | (193,876) |

Appendix B (cont)

| General Fund Activities | Cost Centre | | Total Full year Variance excl. Recharges |
|---|-------------|--|--|
| Open Space Management | 20170 | | (2,904) |
| Hastings Country Park - Parking | 20312 | | (394) |
| Watercourses | 20302 | | (6,194) |
| ESCC Highway Tree Maintenance | 20291 | | (2,968) |
| Cemetery & Crematorium | 20303 | Positive variance mainly due to increased income offset by additional spend of £10,000 on utilities due to increased demand and issues with water leaks. | (33,303) |
| Welfare Funerals | 20304 | Adverse variance due to unrecoverable funerals £7,500 from 2018/19 the rest from prior years. | 20,452 |
| Travellers Costs | 20305 | | 735 |
| Town Centre | 20306 | | (1,218) |
| Allotments | 20307 | | 3,433 |
| Ecology | 20308 | | (5,705) |
| Arboriculture | 20309 | | (15,946) |
| Parks & Gardens | 20310 | Rent reviews e.g. the Café at Alexander Park, have increased income received by (£19,000). Renewals of long term commemorative seats in March have led to (£12,000) additional income. There is (£15,000) unspent S106 and a government grant of (£15,000) received in March for Parks maintenance which will also go to an earmarked reserve. The rest is made up of underspend on repairs and various other minor variances. | (89,505) |
| Hastings Country Park | 20313 | | 7,485 |
| Countryside Stewardship | 20314 | | (7,466) |
| Amenities Services Total | | | (133,498) |
| Director of Operational Services | 20174 | | 1,527 |
| Director of Operational Services Total | | | 1,527 |
| Marketing & Comms.Division | 20178 | | 4,291 |
| Meteorological Expenses | 20239 | | (415) |
| Civic & Ceremonial Expenses | 20240 | | (7,702) |
| Community Awareness | 20226 | | (2,146) |
| 1066 Country Campaign | 20222 | External funding to be carried forward. | (25,169) |
| Tourism Marketing | 20223 | Marketing service reviewed and costs reduced | (22,603) |
| Battle Marketing | 20224 | | (3,552) |
| Tourist Information Centre | 20225 | Recharge to HIC no longer carried out. | 23,101 |
| HIC Trading Account | 20210 | | (5,562) |
| Twining / Sierra Leone | 20227 | | (1,000) |
| R.T.P. - Hastings Week | 20230 | | 30 |
| R.T.P. - Jack-in-the-Green | 20231 | | 2,524 |
| R.T.P. - Old Town Carnival | 20232 | | (3,170) |
| R.T.P Events | 20233 | | 3,581 |
| R.T.P. - Trolley Bus | 20234 | | (1,707) |
| R.T.P. - Town Crier | 20235 | | 381 |
| Filming | 20241 | | 15,617 |
| Seafood and Wine | 20228 | | 8,658 |
| Midsummer Fish Festival | 20237 | | (6,192) |
| Herring Fair | 20238 | | 4,841 |
| Marketing and Major Projects Total | | | (16,194) |

Appendix B (cont)

| General Fund Activities | Cost Centre | | Total Full year Variance excl. Recharges |
|---|-------------|---|--|
| Regeneration Management & Admin | 20177 | | (4,056) |
| Regeneration Activity | 20208 | | (17,856) |
| Planning Policy | 20211 | Underspent due to changing the timetabling for work on the Area Action Plan. The underspent has been carried forward. | (55,169) |
| Cultural Activities | 20212 | | (66) |
| Cultural Development (Getting Hastings Ready) | 20213 | | (2,978) |
| External Funding Initiatives | 20214 | | (7,660) |
| Community Cohesion | 20215 | | (1,530) |
| Town Centre Management | 20166 | | (9,300) |
| Community Development Activity | 20167 | | 25 |
| Community Partnership Fund | 20219 | | (300) |
| Youth Windfall | 20220 | | (2,389) |
| Youth Activities | 20221 | | 200 |
| Renewable Energy Solutions | 20321 | Installation of Solar Panels | 23,569 |
| Externally Funded: | | | |
| White Rock Area Development | 20209 | £28k Bohemia Feasibility Study carried forward to 2019/20. | (31,225) |
| Fisheries Local Action Group (FLAG) | 20216 | | 1 |
| Coastal Communities Fund | 20217 | External funding carried forward for White Rock Fountain project | (30,575) |
| 1066 Community Grants | 20270 | | 556 |
| Regeneration Total | | | (138,752) |
| Leisure & Cultural Dev. Div. | 20175 | | (131) |
| Falaise Hall | 20258 | | (14,605) |
| Sports Centres | 20259 | Repairs budget underspend | (36,460) |
| William Parker | 20260 | | (15,000) |
| Opening Doors | 20271 | | (5,471) |
| Sports Development | 20261 | | (154) |
| Street Games | 20262 | | 6,023 |
| Active Hastings | 20264 | Lower than budgeted expenditure in several areas and increased income from fees and charges. | (21,349) |
| Play Development | 20265 | | (3,502) |
| PCT Play Grant | 20266 | | (1,250) |
| Play Pathfinder | 20267 | | (3,374) |
| Playground Projects | 20268 | | 3,105 |
| Sports for All | 20263 | Increased grant received. Underspend taken to earmarked reserves. | (25,898) |
| Leisure Services Total | | | (118,066) |
| Resort Services Management and Admin | 20176 | | 7,406 |
| Sports Management | 20257 | Increased income | (20,925) |
| Cliff Railways | 20245 | | 5,160 |
| Seafront | 20250 | | (18,707) |
| St Clements Caves | 20247 | Non payment of royalties 16/17 & 17/18 -Legal Dept reviewing | 21,001 |
| Chalets & Private Hut Sites | 20248 | Premises budgets underspent by £8k/ Additional income received £15k | (24,274) |
| Coast Protection Sea Defences | 20242 | | (1,830) |
| Navigational Aids | 20243 | | (1,137) |
| Environmental Schemes (Net Huts) | 20244 | | 1,392 |
| Hastings Castle | 20246 | | (5,259) |
| White Rock Theatre | 20249 | Repairs £20k underspent / Contract reduced | (32,345) |
| Museums & Art Galleries | 20251 | | 10,037 |
| Fisherman's Museum | 20252 | | 1,735 |
| Education - Museum | 20253 | | (3,282) |
| Exhibitions - Museum | 20254 | | (6,640) |
| Museums & Schools Project | 20327 | Increased grant received. Carried forward to 2019/20. | (30,043) |
| First World War Project | 20256 | | 1,163 |
| Resilience Fund - Museum (Arts Council) | 20255 | | 5,295 |
| Resort Services Total | | | (91,252) |

Appendix B (cont)

| General Fund Activities | Cost Centre | | Total Full year Variance excl. Recharges |
|--|-------------|--|--|
| Housing Management & admin | 20172 | Favourable variance due to receiving £74,000 Community Housing Grant and £14,000 Housing Advisor Programme Grant. Both grants have been carried forward to the new financial year. | (97,428) |
| Housing Company | 20322 | | (4,174) |
| Local Land Property Gazetteer & Admin | 20173 | | 5,522 |
| Local Land Charges Register | 20181 | | 7,265 |
| Development Management | 20180 | Underspend due to delays in the scanning project. The underspent has been carried forward. | (56,821) |
| Homelessness | 20182 | Overspent due to increased demand for placements. Demand for bed and breakfast is significant with a lack of affordable properties to move into. | 89,880 |
| Homelessness Prevention | 20183 | | 10 |
| Social Lettings | 20184 | | (17,903) |
| Homelessness Strategy | 20185 | | 262 |
| Deposits funded by ESCC and Discretionary Housing payments | 20187 | | (3,822) |
| Youth Homelessness | 20188 | | (1,966) |
| Housing Register | 20186 | | (3) |
| Building Control | 20179 | | 1,450 |
| Housing Solution Services | 20197 | Underspent due to receiving a grant for a 2 year public health contract which has not yet been fully spent. The underspent has been carried | (63,467) |
| Housing - Works in Default | 20198 | | 432 |
| Housing Renewal | 20191 | Carry forward of £23,200 for consultancy work required. £13,000 additional income from Enforcement | (36,428) |
| Selective Licensing | 20195 | Favourable variance due to income received for licenses. The licences issued cover more than just a one year period so the income received will be used to offset administration costs in future years. The underspent has been carried forward. | (484,191) |
| Housing Licensing Team | 20196 | Increased income transferred to earmarked reserves. | (32,527) |
| Dangerous Structures | 20200 | | 18,189 |
| EXTERNAL FUNDED | | | |
| Housing NHS Clinical Commissioning Group | 20202 | This expenditure is not budgeted for. Spend has been financed from earmarked reserves where the CCG grant money is held. | 239,763 |
| Controlling Migration Fund | 20193 | Underspend due to grant received in the year. The underspent has been carried forward to be spent in the next financial year. | (181,036) |
| Rough Sleepers Prevention | 20207 | Favourable variance due to grant received in the year to cover a 3 year project. The underspend has been carried forward for use in future years. | (96,818) |
| Syrian Resettlement Programme | 20206 | | 45 |
| Housing and Built Environment | | | (713,766) |
| OPERATIONAL DIRECTORATE TOTAL | | | (1,472,936) |

Capital Programme Expenditure 2018/19

| Service | Gross Budget £000's | Actual £000's | Net Variation £000's |
|----------------------|------------------------|------------------|-------------------------|
| Corporate Resources | 15,847 | 10,603 | (5,244) |
| Operational Services | 10,465 | 13,644 | 3,179 |
| Total | 26,312 | 24,247 | (2,065) |

Capital Programme Financing 2018/19

| | Outturn 2018-19 £000's |
|---|------------------------------|
| Expenditure : | <u>24,237</u> |
| Financed by : | |
| Borrowing | 19,396 |
| Grants - Disabled Facilities Grant | 1,254 |
| Harbour Arm and New Groynes - Contribution from DEFRA | 1,556 |
| Coastal Communities Scheme 4 - CCF funding | 219 |
| Private Sector Renewal Support - Regional Housing Board & LEP Funding | 7 |
| Playgrounds - Other Grants and Contributions | <u>11</u> |
| | 3,047 |
| Capital Receipts | <u>1,804</u> |
| | <u>24,247</u> |

Appendix E

Statement of Reserves

| | Opening Balance 1 April 2018 | Transfers In | Transfer Out | Closing Balance 31 March 2019 |
|---------------------------------------|------------------------------------|----------------|-----------------|--|
| | £000's | £000's | £000's | £000's |
| General Reserve | (7,668) | (71) | 24 | (7,715) |
| Capital Reserve | (150) | 0 | 0 | (150) |
| <u>Earmarked Reserves</u> | | | | |
| Renewal and Repairs Reserve | (1,628) | (508) | 536 | (1,600) |
| Risk Management Reserve | (330) | 0 | 0 | (330) |
| Information Technology Reserve | (152) | (214) | 213 | (153) |
| On-Street Car Parking Surplus Reserve | (40) | 0 | 0 | (40) |
| Section 106 reserve | (507) | 0 | 11 | (496) |
| VAT reserve | (252) | 0 | 0 | (252) |
| Government Grant Reserve | (702) | (119) | 111 | (710) |
| Carried Forward Reserve | (159) | (686) | 159 | (686) |
| Ore Valley Reserve | (250) | 0 | 0 | (250) |
| Monuments in perpetuity | (47) | 0 | 0 | (47) |
| Invest to save and efficiency reserve | (420) | 0 | 151 | (269) |
| Resilience and Stability Reserve | (600) | 0 | 0 | (600) |
| Transition Reserve | (1,824) | 0 | 481 | (1,343) |
| Redundancy Reserve | (648) | 0 | 43 | (605) |
| Community Safety Reserve | (350) | 0 | 100 | (250) |
| Economic Development Reserve | (501) | 0 | 100 | (401) |
| Safer Hastings Partnership | (72) | (9) | 0 | (81) |
| First World War Project | (12) | 0 | 1 | (11) |
| Clinical Commissioning Group | (585) | 0 | 236 | (349) |
| Young Peoples Council | (19) | 0 | 19 | 0 |
| Revenue Hardship Fund | (80) | 0 | 0 | (80) |
| Disabled Facilities Grant | (925) | (628) | 60 | (1,493) |
| Syrian Resettlement Programme | (21) | 0 | 0 | (21) |
| Selective Licensing | 0 | (574) | 0 | (574) |
| Housing Licensing | (6) | (33) | 0 | (39) |
| Community Housing Reserve | (94) | 0 | 20 | (74) |
| | | | | |
| Total | (18,042) | (2,842) | 2,265 | (18,619) |

PIER Savings achievement for 2018/19

| Activity | | Budgeted PIER Saving 2018/19 £ | Saving Achieved in 2018/19 £ | Variance Over / (under) £ | Commentary |
|--|---|--------------------------------|------------------------------|---------------------------|--|
| ICT | Reduction in access East Sussex Licensing, dedicated network link no longer required. | 9,000 | 9,000 | 0 | Savings achieved. Link not required. |
| Paper and Print reduction (a work-stream of the Digital by Design programme) | Paper and print reduction savings from implementation of new digital first-print last approach supported by new SharePoint, new Multi-functional devices (MFDs), new virtual mail room contract and a change in culture: i.e. 'doing it differently'. | 46,000 | 18,500 | -27,500 | £18.5k cashable savings have been achieved with savings in staff time being redeployed elsewhere. The savings have been made from reductions in photocopying and the rollout of virtual post room to Revenues and Benefits. The rollout to other departments has been delayed due to the team leading the project being diverted to work on the archive clearance so the full savings potential has not yet been realised. |
| Property fund (CCLA) | Income earned from investments made in external property fund | 80,000 | 85,000 | 5,000 | Annual return amounted to 5.99% including dividends and capital growth. |
| Commercial property | Income earned from investments in commercial property (net of borrowing costs) | 373,000 | 372,200 | -800 | In 2018/19 the income received from newly acquired commercial property amounted to £705k. In a full year all acquisitions now made will generate (including rental saved on Muriel Matters House) £1.106m. The income generation strategy properties will contribute £666k of this sum once fully developed and rent free periods have ended. |
| Housing Company | Net contribution from Housing Company investment | 60,000 | 0 | -60,000 | Delays in purchasing properties means the Housing Company is yet to generate a profit and pay a dividend. |

Appendix F

| Activity | | Budgeted PIER Saving 2018/19 £ | Saving Achieved in 2018/19 £ | Variance Over / (under) £ | Commentary |
|---|---|--------------------------------|------------------------------|---------------------------|---|
| Energy | Income earned from investment in energy projects (net of borrowing costs) | 80,000 | 0 | -80,000 | An estimated £2k per annum of income is being generated after borrowing costs. This excludes abortive costs incurred in identifying viable sites. |
| Resorts services | Management and administration savings following deletion of Resorts Services manager post in 2017 | 21,000 | 21,000 | 0 | Resorts Services Manager post deleted and new post recruited on lower grade. Saving achieved. |
| Civic and ceremonial | Reducing transport costs | 1,000 | 1,000 | 0 | Reduced expenditure towards Mayoral car. |
| Meteorological service | Paid volunteer coordinator post not replaced, mileage paid to volunteers | 2,000 | 2,000 | 0 | Staffing budget removed and mileage now not being claimed. |
| Community Awareness | 25% reduction in budget used for advertising of local events – use alternative methods | 4,000 | 4,000 | 0 | Budget reduced to £5k and spend realigned to match. |
| Twinning/Sierra Leone | Reduce £3k budget for Sierra Leone twinning | 1,000 | 3,000 | 2,000 | Budget of £3k not spent in 2018/19. Grant now cancelled from 2019/20. |
| Raising the Profile | Savings across a number of budgets: Hastings week (£1k) Hastings carnival (£1k) Trolley Bus (£2k) Town Crier (£2k) Achievers Award (£1k) Bonfire (£300) | 6,000 | 6,000 | 0 | Activity spend restructured and savings achieved. |
| Cultural Development – Coastal Currents | As agreed by Council in last year's budget, a final year of pump priming funding was given in 2017/18 to enable the event to become self-financing. | 20,000 | 20,000 | 0 | Funding ceased and project now externally funded. |
| Total PIER Savings above | | 703,000 | 541,700 | -161,300 | |

Growth Items

| Activity | | Budgeted PIER Growth 2018/19 £ | Growth in 2018/19 £ | Variance Over / (under) £ | Commentary |
|-----------------|--|--|---------------------------|------------------------------------|--|
| Planning policy | Studies, resources and work required for White Rock Area and Town Centre Area Action Plan, including examination in public and Strategic Flood Risk Assessment Staffing implications: Increased by 1.3 FTE 1FTE funded by external funding and 0.3FTE (growth) to reinstate to a FTE senior planner. | 61,000 | 31,000 | -30,000 | Area Action Plan work delayed so post not yet recruited into. |
| Homelessness | Increased costs of temporary accommodation anticipated to meet demand | 156,000 | 245,880 | 89,880 | Demand for bed and breakfast is significant with a lack of affordable properties to move into. Homelessness service was £90k overspent in total even after allowing for PIER Growth net of Housing Benefit income. |
| | Total Growth above | 217,000 | 276,880 | 59,880 | |

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Agenda Item 10



Report to: Cabinet

Date of Meeting: 8 July 2019

Report Title: Corporate Plan retrospective report on performance during 2018/19 and proposed Performance Indicator targets for 2019/20

Report By: Jane Hartnell Director of Corporate Services and Governance

Purpose of Report

1. To advise Cabinet of the year-end performance for 2018/19 and proposed performance indicator targets for 2019/20.
2. To receive comments from the Overview and Scrutiny committee on year-end performance for 2018/19 and proposed performance indicator targets for 2019/20.
3. To outline intentions for performance arrangements during 2019/20.

Recommendation(s)

1. That the comments of the Overview and Scrutiny committee be considered.
2. That the year-end performance for 2018/19 and proposed performance indicator targets for 2019/20 be approved.
3. That Cabinet support intentions for performance arrangements during 2019/20.

Reasons for Recommendations

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

Introduction

1. The Council meeting on 11 February 2019 agreed the Corporate Plan for 2019/20 which sets out the council's strategic direction and outlines 7 key work programmes for 2019/20.
2. In the Performance and Financial Monitoring report to Overview and Scrutiny available [here](#), Appendix A reports back against the key activities set out in the previous year's 2018/19 Corporate Plan and sets out draft performance indicator targets proposed for 2019/20.
3. Appendix B gives further details for the 7 key programmes to be completed during 2019/20. The information in Appendix B will be integrated into performance reporting for 2019/20.
4. Cabinet has traditionally been given delegated authority by the Council to agree yearend performance for 2018/19 and proposed performance indicator targets for 2019/20.
5. The comments of the Overview and Scrutiny Committee on year end performance and forward looking performance indicators are summarised for consideration by Cabinet.

Retrospective Performance and proposed Performance Indicators for 2019/20

6. The report to Overview and Scrutiny summarises performance indicator 2018/19 outcomes and 2019/20 proposed targets for all indicators. Most indicators are proposed to retain the same targets for 2019/20, but any targets to be changed are indicated in bold and underlined. Appendix A gives details of yearend performance for council activities, and also further details for the performance indicators, including notes about targets and explanation for any indicators that have not achieved their 2018/19 targets.

Comments

7. The Overview and Scrutiny committee considered the year-end performance for 2018/19 and proposed performance indicator targets for 2019/20 at their meeting on 13 June.
8. Discussions were wide ranging and led by the Scrutiny chair in response to the report from both Directors.
9. The following topics were considered: CCTV and associated costs, Police capacity, teacher retention in Hastings, licensing responsibilities relative to [ESCC](#), Selective licensing income and wider assumed variances of income, homelessness costs, Disabled Facilities Grant underspend, benefits and Universal Credit, [CHART CLLD](#), discretionary housing payment, new waste arrangements, [Community Partnership Fund](#) recipients, Syrian Refugee housing and climate change.
10. Following discussion of some of the performance indicators including: private homes in the borough, litter and street cleanliness and sickness absence, Scrutiny members did not propose further changes to the performance indicators and supported the proposed indicator targets for the year ahead.

11. The full report to the Overview and Scrutiny committee, and the minutes of their meeting are available [here](#).

Policy Implications

12. The Corporate Plan gives an overview of the council’s principle objectives for the year ahead. Appendix B gives further oversight into what the council intends to do during 2019/20 to successfully deliver on its seven key programmes. Together with the performance indicators for the year ahead (appendix A) these documents serve as the basis for which Overview and Scrutiny will track progress and hold Cabinet to account based on the commitments made in the Corporate Plan agreed by full Council during February 2019.

Timetable of proposed next steps

13. Please include a list of key actions and the scheduled dates for these:

| Action | Key milestone | Due date | Responsible |
|---|---|--|---|
| Approved PIs incorporated into 2019/20 performance monitoring and performance arrangements | Approved PIs collated and reported quarterly during 2019/20 to the Overview and Scrutiny committee. | To meet the quarterly Overview and Scrutiny meetings cycle schedule including internal meetings that feed into this process. | Policy and Performance Officer and Continuous Improvement and Democratic Services Manager |
| Performance tracked and reported quarterly based on agreed PIs and oversight of key programmes (appendix A) | Quarterly performance reports outlining progress on key programmes and PIS. | As above. | As above. |

Wards Affected

All

Implications

Relevant project tools applied? **Yes/No**

Have you checked this report for plain English and readability? **Yes/No**

Climate change implications considered? **Yes/No**

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
Human Rights Act
Organisational Consequences
Local People's Views
Anti-Poverty

Additional Information

The report to Overview and Scrutiny Committee meeting on 13 June is available [here](#).

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Agenda Item 11



Report to: Cabinet

Date of Meeting: 8 July 2019

Report Title: Central St Leonards Renewal Area – Exit Review

Report By: Andrew Palmer, Assistant Director Housing and Built Environment

Purpose of Report

To present, for information, the results of the exit review for the St Leonards Renewal Area

Recommendation(s)

- 1. That the contents of the report are noted**

Reasons for Recommendations

Following the end of the 15 year St Leonards Renewal Area an exit review has been undertaken. The results of this review are presented as an appendix to the report.

Introduction

1. Following a Neighbourhood Renewal Assessment (NRA) in 2003 Cabinet declared the Central St Leonards Renewal Area on the 18 December 2003. The original objectives for the Renewal Area (of which there were 20) focussed on improving the housing conditions and environmental quality in the area as well as seeking to create long term employment for local residents.
2. A review of the area in 2013 identified that significant progress had been made over the 10 years of its operation in regenerating the area, however more work was required. At that time Cabinet decided to extend the area for a further five years to November 2018.
3. In the past when funding for housing renewal was more readily available, the additional powers made available by the Local Government and Housing Act 1989 for use in a renewal area were of benefit to the Council. In particular these were regarding the compulsory purchase of long term empty properties. During the past five years however funding has significantly decreased at the same time as other legislative powers to deal with rogue landlords have increased meaning the advantages to having a declared renewal area are less.
4. There is no requirement to formally terminate a renewal area; as such it ended at the end of the five year extension (4 November 2018). Also, whilst there is no requirement to finally report on the delivery of a renewal area, it is considered best practice to undertake an exit review in order to highlight the success of the area.
5. An exit review has therefore been undertaken for the Central St Leonards Renewal Area by RJFP Resourcing (who also undertook the review in 2013). A copy of the review is included at appendix 1.

Renewal area successes

6. The renewal area provided a focus for the Council's activities in an area which was significantly deprived and even though the area is still one of the most deprived in the borough the renewal area has seen some significant success in a number of areas;
 - £ 32 million investment from public and private sources
 - 459 formal enforcement notices to improve housing standards contributing to improvements in 1,326 dwellings
 - 9 compulsory purchase orders made in respect of long term empty properties
 - 381 local residents involved in skills and learning projects
 - Downward trend in all reported crime in the area

Ongoing activity

7. Whilst the tools available for housing renewal in a formally declared renewal area are not now available to the council there is still significant activity in St Leonards in relation to improving the housing conditions of tenants. This includes;
- The Selective Licensing Scheme requires all privately rented accommodation in 7 wards (including Central St Leonards) to be licenced
 - The Additional HMO Licensing Scheme requires all HMO's in 4 wards (including St Leonards) to be licenced
 - Enforcement work in housing renewal continues and full use of the new powers introduced by the Housing and Planning Act is being made. To date 21 financial penalties have been issued for various non-compliance
 - Coastal Space 2 has recently delivered 26 new units of affordable rent accommodation in the refurbished Winchester House school building
 - Coastal Space 3 is on site at Leolyn House to deliver additional affordable rent accommodation in partnership with Optivo
 - The East Sussex Public Health commissioned Warm Homes Check Service is being administered from Citizens Advice 1066 out of St Leonards for the whole of Sussex.
 - The EU Interreg SHINE project continues to improve the thermal comfort of the most fuel poor residents in St Leonards.

Wards Affected

Central St Leonards

Implications

Relevant project tools applied? N/A

Have you checked this report for plain English and readability? Yes (Flesch-Kincaid Grade Level 13.5)

Climate change implications considered? Yes (none)

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

Equalities and Community Cohesiveness – N/A

Crime and Fear of Crime (Section 17) – N/A

Risk Management – N/A

Environmental Issues – N/A

Economic/Financial Implications – N/A

Human Rights Act – N/A

Report Template v29.0

Organisational Consequences – N/A
Local People’s Views – N/A
Anti-Poverty – N/A

Additional Information

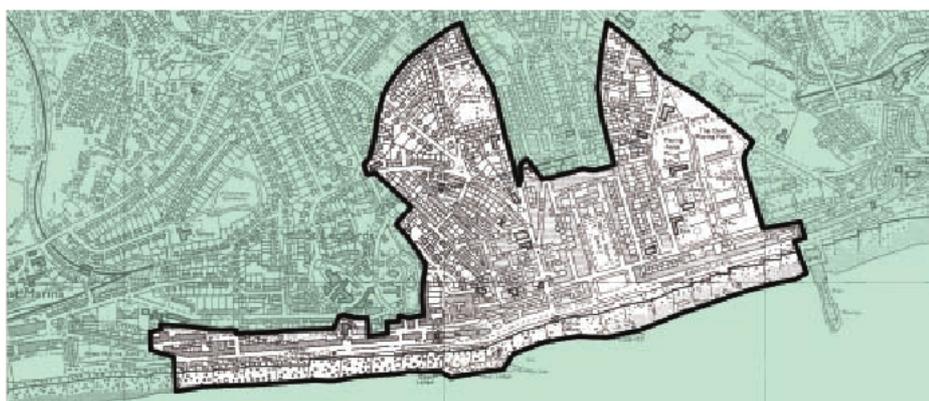
Appendix 1 – Central St Leonards Renewal Area Exit Review

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Central St Leonards Renewal Area - Exit Review

Report for Hastings Borough Council



October 2018

Version Control

| Version | Author(s) | Comment | Date |
|---------|----------------------|--|----------|
| V1 | Richard Peters | | 12/09/18 |
| V2 | Matthew China review | Tracked changes | 08/10/18 |
| V3 | Richard Peters | Comments from Matthew China, Pranesh Datta and Marcus Berrisford | 10/10/18 |
| V4 | Richard Peters | Photos added | 15/10/18 |
| V5 | Richard Peters | Comments from Matthew China | 23/10/18 |



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1. Introduction

- 1.1 In December 2003 the Council (HBC) declared the Central St Leonards Renewal Area for a 10-year period. Following a review of progress in 2013, HBC Cabinet on 4 November 2013 decided to extend the Renewal Area for a further five years, i.e. until 3 November 2018, in order to help continue the regeneration of Central St Leonards. HBC has commissioned this study to review achievements since 2013 prior to expiry of the Renewal Area status.
- 1.2 This report builds on the review carried out in 2013¹ and needs to be read alongside the 2013 report. It sets out the progress achieved on priority activities in the area since then, alongside data from the Hastings Stock Condition Survey 2016 and house prices in the area. It also considers the impact of significant changes in Government policy and the reducing support for housing renewal over the past 10 years, including the removal of specific financial support for Renewal Areas and the cancellation of Secretary of State guidance.
- 1.3 The report concludes that much has been achieved during the 15 year life of the Renewal Area by a wide range of partners, local businesses and the local community. Significant improvements have been achieved in respect of poor housing conditions. The local environment and the town centre have improved and the level of anti-social behaviour has reduced dramatically. Inevitably there is still more to do but key partners continue to prioritise the area in a variety of ways and given current and proposed interventions this can be achieved outside the framework of a renewal area.



¹ Central St Leonards Renewal Area – Proposed Extension of Time Frame – October 2013

2. Central St Leonards Renewal Area

Background

- 2.1 The Central St Leonards Renewal Area was declared on 18th December 2003 for a period of ten years. This was part of an overall strategic approach towards tackling the Borough's high concentration of unfit homes in the central parts of south St Leonards. It also provided a framework for addressing wider regeneration activity in Central St Leonards ward, which at the time was the most deprived ward in the South-East. The Renewal Area covers the whole of Central St Leonards ward and two sections of Gensing ward to the north of Warrior Square Station. In 2003 the Renewal Area included 3,810 homes within 921 residential buildings. A map of the area is included below.
- 2.2 A Neighbourhood Renewal Assessment (NRA) was carried out in 2003 as a precursor to Renewal Area declaration and a summary of the key findings is attached at Appendix 1. Significantly, the NRA highlighted serious concerns with housing conditions in the area:
- 26% of homes (985) were 'unfit for human habitation'
 - 22% of homes (833) although not 'unfit' were in serious disrepair
 - 42% of homes (1,607) failed the 'decent homes standard'
 - 50% of HMOs did not meet fire safety standards
 - 83% of homes (3,210) were in multi-occupied buildings (HMOs)
 - 45% of households lived in the private rented sector
 - 2% of dwellings were in general needs social housing compared to 16% across the Borough



Central St Leonards Renewal Area

- 2.3 Long-term empty homes were also a problem for the area. 6.8% (260) of all private homes in Central St Leonards ward were empty for six months or more² compared with 2.5% for the Borough as a whole. This was the highest proportion for all wards, with 30% of all the Borough's long-term empty homes being attributable to Central St Leonards. In addition to empty properties, there were also a number of empty and derelict 'eyesore' sites located around the area.

Renewal Area Strategy & Masterplan

- 2.4 HBC appointed a Renewal Area project manager to develop and lead the programme alongside a team of housing renewal staff. A renewal strategy was developed in 2004 with the following vision:

"The vision for Central St Leonards builds on its assets and addresses its problems. It sees a neighbourhood with safer streets... a strong community... with better housing... an environment to be proud of... and with pathways to work for local residents."

- 2.5 Delivery of the strategy was supported by 19 strategic priorities across five thematic areas. The five thematic areas were:

1. Safer Streets
2. Stronger Communities
3. Better Housing
4. An environment to be proud of
5. Pathways to work

Details of the 19 strategic priorities are set out at Appendix 2. Five key performance indicators were adopted in 2004 to measure progress towards delivery of the strategy and these are set out at Appendix 3.

- 2.6 A masterplan was developed in 2005 to provide a framework for addressing the regeneration of Central St Leonards to help support delivery of the Renewal Strategy 2004 and to support HBC's bid for Single Regeneration Budget funding of £1.65m. The principle objective of the Masterplan was to change people's perception of Central St Leonards to achieve long-term economic growth, inward investment and a better quality of life for the local community.

- 2.7 Three key programmes were identified during the masterplanning exercise:

1. Sustainable Community
2. Town Centre Upgrade
3. Greening of St Leonards

Further details of the key projects identified within the regeneration framework to support these programmes and progress towards them can be found in the October 2013 report³ recommending extension of the Renewal Area.

² Hastings & St Leonards Empty Homes Strategy 2001

³ Central St Leonards Renewal Area – Proposed Extension of Time Frame – October 2013

Summary of Achievements - 2013

- 2.8 The original Central St Leonards Renewal Area programme was unashamedly ambitious reflecting the scale of the challenges presented, as highlighted in Appendix 1. By 2013 when HBC took the decision to extend the Renewal Area for a further 5 years the position on progress can be summarised as follows:
- Nearly 600 homes made 'fit' or brought up to the 'decent homes standard'
 - Just over 300 homes improved that were not 'unfit' but in serious disrepair
 - 53 homes repaired and improved by housing associations
 - 104 whole HMOs improved
 - 111 buildings improved by the 'Grotbusters' team
 - Long-term empty homes reduced by 30% from 260 to 183
 - 64% of people are very/fairly satisfied with their neighbourhood
 - The crime rate had reduced from 289 to 225 crimes per 1,000 population and if ASB is excluded it is down to 125 crimes per 1,000 population
 - 12.3% of people were unemployed
- 2.9 In total the area had benefited from capital investment in excess of £26m, plus an unquantifiable amount of officer time from a range of partner agencies, businesses and community volunteers.
- 2.10 Progress against the original Renewal Area delivery plan at 31 March 2013 is set out at Appendix 4.

3. Renewal Area Programme – Post 2013

- 3.1 Improving unsatisfactory housing conditions is the primary purpose of declaring a renewal area. HBC decided in November 2013 to extend the life of the Renewal Area for a further five years in order to continue to deal with poor housing conditions, unsatisfactory management of houses in multiple occupation (HMOs) and private rented homes; and to continue to bring empty homes back into residential use. Despite good progress in securing improvements an estimated 800 homes still fell below current housing standards and the private rented sector had grown dramatically from 45% (1,401 households) to 58% (2,533 households) of all households. This was against a backdrop of reducing public sector resources and no specific capital funding for private sector housing renewal. Consequently, it was acknowledged that alternative approaches were needed to continue to address unsatisfactory housing conditions and poor management.
- 3.2 The programme envisaged was based on a number of strands of activity:
- Licensing HMOs and private rented homes
 - Enforcement of housing standards in private rented homes
 - Tackling empty homes including use of compulsory purchase
 - Coastal Space programme to renovate existing buildings for affordable rent and support other social and economic interventions
 - Neighbourhood policing

Progress on each of these strands is set out below.

Licensing HMOs and private rented homes

Additional Licensing of HMOs

- 3.3 HMOs in Central St Leonards have been subject to registration or licensing in various ways since 2001. Further details are set out at Table 1 below. In September 2011 the Council introduced an Additional Licensing scheme for HMOs covering the four town centre wards of Braybrooke, Castle, Central St Leonards and Gensing. This followed research that showed that around 85% of the Borough's HMOs are located in these wards and the requirement for introducing a scheme were met in that a significant proportion are being managed sufficiently ineffectively. The Additional Licensing scheme ran for 5 years until September 2016 and during this period 218 HMOs were licensed within the Renewal Area leading to improvement at 81 whole HMOs.



3.4 Table 1(a) below provides the overall picture for HMOs registered or licensed in Central St Leonards and the Seven Streets sub-area since 2001 and highlights that since Renewal Area declaration in 2003 HBC has licensed 349 HMOs and of these 146 are in the Seven Streets priority area.

| Table 1: HMO Registration & Licensing - 2003-2018 | | |
|---|----------------------|---|
| Central St Leonards Renewal Area & 'Seven Streets' Sub-Area | | |
| a) HMOs Registered or Licensed | | |
| Scheme | Seven Streets | Central St Leonards Renewal Area |
| HMOs Registered under 2001 Scheme* | 3 | 10 |
| HMOs Registered under 2004 'Seven Streets' Scheme** | 25 | 25 |
| HMOs Licensed under 2011 Additional Licensing @ 31 March 2013 | 23 | 96 |
| HMOs Licensed under 2011 Additional Licensing - 1 April 2013 – September 2016 | 95 | 218 |
| Total HMOs Registered or Licensed | 146 | 349 |
| b) HMOs Improved by Registration or Licensing | | |
| Scheme | Seven Streets | Central St Leonards Renewal Area |
| HMOs Registered under 2001 Scheme* | 3 | 10 |
| HMOs Registered under 2004 'Seven Streets' Scheme | 11 | 11 |
| HMOs Licensed under 2011 Additional Licensing @ 31 March 2013 | 2 | 3 |
| HMOs Licensed under 2011 Additional Licensing - 1 April 2013 – September 2016 | 20 | 78 |
| Total HMOs Improved | 36 | 102 |

* Bedsit, shared house & hostel type (s.254) HMOs

** Covers all categories of HMOs

Source: HBC Housing & Built Environment

Table 1(b) above shows improvements to HMOs achieved through the various schemes. This activity has resulted in the improvement of 102 whole HMOs, 36 of which were in the Seven Streets area. It is important to note that the improvements achieved in the 92 HMOs

through Additional Licensing and the earlier ‘Seven Streets’ registration scheme will have related to the external repair, the common parts and communal fire safety affecting several flats in each building but data is not available to quantify the total number of dwellings that have benefited.

- 3.5 An exit review of the HMO Additional Licensing scheme was completed in September 2016 and concluded that licensing had been partially successful in achieving the outcomes originally set out for the scheme. The HSCS 2016 stock condition survey confirmed a general improvement to housing conditions in the four wards covered by the scheme but highlighted that poor conditions still prevail in some areas and a number of HMO’s were still being badly managed and lack suitable and sufficient fire safety measures. Consequently, following a consultation exercise in 2017, HBC approved a further Additional Licensing scheme covering HMOs in Braybrooke, Castle, Central St Leonards and Gensing wards. The new scheme commenced on 4 May 2018 for a period of 5 years (until 3 May 2023).

Selective Licensing

- 3.6 In Hastings 29% of households (around 12,000 households) live in private rented homes, almost twice the national average. The sector has an important role to play in meeting housing need and improving management and maintenance standards in the private rented sector, therefore, is a high priority for HBC. In October 2015 HBC implemented a Selective Licensing scheme across seven wards in the town, containing approximately 9,000 privately rented homes, including Central St Leonards, as a means of addressing anti-social behaviour and delivering improvements to individual privately rented flats and houses. The scheme will last for 5 years until October 2020. To date the scheme has received licence applications in respect of 2,157 homes in Central St Leonards and 2,033 licences have been issued representing 29% of all homes licensed in the seven wards (7,097), as indicated in Table 2 below. In addition 1,220 licences have been issued in Gensing ward.

| Table 2: Selective Licensing in Private Rented Homes - 2015-2018 | | |
|---|-----------------------------------|---|
| Central St Leonards Renewal Area | | |
| | October 2015 – August 2018 | % of all homes licensed in 7 wards |
| Private rented homes licensed | 2,033 | 29% |

Source: HBC Housing & Built Environment

Enforcement of Housing Standards

- 3.7 In 2013 it was estimated that approximately 800 homes still fell below current housing standards in the Renewal Area. National and local survey data suggests that a disproportionate (higher) number of these

are likely to be in the private rented sector. The 2013 report acknowledged that moving forward there would be a need for greater emphasis on enforcement action and licensing due to the growth in private renting in the area and the removal of Government financial assistance. It was also acknowledged that taking enforcement action and licensing are much more labour intensive and take considerably longer to deliver outputs. Table 3 below summarises enforcement action taken over the life of the Renewal Area and shows a total of 459 notices have been served. Since 2013 54 notices have been served to deal with Cat 1 and Cat 2 failures under the hazard rating system.

| Table 3: Enforcement Action - 2003-2018 | | | | |
|---|--------------------|--------------------|--------------------|---------------|
| Central St Leonards Renewal Area | | | | |
| Type of Action | 03/04-05/06 | 06/07-12/13 | 13/14-17/18 | Totals |
| Housing Act 1985 Section 189 - Unfit Dwelling* | 14 | - | - | 14 |
| Housing Act 1985 Section 190 - Disrepair Not Unfit* | 10 | - | - | 10 |
| Housing Act 1985 Section 358 - HMO Overcrowding* | 5 | - | - | 5 |
| Housing Act 1985 Section 352 - HMO Fitness for occupants* | 6 | - | - | 6 |
| Housing Act 1985 Section 369/372 - HMO Management* | 7 | - | - | 7 |
| Housing Act 1985 - Minor notices - Requests for Info, etc.* | 122 | - | - | 122 |
| Housing Act 2004 Section 11 - Category 1 Improvement | - | 11 | 28 | 39 |
| Housing Act 2004 Section 12 - Category 2 Improvement | - | 4 | 7 | 11 |
| Housing Act 2004 Section 11 & 12 - Cat 1 & 2 Improvement | - | 12 | 19 | 31 |
| Housing Act 2004 Section 41 - Emergency Remedial Action | - | 4 | 0 | 4 |
| Housing Act 2004 Section 43 - Emergency Prohibition Cat 1 | - | 3 | 1 | 4 |
| Housing Act 2004 Section 20 - Building Closure Cat 1 | - | 1 | 4 | 5 |
| Housing Act 1985 & 2004 - Informal Notifications | 20 | 153 | 3 | 176 |
| Building Act 1984 Section 59 - Drainage | 2 | 6 | 0 | 8 |
| Environmental Protection Act 1990 Section 80 - Nuisance | 4 | 8 | 5 | 17 |
| Total Notices Served | 190 | 202 | 67 | 459 |

* Housing Act 1985 powers replaced by Housing Act 2004 in April 2006

Source: HBC Housing & Built Environment

Empty Homes and Compulsory Purchase

- 3.8 To support the Hastings & St Leonards Empty Homes Strategy, HBC continued to resource a dedicated Empty Homes Officer throughout the lifetime of the renewal area who has been able to co-ordinate activity targeted at reducing the number of long term⁴ empty homes. When progress was reviewed in 2013 210 empty homes have been brought back into use since declaration. Data on empty homes activity for Central St Leonards ward over the past 5 years is not currently available but across the town it has resulted in 525 long term empties being brought back into housing use (Table 4 below).

| Table 4: Empty Homes Brought Back into Use - 2013-2018 | |
|---|---------------|
| Hastings and St Leonards | |
| Year | Number |
| 2013/14 | 115 |
| 2014/15 | 97 |
| 2015/16 | 76 |
| 2016/17 | 125 |
| 2017/18 | 112 |
| Total Empty Homes Brought Back into Use | 525 |

Source: HBC Housing & Built Environment

- 3.9 The number of empty homes will be subject to fluctuation as circumstances change. Table 5 below shows the position regarding the change in the number of long-term empty homes by ward for the period April 2004 to July 2017.
- 3.10 Between 2013 and 2017 the number of long term empties increased across the town by 27% and by 60% in Central St Leonards. Central



St Leonards remains the ward with the highest number of empty homes. In part this may well be a function of the ward having such a large proportion of small privately rented flats. Concerted action will need to continue into the future to sustain the current position and achieve further improvements.

**Table 5: Number of Long Term Empty Homes by Ward
April 2004 - July 2017
(Empty for 6 months or more)**

⁴ Long term means empty for at least 6 months or more

| | April 2004 | November 2013 | July 2017 | % Change since 2013 |
|----------------------------|------------|---------------|------------|---------------------|
| Central St Leonards | 260 | 150 | 240 | 60% |
| Castle | 164 | 135 | 150 | 11% |
| Gensing | 136 | 67 | 110 | 64% |
| Maze Hill | 45 | 36 | 56 | 56% |
| Old Hastings | 23 | 61 | 53 | -13% |
| Braybrooke | 41 | 39 | 53 | 36% |
| St Helens | 3 | 19 | 28 | 47% |
| Ore | 14 | 14 | 25 | 79% |
| Silverhill | 22 | 36 | 23 | -36% |
| Wishing Tree | 8 | 7 | 21 | 200% |
| Conquest | 8 | 3 | 20 | 567% |
| West St Leonards | 17 | 16 | 15 | 6% |
| Tressell | 18 | 19 | 14 | -26% |
| Hollington | 10 | 7 | 13 | 86% |
| Baird | 15 | 37 | 12 | -68% |
| Ashdown | 73 | 21 | 12 | -43% |
| | 857 | 667 | 845 | 27% |

Source: HBC Housing & Built Environment

3.11 As part of the Empty Homes Strategy, HBC has adopted a robust approach to dealing with empty homes across the town, including the use of compulsory purchase (CPO) powers where, despite the Empty Homes Officer's advice and support, owners are unwilling or unable to bring properties back into use. Since 2010 HBC has made CPO resolutions in respect of 101 long term empty properties across the town. In most cases the CPO is enough to galvanise owners into action either by selling the property or by doing what is needed to bring it back into use. Only in a handful of cases has it been necessary to seek confirmation of the CPO and take possession prior to selling on the property.



3.12 In the Renewal Area 9 properties have been subject to CPOs and in each case owners have resolved the position either by selling or by taking action to bring the property back into use without the need to pursue the CPO further. In 2013 it was envisaged that HBC might wish to use Renewal Area CPO powers⁵ in Central St Leonards. However, in practice it has used CPO powers under section 226 of the Town and Country Planning Act 1990 as a common approach to dealing with empty properties across the town.

Coastal Space

3.13 Following a pilot in 2011/12 the Coastal Space project led by AmicusHorizon (now Optivo) was established to deliver high quality affordable homes from existing empty buildings in poor condition and to make a modest contribution to rebalancing tenure in the area by

⁵ Section 93 Local Government & Housing Act 1989

increasing the supply of social housing for rent. Support for a dedicated enforcement officer over two years was jointly funded by HBC and Optivo to help bring forward properties where owners are unwilling or unable to achieve required housing standards. The project also brought with it the potential to deliver a number of interventions to help maintain the economic and social investment momentum in the area.

3.14 Overall the project secured a total investment programme of £6.282m for Central St Leonards, with funding contributions from HBC, Optivo and the Homes and Communities Agency (now Homes England). By March 2015 phase 1 of the project had delivered 38 homes. Phase 2 is currently underway and is set to deliver a further 26 homes, including 6 in a new build annexe by November



2018. In 2016 it was decided to extend the remit of the project to address problematic buildings and sites blighting neighbourhoods outside the immediate central St Leonards area. This means that some of the outputs in Phase 2 are outside the Renewal Area.

Following a successful bid to the SELEP on behalf of three coastal local authorities HBC has obtained funding of roughly £600,000 through the Local Growth Fund to support Phase 3 acquisition and redevelopment of a further property in the Renewal Area, which on completion of works will provide an additional 16 affordable homes at Leolyn House, Pevensey Road. By the end of Phase 3 the programme will have delivered a total of 80 new affordable homes.



3.15 One of the key strengths of Coastal Space is the delivery of associated and complementary regeneration activity. The dedicated and proactive approach to enforcement with a two-year post joint funded by HBC and Optivo has enabled an additional 271 property inspections. This has helped bring forward properties for the scheme, where owners are unwilling or unable to achieve required housing standards. It has also provided the opportunity to make links with other initiatives such as the empty homes strategy, 'Grotbusters' and licensing. Enforcement activity has led to improvements at 108 private homes.

3.16 In addition Coastal Space so far has enabled 381 local residents to get involved with skills and learning projects. It has also maintained partnerships with local community organisations, the Town Team and the neighbourhood policing team. Optivo has provided part-time programme management and community development support,

including support for the project board of partners overseeing Coastal Space. Since 2013 this has become the main vehicle for overseeing and co-ordinating activity within the Renewal Area.

Community Safety & Policing

- 3.17 When the Renewal Area was declared in 2003, although crime levels and fear of crime were starting to come down across the Borough they remained a serious concern in Central St Leonards. At December 2003 there were a total of 2,682 crimes recorded over a 12 month period. In response to this, the Safer Hastings Partnership has prioritised tackling crime in Central St Leonards with some considerable success. This has included designation as a Policing Priority Area (PPA) to specifically target the reduction of crime and disorder and continuing the neighbourhood policing approach with enhanced uniformed presence in the area, together with target-hardening of business premises and other partnership funded community safety initiatives. Table 6 below shows the significant progress achieved in reducing crime over the past 17 years from 415 crimes per 1,000 population in 2001/2 to 210 in 2017/18.

| Crime Rate - Including Anti-Social Behaviour | | Crime Rate - Excluding Anti-Social Behaviour | |
|--|-----------------------------|--|-----------------------------|
| Year | Crimes per 1,000 population | Year | Crimes per 1,000 population |
| 2001/02 | 415 | 2001/02 | 415 |
| 2003/04 | 289 | 2003/04 | 289 |
| 2007/08 | 230 | 2007/08 | 195 |
| 2008/09* | 334 | 2008/09 | 169 |
| 2009/10 | 341 | 2009/10 | 177 |
| 2010/11 | 272 | 2010/11 | 128 |
| 2011/12 | 279 | 2011/12 | 148 |
| 2012/13 | 225 | 2012/13 | 125 |
| 2014/15 | 233 | 2014/15 | 133 |
| 2015/16 | 224 | 2015/16 | 134 |
| 2016/17 | 235 | 2016/17 | 153 |
| 2017/18 | 210 | 2017/18 | 150 |

* Anti-Social Behaviour added to recorded crime in January 2008

Source: Sussex Police

- 3.18 The level of recorded crime over the period 2007/08 to 2017/18 is set out at Table 7 below. The data comes with a health warning in that detailed ASB incident recording was only introduced in the last quarter of 2007/08⁶ and changes were made to the systems and codes used for 'Disorderly Behaviour' (ASB) incident data between 2010 and 2011. There have also been further revisions to data collection since, which means it is only safe to use the data to describe trends rather than actual performance.

⁶ Data for 2007/08 including ASB, therefore, is lower than it might be as it only includes incidents of ASB in the last quarter and the apparent increase in 2008/09 is attributable to a full year's recording of ASB data.

Table 7: Crime - Central St Leonards Ward - 2007-2018**All Crime – broken down by Anti-Social Behaviour and Other Crime**

| Year (April-March) | All Crime | Anti-Social Behaviour | Other Crime |
|-----------------------|-----------|--------------------------|-------------|
| 2007/08 | 1,426 | 219 | 1,207 |
| 2008/09* | 2,150 | 1,165 | 1,085 |
| 2009/10 | 2,276 | 1,094 | 1,182 |
| 2010/11 | 1,877 | 992 | 885 |
| 2011/12 | 1,994 | 938 | 1,056 |
| 2012/13 | 1,603 | 713 | 890 |
| 2014/15 | 1,644 | 709 | 935 |
| 2015/16 | 1,574 | 632 | 942 |
| 2016/17 | 1,648 | 573 | 1,075 |
| 2017/18 | 1,474 | 420 | 1,054 |

* Anti-Social Behaviour added to recorded crime in January 2008

Source: Sussex Police

- 3.19 However, the data clearly shows a downward trend for all crime in the area over the life of the Renewal Area. In recent years the concerted effort to address youth anti-social behaviour and provide support to the street community through a partnership approach is delivering results. The past 5 years have seen particular success in continuing the reduction in anti-social behaviour but the level of all other crime has remained at around 1,000 per annum. When compared with the level of 2,682 crimes in 2003 the total crime figure of 1,474 in 2017/18, however, is a significant reduction. Nonetheless, Central St Leonards ward still has the second highest number of crimes compared with other wards, Castle ward being the highest and having almost 50% more anti-social behaviour. Both are town centre wards with higher densities of retail and entertainment outlets, which goes some way to explaining this. Therefore, it will be important to continue to prioritise crime prevention in the Central St Leonards area in order to sustain the progress achieved during the past fifteen years.
- 3.20 Since 2013 the neighbourhood policing approach has continued in Central St Leonards with generally positive results as indicated in the tables above. Resource pressures have resulted in fewer PCSOs (Police Community Safety Officers) and neighbourhood police officers across Sussex. However, Central St Leonards remains one of the Sussex Police priority areas and this included the retention of a small local neighbourhood team at the Silchester Road Hub in St Leonards town centre until mid 2017. The local team has since been reassigned to wider area based policing. Sussex Police has reviewed the approach to neighbourhood policing and has developed a more proactive approach to deal with local issues that will address the threat, harm and risk to victims and offenders. The focus now is on preventing crime and anti-social behaviour. This is delivered across the town through a pooled team of 'prevention officers' (police officers, PCSOs and specialist officers for hate crime, ASB, licensing and young people) organised in three shifts, each led by a police sergeant. The aim is to respond to and address local threats, harms and risks when reported by residents, and visitors.

- 3.21 The new 'Prevention Team' approach relies more heavily on the 101 non-emergency number and emails sent to them by local residents and businesses as well as from Crimestoppers 0800 555 111, as they do not patrol 'local patches' as they once did. This provides the flexibility to address issues in priority areas and at the same time respond to issues raised by the local community.
- 3.22 HBC's small team of wardens have recently taken over some of the visible neighbourhood 'policing' tasks associated with the enforcement of the Public Space Protection Order, implemented in June 2017, designed to address town centre problems of anti-social behaviour, dog fouling, etc.
- 3.23 Reassurance and engagement with local residents and businesses on community safety issues remains an important priority for the police and partners working in the area. Community safety meetings, street meetings and occasional public meetings are held when requested or the need arises.

Other Activity

New Homes through Planning Approvals

- 3.24 At the end of 2012/13 planning approvals had resulted in an additional 283 new homes being added to the housing stock in Central St Leonards ward (plus a further 189 new homes in the whole of Gensing ward).



Since 2013 the housing stock in Central St Leonards has increased by a further 77 new homes resulting from planning approvals (plus a further 52 in Gensing ward). In total the housing stock in Central St Leonards has increased by



360 additional homes during the life of the Renewal Area. Further details are available at Appendix 6.

'Grotbusters'

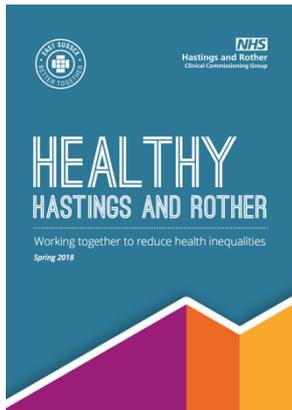
- 3.25 HBC's 'Grotbusters' team has continued to play an important role in helping deliver Renewal Area objectives by requiring owners to deal with eyesore properties and to improve poorly maintained frontages. A co-ordinated approach with other HBC disciplines has in many cases resulted not only in improvements to the exterior of properties but also interiors as well, through linking up



with Coastal Space, the empty homes officer and other enforcement action. In 2013 Grotbusters had helped secure improvements to 111 properties in Central St Leonards as a result of warnings and formal action. Since then a further 221 properties have been improved in Central St Leonards. In total the Grotbusters team has improved 332 premises during the life of the Renewal Area.

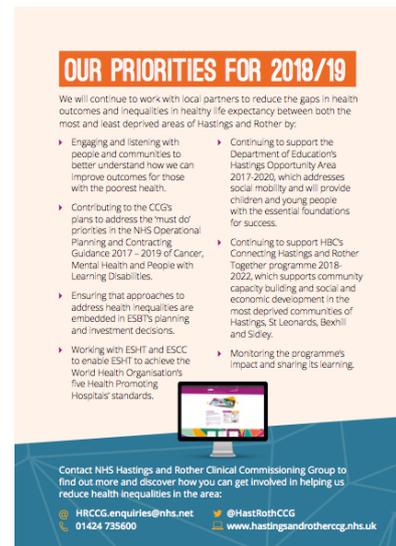
Healthy Hastings & Rother Programme

3.26 Since 2015 the NHS Hastings & Rother Clinical Commissioning Group (CCG) has allocated substantial resources from its Healthy Hastings & Rother Programme, for HBC, East Sussex County Council, and other partners or providers to invest in projects, which will address health inequalities.



HBC is leading a programme of nine projects with a value of approximately £2.75m between 2015-2020 targeted at reducing health inequality in the most disadvantaged wards in Hastings and Rother, including Central St Leonards and Gensing. The projects address a wide range of issues including, getting

overweight people more active; developing health & wellbeing hubs to support the infrastructure and capacity of existing community organisations to help deliver health and wellbeing services in the most deprived parts of the town; earlier identification, support and referral for people affected by domestic violence and abuse; community adult learning for people with poor physical or mental health; improving housing and health outcomes for the street community/homeless people; and reducing fuel poverty in private homes and supporting the enforcement of housing standards.



Projects directly benefiting the Renewal Area

3.27 Generally, the projects are benefiting a number of disadvantaged wards across Hastings, St Leonards and Bexhill and in doing so will be supporting the community in the Renewal Area. There are some elements of projects specifically targeted at the area, for example:

- the Fellowship of St Nicholas has received an award of CCG funds to support a health and wellbeing hub in Central St Leonards since late Autumn 2017;
- a multi-agency hub is based in Gensing to provide support for the street community and people rough sleeping;
- a 'healthy homes – places' project is supporting the enforcement of housing standards in Central St Leonards whilst at the same time addressing fuel poverty across several wards. More detail is

provided on the latter project below as it is directly contributing to improvements in housing conditions.

Healthy Homes & Fuel Poverty

3.28 The 'Healthy Homes - Places' project commenced in 2016 and is currently funded until 2019. It focuses on the most disadvantaged wards with the highest percentage of fuel poor households. In order to achieve the biggest impact on reducing health inequalities, the programme complements delivery of the ESCC Winter Home Check Service by providing top up funding for vulnerable residents in the 6 most disadvantaged wards in Hastings and Rother with major heating and insulation measures. The programme also targets concentrations



of poor condition private rented homes in these areas, where tenants are fuel poor, with proactive inspections and follow up action to secure improvements, including enforcement of housing standards, where necessary. In practice the majority of enforcement action has occurred in Central St Leonards ward with some activity in Bexhill Central.

So far the project overall has supported 165 households with additional heating and/or insulation improvements. It has supported 46 households in Central St Leonards and 23 in Gensing with heating and/or insulation improvements. In addition the project has achieved 69 inspections of poor condition private rented homes leading to 32 homes being improved following enforcement action.

4. Condition of the Housing Stock

4.1 In 2016 HBC commissioned a sample survey⁷ of private housing conditions in seven wards where a high proportion of properties are privately owned and generally older. The seven wards selected for the Hastings Stock Condition Survey 2016 (HSCS) were: Braybrooke; Castle; Central St Leonards; Gensing; Old Hastings; Ore and Tressell. The survey assessed housing conditions in owner-occupied and private rented homes. As such it is very helpful in aiding analysis of trends in housing conditions and in particular for Central St Leonards and Gensing wards.

Category 1 Hazards

4.2 The Housing Health & Safety Hazard Rating System (HHSRS) introduced in 2008 is a national scheme governing the assessment of housing conditions across a broad range of hazards. It replaced the fitness standard and introduced the decent homes standard. Under the HHSRS Category 1 hazards are the most serious and where found the local authority has a duty to take action. The HSCS shows welcome improvement in Central St Leonards and Gensing wards, see Table 8 below, with 11.5% of dwellings having a Category 1 hazard in Central St Leonards and only 5% in Gensing. The HSCS findings indicate that Castle now has the highest level of Category 1 hazards followed by Tressell and Braybrooke. The HSCS also shows that the private rented stock (13.9%) has relatively more Category 1 hazards than owner occupation (10.2%).

| Ward | % of dwellings with a Category 1 Hazard |
|---------------------|---|
| Gensing | 5 |
| Old Hastings | 7.8 |
| Ore | 9.7 |
| Central St Leonards | 11.5 |
| Braybrooke | 14.7 |
| Tressell | 15.3 |
| Castle | 19.7 |
| Overall Average | 12.1 |

Source: Hastings Stock Condition Survey 2016

4.3 The progress made is significant when compared with the Private Sector House Condition Survey 2007 (PSHCS) and the NRA 2003. In 2007 the Central St Leonards sub-area, which included the bulk of Central St Leonards ward and most of Gensing ward (but not exactly the same boundary as the Renewal Area) identified the sub-area as having the most Category 1 failures at 34.4% and an unfitness rate of

⁷ Hastings Stock Condition Survey 2016, Opinion Research Services

13.8%. This compares with an unfitness rate of 26% for the Renewal Area identified in the NRA 2003.

- 4.4 As indicated above the HSCS and the PSHSCS reports do not have the same study areas. Consequently, they cannot be directly compared with absolute confidence. However, there is a close enough match between the Central St Leonards sub-area used in the 2007 PSHSCS and the 2016 HSCS report on the wards of Central St Leonards and Gensing to give an indication of progress. Table 9 below shows a dramatic reduction in dwellings with a Category 1 hazard down from 34.4% in 2007 to 8.8% in 2016. In other words in 2007 around one in three private dwellings had a category 1 hazard, whereas in 2016 that proportion is closer to one in eleven.

| Table 9: Category 1 Hazards – 2007 and 2016 Comparison | |
|---|--|
| Area | % of dwellings with a Category 1 Hazard |
| 2007 - Combined Central St Leonards and Gensing | 34.4% |
| 2016 - Combined Central St Leonards and Gensing | 8.8% |

Source: Hastings Stock Condition Survey 2016

Decent Homes

- 4.5 The HSCS also looked at dwellings that failed the 'decent homes standard' and again there is welcome improvement with Central St Leonards having 26.4% non-decent dwellings and Gensing having 14.2%, see Table 10 below. The highest levels of non-decency are now found in Castle at 41.5% followed by Tressell and Braybrooke. The HSCS also shows that in the study area the rate of non-decency for privately rented dwellings (31.4%) is higher than for owner occupied (19.7%).

| Table 10: Non-decency by Hastings Stock Condition Survey Study Area - 2016 | |
|---|----------------------------------|
| Ward | % of non-decent dwellings |
| Gensing | 14.2 |
| Old Hastings | 20.0 |
| Ore | 19.5 |
| Central St Leonards | 26.4 |
| Braybrooke | 26.4 |
| Tressell | 24.9 |
| Castle | 41.5 |
| Overall Average | 25.7 |

Source: Hastings Stock Condition Survey 2016

- 4.6 The HSCS also compared the non-decency results for Central St Leonards and Gensing wards in 2016 with the 2007 PSHSCS Central St Leonards sub-area, (with the same caveat about direct comparison). Again the HSCS shows a dramatic reduction in non-decent dwellings from 60.2% in 2007 down to 21.2% in 2016, see Table 11 below.

| Table 11: Non-decent dwellings – 2007 and 2016 Comparison | |
|--|----------------------------------|
| Area | % of non-decent dwellings |
| 2007 - Combined Central St Leonards and Gensing | 60.2% |
| 2016 - Combined Central St Leonards and Gensing | 21.2% |

Source: Hastings Stock Condition Survey 2016

Energy Efficiency

- 4.7 The Standard Assessment Procedure (SAP) is the Government rating system for energy efficiency. The HSCS also compared changes in SAP ratings between 2007 and 2016 on the same basis as for Category 1 hazards and non-decency. Table 12 below shows that average SAP ratings have also increased a great deal. Previously in 2007 the average SAP rating was 40 (the lower end of Band E), whereas in 2016 the average SAP rating had increased to 60 (mid Band D), which is similar to the national average. Across the study area the HSCS shows that the average SAP rating is the same (58) for privately rented and owner-occupied dwellings.

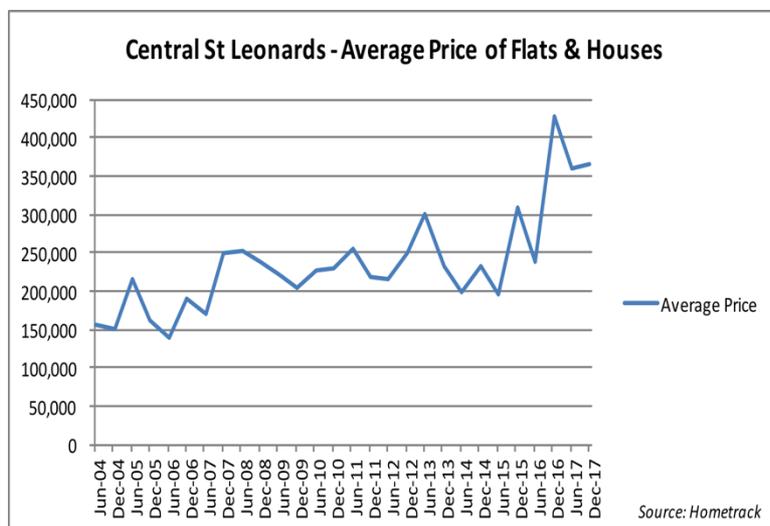
| Table 12: Average SAP Rating – 2007 and 2016 Comparison | |
|--|---------------------------|
| Area | Average SAP rating |
| 2007 - Combined Central St Leonards and Gensing | 40 |
| 2016 - Combined Central St Leonards and Gensing | 60 |

Source: Hastings Stock Condition Survey 2016

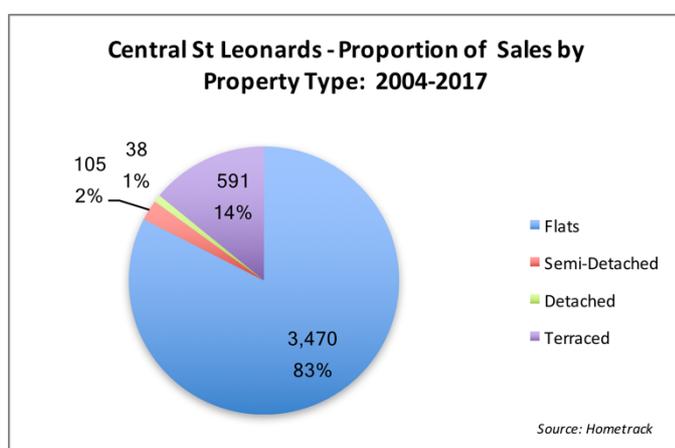
- 4.8 In summary, although the areas of the two stock condition surveys are not exactly the same and also do not mirror the Renewal Area boundary, the comparison indicates a fairly dramatic improvement in private housing conditions in Central St Leonards and Gensing wards and by proxy the Central St Leonards Renewal Area. Levels of Category 1 hazards and non-decency are proportionately greater in the privately rented sector. However, it is pleasing to note that Central St Leonards ward is no longer the area displaying the poorest private sector housing conditions.

5. House Prices

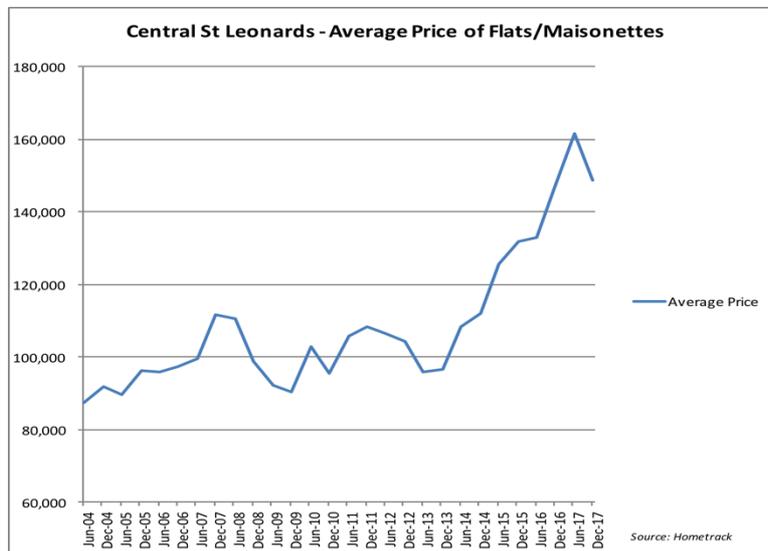
- 5.1 Information on house prices and property sales was obtained from Hometrack for the period June 2004 to December 2017. The chart below shows that since 2004 the combined average price of flats and houses in Central St Leonards has increased from £150,000 to just over £360,000. However, it also shows that average prices reached a peak of £426,000 in 2016 before falling back to £366,000 at the end of 2017. Whilst the tables below show that house prices in the area have continued to increase, the reduction in the average property price is largely due to a fall in the value of flats and apartments. Nonetheless, since the December 2013 decision to extend the Renewal Area for a further five years, it is interesting to note that over this period the average property price has increased from £200,000 to £366,000 (83%).



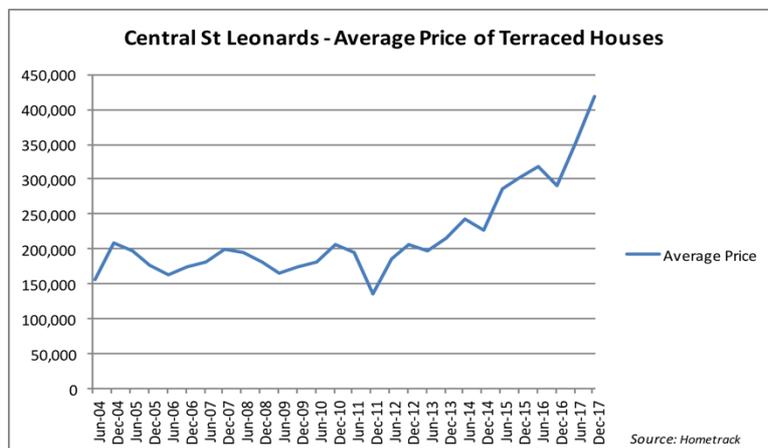
- 5.2 Flats are the predominant property type in the ward followed by terraced houses. There are relatively few detached and semi-detached houses in the area. This is reflected in the chart below, which shows that the majority of property sales were for flats (83%) and terraced houses (14%).



5.3 Detached and semi-detached houses attract considerably higher values than flats and terraced houses and they distort the overall picture slightly, even though the number of transactions is relatively small representing only 3% of all sales. The majority of transactions were for flats and the chart below shows that the average flat price has increased from £87,000 in 2004 to £148,000 in 2017, falling back from a high of £161,000 in 2016.



5.4 The chart below shows that between 2004 and 2017 the average price for a terraced house has fluctuated between £150,000 and just over £400,000, reaching £417,000 by the end of 2017. Significantly, house prices continue to increase and the price of a terraced house has doubled in the last five years.



5.5 The general increase in property prices since Renewal Area declaration in December 2003 is a welcome and positive indicator of progress towards regeneration. House prices in Central St Leonards are currently increasing at a faster rate than the Borough average. Interestingly prices have increased significantly in the area in the last five years despite the introduction of licensing across the whole private rented sector, the enforcement led approach to improving housing conditions and the CPO programme in respect of empty homes. This suggests a growing confidence in the area as a place to live and also in which to invest.

6. Social and Economic Regeneration

6.1 Central St Leonards remains one of the most disadvantaged areas in England and the South East and it is disappointing that the aspiration of taking it out of the worst 10% nationally has yet to be achieved. At declaration in 2003 Central St Leonards contained three Local Super Output Areas (LSOAs) in the worst 5% and one in the worst 10%⁸. This has remained the position through successive assessments of Indices of Multiple Deprivation including the most recent in 2015⁹.

6.2 Within the limited resources available, HBC continues to work with partners and other coastal local authorities facing similar issues to support and develop initiatives that will help strengthen the community and improve economic prospects for local people. A number of current initiatives are detailed below.

CHART

6.3 Connecting Hasting and Rother Together (CHART) is an £8.1m programme to support the social and economic development of the most deprived LSOAs within the Hastings and Bexhill community. CHART is a Community-Led Local Development programme, with access to European Structural Investment Funds (ESIF) that will be used to support projects that link the areas' most deprived communities to opportunities. CHART is a local grant scheme to support local projects, as defined within the CHART local development strategy. It will support unemployed and inactive individuals through investment of European Social Funds and enterprises through investment of the European Regional Development Funds. Hastings town centre (Castle ward) and St Leonards town centre (Central St Leonards ward) are CHART localities.

6.4 CHART is a 'bottom up' grant scheme, which ensures that the CHART community is at the forefront of the developing, appraising and approving of projects, which meet the needs of their community whilst fitting with ESIF eligibility criteria. The programme objectives are to:

- Develop and deliver highly personalised and targeted support to individuals in the CHART area who are the most disconnected from the labour market, to provide new, better and more coordinated and durable pathways towards work, self-employment or self-enterprise
- Invest in physical assets to both improve the facilities and potential for employment and growth in the CHART area, and in business premises and infrastructure in the wider Hastings and Bexhill economy with the potential to create jobs for CHART residents
- Develop and deliver enterprise, self-employment and business support services to support growth of the local economy and labour market, including specific support for social enterprise/

⁸ Indices of Multiple Deprivation 2000

⁹ Indices of Multiple Deprivation 2015

entrepreneurship, cooperatives and community owned businesses in the CHART area.

- 6.5 The programme is currently being commissioned and will run until March 2022. Overall, the aim of the programme is to leave a legacy of stronger, more resilient communities, with the impact of giving local people more control of their own destinies, seen in greater self-confidence and willingness to work collectively and imaginatively.

South East Urban Coast Creative Enterprise Support (SUCCESS) Programme

- 6.6 Hastings, Tendring and Thanet collaborated on a joint Regional Growth Fund (RGF) bid geared to supporting business start-up and growth in the creative and tourism-related sectors. The bid was largely successful, in that £2.2m RGF was allocated for creative sector grant support. Launched in 2013, the programme funded several projects in the Central St Leonards area including the Kino Theatre (Norman Road).



St Leonards Town Team

- 6.7 The Town Team was established in 2012



following the Portas Pilot Project with £10k funding. Local businesses, representatives from the community and HBC and service providers are all working together to make St Leonards a thriving place to live. The Team continues to operate in the area and is involved in various activities including promoting regular markets in Kings Road; the St Leonards Festival; Frost Fair and St Leonards Xmas Lights.

St Leonards Festival

- 6.8 Now in its 13th year HBC currently supports and commissions the annual St Leonards Festival with £10k funding. Organised by the community with Town Team support, the Festival is an important part of HBC supported cultural activities.



Hastings Town Centre and Bohemia Area

- 6.9 The plan sets out a planning strategy for the future of the Hastings Town Centre and Bohemia and covers the period to 2033. If its

aspirations are delivered it will have a significant impact on the surrounding areas including Central St Leonards and the Castle areas. HBC launched a formal consultation in July 2018, which concludes in September.

https://www.hastings.gov.uk/planning/policy/emergingpolicy_guidance/action/

Bottle Alley

6.10 Bottle Alley is in Central St Leonards ward and is of historical importance being one of a number of concrete structures built on the



seafront in the 1930s. Since 2016 HBC has carried out a programme of extensive concrete repairs to Bottle Alley and fully redecorated the structure. New detailed interpretation panels have been installed at each entrance to provide historical information for passers by. Facilities have also been created enabling the

opening of small sea front businesses such as the Kayak Centre. The installation of a multi-coloured LED lighting scheme has recently complemented these earlier improvements. Bottle Alley provides an important all weather link between Central St Leonards/Warrior Square and Hastings Pier, the White Rock Theatre and the Source Skate Park. These improvements have made an important contribution towards the objective of improving footfall in Central St Leonards by strengthening links between Hastings and St Leonards town centres via the newly reopened pier.



7: Summary of Progress since 2013

Housing

- 7.1 In summary, at the end of March 2018 interventions by HBC and partners have achieved improvements affecting at least 1,300 homes over the life of the Renewal Area. This includes improvements to just over 200 whole HMOs, which will have benefited a number of flats contained within them. It is not possible to quantify a precise number but this does mean that significantly more homes will have benefited. Table 13 below provides a breakdown of the different categories of intervention. As expected, given the reduced availability of public sector investment the overall level of improvements achieved in the last 5 years is considerably lower than the previous 10 years.

| Table 13: Central St Leonards Renewal Area | | | |
|---|------------------|------------------|--------------|
| Homes Improved | | | |
| | 2003-2013 | 2014-2018 | Total |
| Homes made fit | 600 | - | 600 |
| Homes improved that were not unfit but in substantial disrepair | 300 | - | 300 |
| Cat 1 Improvements | - | 28 | 28 |
| Cat 2 Improvements | - | 7 | 7 |
| Cat 1 & 2 Improvements | - | 19 | 19 |
| Energy efficiency installations | 10 | 69 | 79 |
| Homes repaired & improved by housing associations | 53 | - | 53 |
| Coastal Space/Optivo - homes repaired & improved | - | 38 | 38 |
| Whole HMOs Improved | 104 | 98 | 202 |
| Total Improvements | 1,057 | 190 | 1,326 |

Source: HBC Housing & Built Environment

- 7.2 In addition, since 2016 HBC has licensed 2,030 private rented homes in Central St Leonards (and 1,220 in Gensing, some of which will be within the Renewal Area). Where property inspections reveal improvements are required landlords are required to ensure that the dwelling is brought up to standard and in a reasonable period of time. Selective Licensing is still at an early stage and it is too soon to quantify improvements achieved. However, based on the experience of HMO licensing it is reasonable to assume that a significant number of improvements will be achieved. Furthermore, the renewed HMO Additional Licensing scheme commenced in May this year and this should lead to further improvements of whole HMOs over the next five years.



7.3 The Coastal Space project is about to start work on a scheme to deliver 16 new homes and may well continue to deliver more if it can secure funding and identify suitable properties. The CCG funded Healthy Homes – Places project is currently funded until 2019 and will continue to deliver energy efficiency improvements in the area.

7.4 Undoubtedly, other properties will have been improved without HBC action as a direct consequence of Renewal Area activity creating greater confidence in the local housing market and the area as a whole. However, capturing this kind of data is not easy and no reliable information is available. Nonetheless there is evidence of growing private sector confidence in the area. Building repairs and improvements are ongoing throughout the area and new build housing schemes continue to progress on smaller vacant sites in the area. Over the life of the Renewal Area the Central St Leonards housing stock has increased by 360 new homes (and by 240 in Gensing). Confidence in the area has also had a significant impact on house prices. Since the decision to extend the Renewal Area the combined average price of flats and house prices has increased 86% from £200,000 to £366,000 and the average price of a flat has increased by 70%.



Environment

7.5 The Regeneration Framework and Masterplan adopted for Central St Leonards in 2005 continues to guide projects targeted at improving the street scene and the public realm. The recent repairs and improvements to Bottle Alley, including the LED lighting display, together with improvements to the public realm around the pier have made a big impact on this stretch of the seafront and contribute to the objective of strengthening links between Hastings and St Leonards town centres.



Overall Investment

7.6 In 2013 total investment from public and private sources was estimated to have exceeded £26m. Since 2013 the Coastal Space project has resulted in an approximate investment of £6m and may lead to further investment in the future. The CCG programme to help reduce health inequalities in disadvantaged wards across the town has invested £2.75m in HBC led projects. Not all has been spent on specific Central St Leonards' projects but many local residents will still have been beneficiaries of the programme. The CHART programme is investing £8.1m across the 10 most disadvantaged wards in Hastings, St Leonards and Bexhill. Residents of Central St Leonards and Gensing

wards, therefore, will benefit from this investment in the coming years.

7.7 Private sector investment in housing improvements and in businesses is difficult to quantify but undoubtedly will have been significant over the life of the Renewal Area. The HSCS 2016¹⁰ estimated the average cost of achieving the decent homes standard at £3,560 (private rented dwellings - £4,250 and owner-occupiers £2,370). Given the estimated reduction in non-decent dwellings from 66% to 26.4% between 2007 and 2016 (approximately 1,500 dwellings) this suggests a potential private sector investment in excess of £5.3m.



¹⁰ Hastings Stock Condition Survey 2016 Report – Page 39

8. Renewal Areas and Government Policy

Renewal Area Declaration and Extension

- 8.1 The Renewal Area was declared under Part VII (section 89(1)) of the Local Government and Housing Act 1989 (LGHA89) and the decision to extend the declaration for a further five years was made under section 89(4)(b). The extension of time was agreed by HBC Cabinet on 4 November 2013 and this means that Renewal Area status will lapse on 4 November 2018. There is no legal requirement to publicise the expiry of the Renewal Area. However, as it is registered as a local land charge it will be necessary to remove this reference from all relevant addresses. HBC may also wish to publicise that the Renewal Area has expired and highlight the key achievements.

Renewal Area Powers

- 8.2 A Renewal Area declaration gives local authorities additional powers to help deliver the objectives agreed for the area¹¹. These include the acquisition of land and buildings by agreement or by compulsory purchase and carrying out works on land owned by the local authority or by others.

Government Policy on Private Sector Housing Renewal

- 8.3 Section 89(5) of the LGHA89 requires local authorities considering declaring or extending a Renewal Area to take account of guidance issued by the Secretary of State. Until January 2015 there were a number of Government circulars and guidance manuals governing Renewal Areas:
- Neighbourhood Renewal Assessment and Renewal Areas (DETR, 1997);
 - Private Sector Renewal Strategies: A Good Practice Guide (DETR, 1997);
 - Running and Sustaining Renewal Areas (DETR, 2000);
 - Addressing the Needs of Run Down Private Sector Housing (ODPM, 2002);
 - Housing Renewal Guidance – ODPM Circular 05/2003;
 - Neighbourhood Renewal Assessment guidance manual (ODPM, 2004).
- 8.4 However, on 16 January 2015 in a House of Commons Written Statement¹² the Secretary of State for Communities and Local Government announced the cancellation of the above guidance documents, describing them and a number of others concerning clearance and demolition as being outdated and no longer reflecting Government policy. Instead, current Government private sector housing policies are targeted at bringing empty homes back into residential use and supporting the growth of the private rented sector, whilst at the same time improving the management and maintenance of the sector through licensing or self-regulation¹³.

¹¹ Section 93 Local Government & Housing Act 1989

¹² House of Commons: Written Statement (HCWS205) – 16 January 2015

¹³ Improving the Private Rented Sector and Tackling Bad Practice: A guide for local authorities – DCLG March 2015

- 8.5 Until March 2011 Government capital funding support was available for private sector housing renewal financial assistance to assist private owners to carry out repairs and improvements to their homes; and in Renewal Areas it was available for specific activities, such as provision of environmental improvement schemes. This support ended in 2010/11 as part of the Government's public sector deficit reduction spending plans. Financial assistance for the Renewal Area effectively ceased at the end of March 2011, three quarters of the way through the 10-year programme.

9. Summary and Conclusions

- 9.1 This report shows that the alternative approaches adopted when the Renewal Area was extended have achieved steady progress since 2013, despite the limited public sector resources available. Enforcement of housing standards and licensing of HMOs and private rented dwellings is delivering results. Measures to address fuel poverty are making a difference. Coastal Space has provided an important strategic overview as well as improving homes for affordable rent, adding to the housing stock and delivering community development support. The focus on tackling empty and derelict or unsightly buildings continues to prove successful. Neighbourhood policing has resulted in a significant reduction of anti-social behaviour.
- 9.2 The perception of central St Leonards as a place is changing in a positive way, as evidenced by the confidence in the local housing market and the improved shopping offer in the town centre. St Leonards town centre is now thriving. The Town Team continues an important partnership between businesses, the community, HBC, the police and other key partners to help promote the locality. The CHART programme will help to deliver more durable pathways towards work, self-employment or self-enterprise for those most disconnected from the labour market.
- 9.3 The HSCS shows a dramatic reduction in poor condition non-decent homes. Conditions in Central St Leonards and Gensing wards are now on a par or better than other wards with high concentrations of older housing and private renting. The growth of the private rented sector in Central St Leonards is an ongoing concern as it approaches 60% of all households. The HSCS confirms that the poorest conditions remain in private rented homes but these can be addressed through the licensing schemes. Central St Leonards and Gensing wards are covered by the Selective Licensing scheme until 2021 and the new HMO Additional Licensing scheme until 2023.
- 9.4 The Renewal Area approach is no longer part of Government policy and not supported financially. Since 2015 the Government has cancelled guidance on renewal areas. HBC has not needed to use Renewal Area powers, e.g. acquisition of buildings and CPO, as alternatives are available. Therefore, a renewal area declaration no longer provides any real added value.
- 9.5 In conclusion, the Renewal Area framework has helped achieve dramatic improvements to the housing stock, as well as achieve improvements to the local environment, to community safety and to St Leonards town centre. However, without the status of a renewal area HBC's strategic approach towards licensing HMOs and the private rented sector, tackling empty homes and Grotbusters will continue to deliver improvements in the management and maintenance of poor quality homes over the coming years. The Coastal Space programme will continue and may help lever in additional resources moving

forward. In addition, the central St Leonards area remains a priority for Sussex Police and other partners such as NHS Hastings & Rother CCG, East Sussex County Council and Optivo.

9.6 Overall much has been achieved in the area and the significant improvements resulting from Renewal Area activity by a wide range of partners over the past 15 years are to be welcomed.



Appendices

1: Key Neighbourhood Renewal Assessment Findings

- 3,810 homes in the area contained within 921 buildings
- 83% of homes (3,210) were in multi-occupied buildings (HMOs)
- 45% of households lived in the private rented sector
- 2% of dwellings were in general needs social housing compared to 16% across the Borough
- 26% of homes (985) were 'unfit for human habitation'
- 22% of homes (833) although not 'unfit' were in serious disrepair
- 42% of homes (1,607) failed the 'decent homes standard'¹⁴
- 50% of HMOs did not meet fire safety standards
- 55% of residents liked the area
- 62% of residents were happy with their home as a place to live
- 76% of businesses felt anti-social behaviour was a serious problem
- 61% of businesses felt the poor appearance of the area was a problem
- 63% of residents felt that crime was a serious problem
- 48% of households had an income of less than £10,000
- 13% of people were unemployed
- 18% were on Income Support
- The five most serious issues in the area, rated by residents as 'very important' were:
 - Crime reduction
 - Dealing with drug problems
 - Dealing with alcohol problems
 - Dog fouling and street cleaning
 - Improving employment opportunities

¹⁴ The Decent Homes Standard was a new Government standard introduced for private homes in 2003 that at the time of the NRA took into account not only 'unfitness' but also the condition and age of amenities and building components. The standard incorporates four broad criteria that a property should: 1) be above the legal minimum standard for housing, 2) be in a reasonable state of repair, 3) have reasonably modern facilities, and 4) provide a reasonable degree of thermal comfort.

2: Renewal Area Strategy – Strategic Priorities

| SAFER STREETS | |
|-------------------------------|--|
| Priority 1 | ENFORCEMENT & VISIBILITY |
| Priority 2 | DRUG & ALCOHOL ABUSE |
| Priority 3 | DESIGN OUT CRIME |
| Priority 4 | BETTER INFORMATION |
| A STRONGER COMMUNITY | |
| Priority 5 | ENGAGING WITH THE COMMUNITY |
| Priority 6 | A FOCUS FOR THE COMMUNITY |
| Priority 7 | BETTER PUBLICITY |
| Priority 8 | A MORE ACTIVE LIFESTYLE |
| BETTER HOUSING | |
| Priority 9 | BETTER QUALITY HOUSING |
| Priority 10 | A MORE DIVERSE MIX OF HOUSING |
| Priority 11 | A MORE STABLE COMMUNITY |
| AN ENVIRONMENT TO BE PROUD OF | |
| Priority 12 | CLEANER STREETS |
| Priority 13 | CELEBRATING THE LOCAL HERITAGE |
| Priority 14 | AN URBAN RENAISSANCE |
| Priority 15 | TACKLING DERELICT & UNDERUSED PROPERTIES |
| PATHWAYS TO WORK | |
| Priority 16 | GETTING LOCAL PEOPLE INTO JOBS |
| Priority 17 | LEARNING FOR WORK |
| Priority 18 | DEVELOPING LOCAL ENTERPRISE |
| Priority 19 | IMPROVING THE RETAIL OFFER |

3: Renewal Area Programme - Key Performance Indicators

Central St Leonards Renewal Strategy 2004 Key Performance Indicators and Performance at March 2013

| OVERALL | | | |
|--|--------------------------|--|--------|
| 1. Narrowing the Gap (Community Strategy Target 1) | | | |
| Take Central St Leonards out of the worst 10% nationally by 2013 Baseline 2000: Central St Leonards in worst 2.3% | | | |
| Target | | Achievement | Status |
| 2005 | • Better than worst 5% | • 3 Super Output Areas in the worst 5% & 1 in the worst 10% ¹⁵ | ● |
| 2008 | • Better than worst 7.5% | • 3 Super Output Areas in the worst 5% & 1 in Worst 10% (=no change) ¹⁶ | ● |
| 2013 | • Better than worst 10% | • 3 Super Output Areas in the worst 5% & 1 in Worst 10% (=no change) ¹⁷ | ● |
| SAFER STREETS | | | |
| 2. Community Safety (Community Strategy Target 5) | | | |
| Reduce the gap between overall crime rates per 1,000 for Central St Leonards and the average for Hastings as a whole Baseline June 2004: 289 crimes per 1,000 population | | | |
| Target | | Achievement | Status |
| 2005 | • 280 per 1,000 | • 282 per 1,000 (2006) | ● |
| 2008 | • 260 per 1,000 | • 334 per 1,000 (or 169 per 1,000 excluding ASB) | ● |
| 2013 | • 220 per 1,000 | • 225 per 1,000 (or 125 per 1,000 excluding ASB) | ● |
| A STRONGER COMMUNITY/AN ENVIRONMENT TO BE PROUD OF | | | |
| 3. Resident Satisfaction with the Local Neighbourhood (Community Strategy Target 2) | | | |
| Increase the percentage of local people satisfied with their neighbourhood as a place to live to 75% by 2013 Baseline August 2003: 59% Quite/Very Satisfied with Central St Leonards | | | |
| Target | | Achievement | Status |
| 2005 | • 62% | • 58% Quite/very satisfied | ● |
| 2008 | • 67% | • 64% Quite/very satisfied (2006) | ● |
| 2013 | • 75% | • 64% Very/fairly satisfied ¹⁸ | ● |

¹⁵ Indices of Multiple Deprivation 2004

¹⁶ Indices of Multiple Deprivation 2007

¹⁷ Indices of Multiple Deprivation 2010

¹⁸ Place Survey 2011 - HBC

BETTER HOUSING
4. Housing - Improving Conditions
 (Community Strategy Target 17)

Remove the gap between Central St Leonards and the Hastings average for unfit homes
 Baseline 2003: Local performance Indicator is 200 homes made fit p.a. for Hastings i.e. 65 for Central St Leonards

| Target | Achievement | Status | |
|--------|---|--|---|
| 2005 | <ul style="list-style-type: none"> 65 homes made fit | <ul style="list-style-type: none"> 131 homes made fit | ● |
| 2008 | <ul style="list-style-type: none"> 260 homes made fit | <ul style="list-style-type: none"> 406 homes made fit | ● |
| 2013 | <ul style="list-style-type: none"> 585 homes made fit¹⁹ | <ul style="list-style-type: none"> 327 homes improved to Cat 1 and 2 standard 192 homes made decent 104 whole HMO buildings made decent or improved | ● |

PATHWAYS TO WORK
5. Unemployment
 (Community Strategy Target 7)

Reduce average unemployment in the town to the East Sussex level by 2013
 Baseline May 2004: Unemployment in Central St Leonards is 10% compared with Hastings 3.8%, i.e. 6.2% higher than the town as a whole (East Sussex figure is 1.9%)

| Target | Achievement | Status | |
|--------|---|---|---|
| 2005 | <ul style="list-style-type: none"> 6% higher than Hastings | <ul style="list-style-type: none"> CStL 7.4% - Hastings 3% = 4.4%²⁰ | ● |
| 2008 | <ul style="list-style-type: none"> 4.5% higher than Hastings | <ul style="list-style-type: none"> CStL 6.6% - Hastings 3.3% = 3.3% | ● |
| 2013 | <ul style="list-style-type: none"> 2% higher than Hastings | <ul style="list-style-type: none"> CStL 12.3% - Hastings 5.5% = 6.8% | ● |

| Status | |
|--------|--------------------------------|
| ● | Target achieved or exceeded |
| ● | Target close to being achieved |
| ● | Target unlikely to be achieved |

¹⁹ Fitness standard replaced by Health & Safety Hazard Rating System in April 2006
²⁰ Source: All data from NOMIS - JSA claimants as proportion of resident population aged 16-64

4: Central St Leonards Renewal Area: Delivery Plan - Progress 2013

Progress @ 31 March 2013

| Better Housing | | | | |
|---|--|--|---|--------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| Increase the provision of Social Housing in the area Renewal Strategy Priority - 9, 10, 11 & 15 | New refurbishment led affordable housing developments within existing buildings | Provide new affordable homes in the area through the conversion of existing street properties | 53 affordable homes delivered by Amicus HA between 2003-2008 through street property acquisitions. 28 x 1 beds 8 x 2 beds 15 x 3 beds 2 x 4 beds Investment £4.5m | GREEN |
| | Coastal Space Project - acquisition and improvement of street properties & wider regeneration | 16 new affordable homes delivered by Local Space HA pilot 51 new affordable homes delivered by Amicus HA Partnership activity to address worklessness, economic development and community investment | 5 affordable homes completed by Local Space HA in 2012 Funding agreement in place between HBC, Amicus HA and Homes & Communities Agency for overall investment of £6.3m to deliver 51 new homes by March 2015 Staff resources identified by HBC, Amicus HA and Sussex Police to support the Coastal Space programme | AMBER |
| | Increase the provision of affordable housing on vacant sites in the area | Develop one site for affordable housing in CSL area. | Two new build terraces on St Margaret's Road have delivered 17 new family homes. Other new homes currently under development in Caves Road. | GREEN |

| Better Housing | | | | |
|---|--|--|---|---------------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| Implementation of the Housing Renewal Programme Renewal Strategy Priority - 9, 10, 11, & 15 | Introduce a new Additional HMO Licensing Scheme, if feasible | Deliver an additional HMO licensing scheme in Central St Leonards and other relevant areas. | Additional HMO Licensing Scheme adopted and implemented in Central St Leonards and 3 other town centre wards in September 2011. 96 HMOs licensed in Central St Leonards ward at March 2013 | GREEN |
| | Deliver the Housing Renewal Programme | Remove gap between Central St Leonards and the Hastings average for unfit homes - 260 homes made fit by 2008 40 homes to be brought up to Decent Homes Standard per annum - 200 made Decent by 2013 | 406 homes made fit by March 2008 94 whole HMO buildings improved by March 2008 192 homes made Decent by March 2013 10 HMOs made Decent | GREEN |
| | Empty Homes Strategy | Reduce the number of long-term empty homes by 30% in CSTL, focussing on properties empty over 2 years. Baseline: 2001 - 297 homes empty for 6 months or more in Central St Leonards | Long term empties reduced by 38% 183 homes empty for 6 months or more in Central St Leonards at January 2013 | GREEN |
| | Use CPO powers to bring derelict buildings and land back into use with RSL and other partners | To use CPO powers where necessary to tackle poorly maintained buildings and land. | 11 CPO resolutions have been made on empty properties in Central St Leonards | GREEN |
| | Affordable Warmth - Fuel poverty and carbon emissions | Install 15 energy efficiency measures per annum in Central St Leonards | 10 homes provided with energy efficiency measures in 2012/13 | AMBER |
| A more diverse mix of Housing Choice Renewal Strategy Priority - 10 & 11 | Regeneration led Housing Planning Policy | Policy of increased provision of larger housing units in the area is reflected in the Local Development Framework (LDF) Core Strategy | Included in Spatial Area Policy FA4 (Strategy for Central St Leonards) of Local Plan 2012-2029 283 additional homes completed in Central St Leonards ward between 2004-2013 following planning consent for conversion or new build - 20% (58 homes) affordable | GREEN |

| Better Housing | | | | |
|------------------------------------|--|---|--|---------------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| | Reduce the high levels of Private renting | Deliver 10 first time buyers assistance packages. | 5 first time buyer assistance packages completed (Private rented sector in CStL ward has increased from 46% to 58% over the past 10 years.) | RED |
| | Development of Crystal Square Car Park | Develop proposal for: 157 new homes 245 parking spaces New retail area | Very little interest over the last 10 years in the site due to the current economic climate but it remains a development opportunity within the current planning policy. | RED |
| | Development of Sorting Office Site | Site developed for 6 affordable homes and retail - long-term Bring site back into use as a public space - short term | Site now owned by Homes & Communities Agency who are marketing it to potential developers. | AMBER |
| | Development of Alpha Café site | 47 Homes (Total) 13 Affordable Homes 32 Parking Spaces | Network Rail continues to look for active partners to develop the site but without much success. The site value is relatively low and the build cost remains relatively high given the location of the site. | RED |

| Safer Streets | | | | |
|---|--|--|--|---------------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| Enforcement & Visibility Renewal Strategy Priority - 1 & 2 | Declaration of Alcohol Free Zone and introduction of dedicated 'street drinking' PCSOs. | Reduction in street drinking Employment of additional police presence in the local area High visibility presence to reduce fear of crime | Alcohol Free Zone declared and continues with dedicated police officers and other support officers to reduce the number and impact of street drinkers. | GREEN |
| | Declaration of Central St Leonards as a Dispersal Zone. | Run 2 dispersal orders in the Central St Leonards area. | Dispersal orders were regularly implemented up to 2011. The emphasis has shifted to continuing high visibility and targeted interventions in particular streets. | GREEN |
| | Guide and advise economic and business delivery policy within the sub-area for the benefit of the residents and business. | Reduction in crime and ASB Improve the services available to existing and new businesses | Town Team - traders, residents, HBC, police and local councillors -meets to look at ways of promoting and enhancing Central St Leonards. HBC provides dedicated support for this work. Police attend St Leonards Business Association to enable dialogue and action on business concerns. | GREEN |
| | Target crime and antisocial behaviour (ASB) in the area by supporting the work of the Multi-Agency Tasking Team (MATT). | Reduction in crime and ASB Co-ordinate effective monthly MATT meetings, involving a range of partners. | Regular MATT team meetings, chaired by HBC, are held to discuss, manage and agree actions to address issues as they arise. | GREEN |
| | Central St Leonards Neighbourhood Panel | Reduction in crime and ASB Provide an open forum for the local community to raise concerns and identify community priorities | Neighbourhood Panel meets quarterly. Current top-three priorities are 1. Street drinking/begging 2. Parking on double yellow lines/pavements - London Road & Kings Road 3. Dog fouling across Central St Leonards ward | GREEN |

| A Stronger Community | | | | |
|--|--|--|--|---------------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| A Stronger Community Renewal Strategy Priority - 4, 5, 6, 7 & 19 | Develop the work of the Gensing & Central St Leonards Community Forum | A self sustaining Forum structure | Gensing & Central St Leonards Forum now has charity status and no longer receives HBC funding. It is now working with a range of partners to sustain its facility and work. | GREEN |
| | Provide Community Space for meetings and provision of information | Community information centre located in the area | Gensing & Central St Leonards community information centre opened at Silchester Road in 2005 and the Forum has sufficient funds for it to remain open until at least April 2014. | GREEN |
| | Develop a Media Strategy for Central St Leonards | Marketing strategy agreed Develop a Central St Leonards website | Town Team now has its own website as well as the 'Very St Leonards' website. There are also numerous independent websites promoting the area and particular roads, e.g. Kings Road & Norman Road. | GREEN |
| | Deliver the annual community festival in partnership with the local Forum | St Leonards Festival held annually Improved community cohesion | St Leonards Festival held in July each year since 2006. Latest festival delivered successfully on 13 July 2013, supported by the new Town Team. | GREEN |
| | Improve co-ordination of HBC and other services in the area | Facilitate effective co-ordination arrangements for service delivery in Central St Leonards. | HBC and partners' work is now co-ordinated via the Coastal Space Project Board and Operational Group. HBC, AmicusHorizon working with other partners to develop community empowerment and development work in the area. | GREEN |

| An Environment to be Proud Of | | | | |
|--|---|---|--|---------------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| An Environment to be proud of Renewal Strategy Priority - 3, 8, 13, 14 & 15 | Develop Central St Leonards Urban Renaissance programme | Adopt townscape Masterplan | Masterplan adopted in 2005. Initial programme now complete and allocated funding fully spent. | GREEN |
| | Produce a Town Centre Design Manual | Provide a Streetscape Design Manual for Central St Leonards | Manual published in 2007 and adopted by HBC and ESCC. Manual complements ESCC & HBC approach to improving the public realm. | GREEN |
| | '7 Streets' Pilot - Silchester Road environmental improvements | Greener streetscape, improved pavements, improved parking & refuse arrangements and safer streets | Silchester Road environmental improvement project completed in 2007. 'OSCAR' refuse bins upgraded throughout '7 Streets' area. | GREEN |
| | Deliver the Kings Road Corridor Project | Create a safe and high quality shopping environment in Kings Road | Improvements to Kings Road completed in 2010. Further improvements planned in 2013 - tree planting and signage. | GREEN |
| | Warrior Square Parking improvements | Increase parking spaces around Warrior Square by implementing one-way system and echelon parking | Parking improvement scheme completed in 2009. | GREEN |
| | Improve and restore key buildings/shop fronts via Conservation Area Partnerships scheme (CAPS) and Townscape Heritage Initiative (THI) | 30 Eligible buildings into good repair 6 key buildings brought back into use 20 buildings restored - architectural detail and shop fronts | CAPS 17 properties improved on Kings Road & St Leonards seafront, including Regents Court and Christ Church Old School (Magnet Centre/Renaissance House). Investment £3.5m. THI 18 properties (24 dwellings) improved, major repairs to Marine Court canopy and essential repairs to the Congregational Church, London Road. | GREEN |

| An Environment to be Proud Of | | | | |
|--|--|--|---|---------------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| | | | Investment £2.8m. | |
| | Improve poorly maintained building frontages through action by 'Grotbusters' team | Key buildings targeted by 'Grotbusters' team | 111 buildings improved as a result of warnings and formal action. | GREEN |
| | Refurbishment of Marina Pavilion as a landmark seafront building | Restored building providing a new seafront 'destination' point Establish new restaurant and event venue | Restoration work completed and Azur restaurant, conference and event venue opened in 2008. Restaurant is in active use. | GREEN |
| | Environmental Project to support Marina Pavilion | Enhanced public realm around Marina Pavilion and surrounding area | Environmental improvement project completed in 2007/08 | GREEN |
| An Environment to be proud of | St Leonards Arts Project - Introduce public art into streetscape design | Deliver two Arts projects in the Central St Leonards area | Projects have been delivered in Kings Road area, e.g. Kings Road Steps in 2008 & the 'space' now located at former BR social club site. | GREEN |
| Renewal Strategy Priority - 3, 8, 13, & 14 | Deliver phase 2 of the St Leonards Gardens improvements. | Deliver phase 2 (Interpretational offer on site). | Project completed in 2009. | GREEN |
| | Marina Phase 2 & Stockleigh Road - Greener streetscape, improved parking arrangements & safer streets | Obtain Funding for project | Project on hold until suitable funding is identified. | RED |

An Environment to be Proud Of

| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
|-------------------------|---|-----------------------------------|--|---------------------|
| | <p>Improved Seafront area connecting with Marina, Grand Parade, Warrior Gardens, Bottle Alley and the Pier</p> | <p>Obtain Funding for project</p> | <p>Restoration of the Pier due to start in September 2013 following successful funding package.</p> <p>Some connecting art and play facilities introduced on the seafront and will be extended over the next few years.</p> <p>Seafront strategy currently under review.</p> | <p>AMBER</p> |

| Pathways to Work | | | | |
|--|--|---|---|---------------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| Developing of Local Enterprise and Employment Opportunities Renewal Strategy Priority - 16, 17, 18, & 19 | Produce an Economic Development Strategy - identifying the role of Central St Leonards | Economic Development Strategy with an action plan | Hastings & Bexhill Economic Development Strategy 2008-2013 published in 2008. Strategy currently under review. | GREEN |
| | Develop and implement actions to tackle impact of recession in the local area and improve retail vitality | Identify a range of Area Based Grant (ABG) actions that address the impact of the recession in St Leonards shopping area | A number of local businesses were supported to help create & sustain jobs, develop skills, support employees and improve shop fronts. Support also provided to events, e.g. Marine Court open event and St Leonards Festival. The Government closed the ABG programme in March 2011. | GREEN |
| | | A new positive image for Central St Leonards including delivering marketing and promotional events in the area promoting the retail and leisure offer | CStL website and a marketing strategy developed. Newly formed Town Team developing a strategy for Central St Leonards. Christmas market and events delivered in Kings Road. | GREEN |
| Developing of Local Enterprise and Employment Opportunities Renewal Strategy Priority - 16, 17, 18, & 19 | Deliver regular quality street markets in the St Leonards area | Regular sustainable markets | Town Team is organising a regular market in Kings Road. | GREEN |
| | Deliver other quality events in the local area to attract visitors the town | Regular events in St Leonards Gardens and at Warrior Sq. Station | A range of events agreed with involvement of residents and traders have taken place. Newly formed Town Team is developing a strategy for the future. | GREEN |
| | LEGI projects - BizzFizz and IdeaSpark | Increase in business start ups, skills development, job creation | This borough wide project helped support a number of new businesses in the area such as: McCarron's, QOL@Spikes deli and Playfords hair salon. The Government closed the LEGI programme in March 2010. | GREEN |

| Pathways to Work | | | | |
|------------------------------------|---|---|--|---------------|
| Strategic Themes & Aims | Project/Action | Targets, Outputs & Outcomes | Outturn - 31 March 2013 | Status |
| | LEGI FOOD (Food on our Doorstep) Project | Increased food and related sector, job creation, people into employment, skills development | This borough wide project helped support a number of businesses such as: St Clements, The Cake Box, Fortes Restaurant & Pizzeria, Gurkha Chef, Kassa Coffee, and Azur. | GREEN |
| | Secure ABG funding to tackle worklessness in CSL. | Deliver specific ABG funded interventions to address worklessness issues in CSL. | A range of borough wide projects addressed worklessness but were not asked to record project data by area, so no direct data for CStL. Recent service delivery in this target area continues to be supported via HBC community partnership funding (CPF). | GREEN |
| | Establish a co-ordinated training & employment opportunity in the public sector Training and Employment Centre in CStL + LEGI Opening Doors to Employment and Enterprise project | Accessible training and employment opportunities with some of the largest employers in the area Accessible training and employment Centre in the heart of the town | Projects across all programmes provided a variety of employment and skills training supported via LEGI, ABG & CPF. South Coast College Hastings supported 440 people (233 females & 207 males) in Central St Leonards ward between April 2010 and March 2012. | GREEN |

5: New Homes from Planning Permissions

| Summary of Planning Completions April 2004 - March 2018 | | | | |
|--|---------------------|------------|------------|------------|
| Year | Central St Leonards | | Gensing | |
| | Gross | Net | Gross | Net |
| 2017-18 | 22 | 15 | 20 | 18 |
| 2016-17 | 23 | 18 | 7 | 7 |
| 2015-16 | 19 | 7 | 11 | 5 |
| 2014-15 | 32 | 28 | 13 | 10 |
| 2013-14 | 13 | 9 | 15 | 12 |
| Sub-Total | 109 | 77 | 66 | 52 |
| 2012-13 | 2 | 2 | 3 | 2 |
| 2011-12 | 27 | 21 | 8 | 5 |
| 2010-11 | 23 | 21 | 17 | 12 |
| 2009-10 | 27 | 24 | 47 | 43 |
| 2008-09 | 67 | 64 | 4 | 1 |
| 2007-08 | 64 | 48 | 52 | 40 |
| 2006-07 | 37 | 32 | 17 | 17 |
| 2005-06 | 54 | 45 | 46 | 45 |
| 2004-05 | 31 | 26 | 33 | 23 |
| Sub-Total | 332 | 283 | 227 | 188 |
| Totals | 441 | 360 | 293 | 240 |

Source: HBC Housing & Built Environment

6: Background Papers

Local Government & Housing Act 1989 as amended by the Regulatory Reform Order 2002

Housing Renewal - Circular 05/2003 ODPM Guidance - 17 June 2003

Central St Leonards Neighbourhood Renewal Assessment 2003
- 'pps'

Central St Leonards Renewal Area - Declaration
- HBC Cabinet Report 18 December 2003

Hastings Private Sector House Condition Survey 2007 – February 2008
- CPC

Central St Leonards Renewal Area – Extension of Time Frame
- HBC Cabinet Report 4 November 2013

House of Commons: Written Statement (HCWS205) – January 2015
- Department for Communities and Local Government

Hastings Stock Condition Survey 2016 – December 2016
- Opinion Research Services

Agenda Item 12



Report to: Cabinet

Date of Meeting: 8 July 2019

Report Title: Cabinet Appointments to Committees, Working Groups and Partnerships

Report By: Christine Barkshire-Jones, Chief Legal officer and Monitoring Officer

Purpose of Report

To consider the nominations received and to make appointments to committees, working groups and partnerships etc. and to appoint the Chairs and Vice Chairs to the committees of Cabinet.

Recommendation(s)

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

Reasons for Recommendations

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

1. The group leaders were circulated with updated schedules of the committees, working groups, partnerships and representative bodies to which Cabinet appoints. Nominations were sought to fill the places available. The schedules showing the nominations received are appended to this report. Further nominations may be made at the meeting.
2. Like Cabinet, committees of Cabinet are not required to be politically balanced and this is a matter for Cabinet decision. The allocations shown are, therefore, advisory.
3. Members are appointed until the Borough elections in May 2020.
4. Cabinet appointments committee was dissolved last year, so that Cabinet could decide where appointments were to be made without having a prior meeting.

Timetable of Next Steps

1. Please include a list of key actions and the scheduled dates for these:

| Action | Key milestone | Due date (provisional) | Responsible |
|---|--|---------------------------|-----------------|
| Update committee membership | ModGov updated and lists circulated internally | 9 th July 2019 | Committee admin |
| Groups to submit their nominations for 2020 | After May 2020 elections | June 2020 | Group leaders |

Wards Affected

None

Implications

Relevant project tools applied? No- Not a project

Have you checked this report for plain English and readability? No- covering report circulated each year

Climate change implications considered? Yes- Nominations are not a physical activity

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

Equalities and Community Cohesiveness- None

Crime and Fear of Crime (Section 17)- None

Risk Management- None

Environmental Issues- None
Economic/Financial Implications- None
Human Rights Act- None
Organisational Consequences- Yes, there are new members to some of the committees
Local People's Views- None
Anti-Poverty- None

Additional Information

1. Appendix A Cabinet Appointments_checked June 2019
2. External Appointments_checked June 2019
3. Cabinet Appointments_checked june 20019

Officer to Contact

Officer Name: Coral Harding
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**CABINET
APPOINTMENTS TO COMMITTEES, WORKING GROUPS, PARTNERSHIPS ETC. JUNE 2019**

COMMITTEES, WORKING GROUP / PARTNERSHIPS

| COMMITTEES | SEATS TO BE FILLED | ALLOCATION TO POLITICAL GROUPS 2019/20 | | APPOINTMENTS for 2019/20 | | NOTES |
|--|--------------------|--|-----|---|--|--|
| | | LAB | CON | LABOUR GROUP | CONSERVATIVE GROUP | |
| Museums Committee | Up to 10 | 5 | 2 | <ul style="list-style-type: none"> • 1. (Chair) Kim Forward • 2. (Vice-Chair) Margi O'Callaghan • 3. Leah Levane • 4. Nigel Sinden • 5. Paul Barnett | <ul style="list-style-type: none"> • 1.Karl Beaney • 2. Andy Patmore | A Chair and Vice Chair is required for this committee Lead Member is chair. |
| Charity Committee | 3 | 3 | | <ul style="list-style-type: none"> • 1. (Chair) Sue Beaney • 2. (Vice-Chair) Andy Batsford • 3. Judy Rogers | | Chair to be non-portfolio holder member of Cabinet for the majority group |
| Discretionary Rate Relief Appeal Panel | | 6 | 2 | <ul style="list-style-type: none"> • 1. Kim Forward • 2. Colin Fitzgerald • 3. Andy Batsford • 4. Sue Beaney • 5. Judy Rogers • 6. Maya Evans | <ul style="list-style-type: none"> • 1.Rob Lee • 2.Andy Patmore | All Members of Cabinet, excluding the Leader, to be appointed to the Panel |

APPENDIX A

| | | | | | | |
|---|---|---|---|---|---|---|
| Licensing Committee (Scrap Metal Dealers) | | 6 | 2 | <ul style="list-style-type: none"> 1. Kim Forward 2. Colin Fitzgerald 3. Andy Batsford 4. Sue Beaney 5. Judy Rogers 6. Maya Evans | <ul style="list-style-type: none"> 1. Rob Lee 2. Andy Patmore | All Members of Cabinet, excluding the Leader, to be appointed to the committee. Functions relating to the licensing of Scrap Metal Dealers as set out in the Scrap Metal Dealers Act 2013 or by virtue of any amending or consolidating legislation and any regulations made under the Act as such amending or consolidating legislation. |
| Income Generation Board | 3 | 2 | 1 | <ul style="list-style-type: none"> 1. Peter Chowney 2. Kim Forward | <ul style="list-style-type: none"> 1. (Chair of Audit Committee) | Leader and Deputy Leader of the Council and Chair of the Audit Committee |

APPENDIX A

| WORKING GROUPS ETC | SEATS TO BE FILLED | ALLOCATION TO POLITICAL GROUPS 2019/20 | | APPOINTMENTS for 2019/20 | | NOTES |
|--|--------------------|--|-----|--|---|--|
| | | LAB | CON | LABOUR GROUP | CONSERVATIVE GROUP | |
| Working Arrangements Group | 5 | 4 | 1 | <ul style="list-style-type: none"> • 1. (Chair) Phil Scott • 2. Judy Rogers • 3. Leah Levane • 4. Ruby Cox | <ul style="list-style-type: none"> • 1. Matthew Beaver (Vice- Chair) | Opposition member is Vice-Chair |
| Member Training and Development Group | 4 | 3 | 1 | <ul style="list-style-type: none"> • 1. (Chair) Judy Rogers • 2. (Vice-Chair) Nigel Sinden • 3. Leah Levane | <ul style="list-style-type: none"> • 1. Rob Lee | Lead Member is chair |
| Hastings Country Park Management Forum | 5 | 4 | 1 | <ul style="list-style-type: none"> • 1. (Chair) Colin Fitzgerald • 2. (Vice-Chair) Heather Bishop • 3. Maya Evans • 4. James Bacon | <ul style="list-style-type: none"> • 1. Mike Edwards | Lead Member is chair |
| Order of 1066 | 4 | 3 | 1 | <ul style="list-style-type: none"> • 1. (Mayor) Nigel Sinden • 2. (Dep. Mayor) James Bacon | <ul style="list-style-type: none"> • 1. Sorrell Marlow-Eastwood | To comprise Mayor, Deputy Mayor & 1 member from each Political Group |
| Joint Waste Committee | 2 | 2 | | <ul style="list-style-type: none"> • 1. Peter Chowney • 2. Colin Fitzgerald | | Leader of the Council and Lead Member for Env & Highways |
| Personnel Consultative Group | 4 | 3 | 1 | <ul style="list-style-type: none"> • 1. Judy Rogers • 2. Peter Chowney • 3. Kim Forward | <ul style="list-style-type: none"> • 1. Rob Lee | |

| PARTNERSHIPS | SEATS TO BE FILLED | ALLOCATION TO POLITICAL GROUPS 2019/20 | | APPOINTMENTS for 2019/20 | | NOTES |
|--|--------------------|--|-----|--|---|--|
| | | LAB | CON | LABOUR GROUP | CONSERVATIVE GROUP | |
| Stade Partnership | 2 | 1 | | <ul style="list-style-type: none"> 1. Bacon | | <ul style="list-style-type: none"> Old Hastings members Other seat- Councillor Dany Louise (Independent) |
| Hastings Overseas Student Advisory Council | 3 | 2 | 1 | <ul style="list-style-type: none"> 1. Antonia Berelson 2. Alan Roberts | <ul style="list-style-type: none"> 1. Andy Patmore | Known as HOSAC |
| Hastings Local Strategic Partnership | 2 | 1 | 1 | <ul style="list-style-type: none"> 1. Peter Chowney | <ul style="list-style-type: none"> 1. Rob Lee | |
| Safer Hastings and Rother Partnership | 1 | 1 | | <ul style="list-style-type: none"> 1. Colin Fitzgerald | | Relevant Lead Member |
| Jt. Advisory Cttee. the High Weald AONB | 1 | 1 | | <ul style="list-style-type: none"> 1. Leah Levane | | |
| Combe Haven Community Interest Company | 2 | 2 | | <ul style="list-style-type: none"> 1. Ruby Cox 2. Tania Charman | | |

APPENDIX A

| | | | | | | |
|--|---|---|--|---|--|--|
| Hastings and Rother Task Force Steering Group | 1 | 1 | | <ul style="list-style-type: none"> • 1 Peter Chowney | | Leader of the Council |
| Optivo Hastings Area Panel | 1 | 1 | | <ul style="list-style-type: none"> • 1. Andy Batsford | | Relevant Lead Member |
| Police & Crime Panel | 1 | 1 | | <ul style="list-style-type: none"> • 1. Colin Fitzgerald | | Lead Member |
| East Sussex Health Overview & Scrutiny Committee | 1 | 1 | | <ul style="list-style-type: none"> • 1. Mike Turner | | Needs to be a non-executive Member. |
| East Sussex Community Safety Partnership | 1 | 1 | | <ul style="list-style-type: none"> • 1. Colin Fitzgerald | | Needs to be either the Chair of the Safer Hastings Partnership or a member of the Sussex Police and Crime Panel. |
| Hastings and Rother Transport Action Group | 1 | | | <ul style="list-style-type: none"> • 1. Kim Forward or Andy Batsford (Alternating) | | Relevant Lead Member |

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| Appointments to external boards | | | | |
|--|--------------|------------|------------|--|
| Board/Partner | Seats | Lab | Con | Current members |
| 1066 Enterprise (Let's Do Business) | 1 | 1 | 0 | <ul style="list-style-type: none"> • Lead member- Cllr Forward |
| Hastings Week Committee | | 3 | 1 | <ul style="list-style-type: none"> • Mayor- Cllr Sinden • Dep Mayor- Cllr Bacon • Cllr O'Callaghan • Cllr Foster |
| Central Cricket & Recreational Ground Man Committee | 2 | 1 | 1 | <ul style="list-style-type: none"> • Cllr Barnett • Cllr Lee |
| Court of the University of Sussex | | 1 | | <ul style="list-style-type: none"> • Cllr Davies |
| Hastings Int'l Chess Congress | 3 | 1 | 1 | <ul style="list-style-type: none"> • Cllr Lee • Cllr Sabetian |
| Hastings Open Bowls Tournament | | 1 | 1 | <ul style="list-style-type: none"> • Cllr Patmore • Cllr Sinden |
| Magdalen and Lasher | 3 | 2 | 1 | <ul style="list-style-type: none"> • Cllr Bacon • Cllr Louise • Cllr Patmore |
| Parking Board | 3 | 3 | 0 | <ul style="list-style-type: none"> • Cllr Cox • Cllr Levane • Cllr Scott |
| Hastings Furniture Service | 1 | 1 | 1 | <ul style="list-style-type: none"> • Cllr Sinden |
| HARC | 1 | 1 | 1 | <ul style="list-style-type: none"> • Cllr Charman |

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CABINET – JULY 2019**APPOINTMENT OF MEMBERS TO REPRESENTATIVE BODIES**

| ORGANISATION | SEATS TO BE FILLED | APPOINTMENTS FOR 2018/19 |
|--|-----------------------------------|--|
| East Sussex Energy Infrastructure and Development Ltd (Sea Change) (This is a directorship) | 1 | Lead Member for Regeneration – Kim Forward |
| Love Hastings (formerly Hastings & St Leonards Town Centre Management Group) | 1 | Leader – Peter Chowney |
| Hastings Health Improvement Network | 1 | Leah Levane |
| Health & Wellbeing Board | 1 (not Health O & S Cttee member) | Ruby Cox |
| Local Gov. Assoc. – National Body | 1 | Leader – Peter Chowney |
| Local Gov. Assoc. – Urban Commission | 1 | Lead Member for Regeneration – Kim Forward |
| Local Gov. Assoc. – Coastal Issues Group | 1 | Lead Member for Regeneration – Kim Forward |
| South East England Councils | 1 (The Leader of the Council) | Peter Chowney |

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Agenda Item 13



Report to: Cabinet

Date of Meeting: 8 July 2019

Report Title: Treasury Management Outturn Report for 2018-19

Report By: Peter Grace (Chief Finance Officer)

Purpose of Report

This report provides the opportunity for the Cabinet and Council to scrutinise the Treasury Management activities and performance of the last financial year.

Recommendation(s)

- 1. To consider the report – no recommendations are being made to amend the current Treasury Management Strategy as a result of this particular review.**

Reasons for Recommendations

To ensure that members are fully aware of the activities undertaken in the last financial year, that Codes of Practice have been complied with and that the Council's strategy has been effective in 2018-19.

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

Introduction

1. This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2018/19. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
2. The primary requirements of the Code are as follows:
 - a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - c. Receipt by the Full Council of an annual treasury management strategy report - including the annual investment strategy report for the year ahead, a mid-year review report (as a minimum) and an annual review report of the previous year.
 - d. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - e. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Audit Committee.
3. Treasury management in this context is defined as:

"The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
4. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
5. Member training on treasury management issues was last undertaken on 30 January 2019 and training on the medium term financial strategy on 10 September 2018 in order to support members' scrutiny role.

6. This annual Treasury report covers
 - a. capital expenditure and financing 2018-19
 - b. overall borrowing need (the Capital Financing Requirement)
 - c. treasury position as at 31 March 2019;
 - d. performance for 2018-19;
 - e. the strategy for 2018-19;
 - f. the economy and interest rates in 2018-19;
 - g. borrowing rates in 2018-19;
 - h. the borrowing outturn for 2018-19;
 - i. debt rescheduling;
 - j. compliance with treasury limits and Prudential Indicators;
 - k. investment rates in 2018-19;
 - l. investment outturn for 2018-19;

Capital Expenditure and Financing 2018/19

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

| Capital Programme Financing 2018/19 | Outturn 2018-19 | |
|-------------------------------------|-----------------|--------|
| | £000's | £000's |
| Expenditure : | | 24,247 |
| Borrowing | | 19,396 |
| Grants: | | |
| Disabled Facilities Grant | 1,254 | |
| Coastal Communities | 219 | |
| Harbour Arm and New Groynes | 1,556 | |
| Other Grants and Contributions | <u>18</u> | |
| | | 3,047 |
| Reserves | | 0 |
| Capital Receipts | | 1,804 |
| Total | | 24,247 |

Overall Borrowing Need (Capital Financing Requirement (CFR))

9. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend.
10. Part of the Council's treasury activities is to address the funding requirements for the Council's borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets), or utilising temporary cash resources within the Council.
11. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
12. The total CFR can also be reduced by:
 - the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
13. The Council's 2018/19 MRP Policy was approved as part of the Treasury Management Strategy Report for 2018/19 by Council in February 2018.
14. The Council's CFR for the year is shown below, and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the Council's borrowing need (albeit no borrowing of cash is actually required).

| Table 2 CFR: General Fund | 2017/18 Actual £000's | 2018/19 Estimate £000's | 2018/19 Actual £000's |
|------------------------------------|-----------------------------|-------------------------------|-----------------------------|
| Opening balance | 30,078 | 41,175 | 39,493 |
| Add unfinanced capital expenditure | 11,160 | 27,160 | 19,396 |
| Less repayments (e.g.LAMS) | (1,028) | (0) | (0) |
| Less MRP | (717) | (1,116) | (795) |
| Less finance lease arrangements | (0) | (0) | (0) |
| Closing balance | 39,493 | 67,219 | 58,094 |

Note: Finance lease arrangements are excluded

15. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
16. The Council's long term borrowing must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2018/19 plus the expected changes to the CFR over 2019/20 and 2020/21 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2018/19. The table below highlights the Council's gross borrowing position against the CFR, which provides an indication of affordability for the Council. The Council has complied with this prudential indicator.

| Table 3 Internal Borrowing Level | 2017/18 Actual | 2018/19 Estimate | 2018/19 Actual |
|---|-------------------|---------------------|-------------------|
| | £000's | £000's | £000's |
| Capital Financing Requirement | 39,493 | 67,219 | 58,094 |
| External Borrowing | 41,013 | 65,629 | 61,069 |
| Net Internal Borrowing | (1,520) | 1,590 | (2,975) |

Treasury Position as at 31 March 2019

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

| Table 4 | 1 April 2018 Principal | Rate | Maturity | 31-Mar-19 Principal | Rate |
|---------------------------|---------------------------|----------------------|----------|------------------------|--------------|
| Debt | | | | | |
| PWLB Loan 1 | £7,500,000 | 4.80% | 2033 | £7,500,000 | 4.80% |
| PWLB Loan 2 | £2,000,000 | 0.61% (*Variable) | 2019 | £0 | |
| PWLB Loan 3 | £909,027 | 3.78% | 2044 | £909,027 | 3.78% |
| PWLB Loan 4 | £1,788,235 | 3.78% | 2044 | £1,788,235 | 3.78% |
| PWLB Loan 5 (Annuity) | £243,901 | 1.66% | 2026 | £215,148 | 1.66% |
| PWLB Loan 6 | £1,000,000 | 2.92% | 2056 | £1,000,000 | 2.92% |
| PWLB Loan 7 | £1,000,000 | 3.08% | 2046 | £1,000,000 | 3.08% |
| PWLB Loan 8 | £1,000,000 | 3.01% | 2036 | £1,000,000 | 3.01% |
| PWLB Loan 9 | £1,000,000 | 2.30% | 2026 | £1,000,000 | 2.30% |
| PWLB Loan 10 | £2,000,000 | 2.80% | 2054 | £2,000,000 | 2.80% |
| PWLB Loan 11 | £1,000,000 | 2.42% | 2028 | £1,000,000 | 2.42% |
| PWLB Loan 12 | £2,000,000 | 2.53% | 2057 | £2,000,000 | 2.53% |
| PWLB Loan 13 | £2,000,000 | 2.50% | 2059 | £2,000,000 | 2.50% |
| PWLB Loan 14 | £2,000,000 | 2.48% | 2060 | £2,000,000 | 2.48% |
| PWLB Loan 15 (Annuity) | £7,221,917 | 2.53% | 2057 | £7,113,729 | 2.53% |
| PWLB Loan 16 (Annuity) | £8,350,000 | 2.72% | 2057 | £8,232,534 | 2.72% |
| PWLB Loan 17 | | | 2028 | £2,000,000 | 1.98% |
| PWLB Loan 18 | | | 2058 | £4,000,000 | 2.55% |
| PWLB Loan 19 | | | 2059 | £2,500,000 | 2.56% |
| PWLB Loan 20 | | | 2069 | £4,410,000 | 2.56% |
| PWLB Loan 21 | | | 2059 | £9,400,000 | 2.54% |
| Total Debt | £41,013,080 | 3.01% | | £61,068,673 | 2.89% |

* Rate at January 2018 (rates change every 3 months)

| Table 5 | 31 March 2018 Principal | 31 March 2019 Principal |
|--------------------|----------------------------|-------------------------------|
| Investments | | |
| Managed In-House | £29.7m | £25m |
| Total Investments | £29.7m | £25m |

Performance Measurement (2018-19)

18. Table 6 below compares the Estimated Interest Payable and Received and associated fees for the year 2018-19.

| Table 6 Interest | 2017 -18 Actual Outturn £000's | 2018-19 Revised Budget £000's | 2018 -19 Actual Outturn £000's |
|----------------------------|--------------------------------------|-------------------------------------|--------------------------------------|
| Gross Interest Payable | 1,090 | 1,310 | 1,323 |
| Gross Interest Received | (305) | (366) | (396) |
| Fees | 9 | 10 | 10 |
| Other (e.g. PWLB Discount) | (19) | (0) | (0) |
| Net Cost | 775 | 954 | 937 |

19. The Council's longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council's core cash resources are detailed below, and were in line with budget expectations.

20.

| Table 7 Reserves | 31 March 2018 | 31 March 2019 |
|-------------------------|------------------|------------------|
| | £000's | £000's |
| General Fund Balance | 500 | 500 |
| Earmarked Reserves | 10,374 | 10,905 |
| General Reserve | 7,668 | 7,714 |
| Total | £18,542 | £19,119 |

It should be noted that Earmarked Reserves includes £349,000 (£585,000 at 31 March 2018) of Clinical Commissioning Group monies

The Strategy for 2018-19

21. The expectation for interest rates within the Treasury Management Strategy for 2018/19 anticipated that the historically low Bank Rate would be subject to gradual rises in medium and longer term and as such fixed borrowing rates would increase slowly during 2018/19. Variable, or short-term rates, were expected to be the cheaper form of borrowing over the period. However the continued uncertainty in the aftermath of the 2008 financial crisis and the uncertainty over the terms of Brexit promoted a cautious approach for the year. As a result of increasing borrowing requirements for 18/19 and years ahead the strategy promoted the taking of new borrowing rather than reliance on internal borrowing and the risk that borrowing rates would increase. Investment rates were viewed as providing relatively low returns compared to borrowing rates.
22. During 2018/19 PWLB rates were volatile with short term PWLB rates on a rising trend during the second half of the year.
23. The general aim of the treasury management strategy has been to minimise the costs of borrowing in both the short and longer term. In the short term it can consider avoiding new borrowing and using cash balances to finance new borrowing. However to minimise longer term costs it needs to borrow when rates are a historically low levels. Given also that the Council's ambitions are to generate future income streams, which would involve future borrowing, the opportunities were taken to secure new borrowing in the year. The timing of new borrowing continues to be important to minimise the overall costs to the Council and to lock in returns where the Council has purchased housing, temporary accommodation, solar energy panels and commercial property.

The Economy and Interest Rates

24. UK. After weak economic growth of only 0.2% in quarter one of 2018, growth picked up to 0.4% in quarter 2 and to a particularly strong 0.7% in quarter 3, before cooling off to 0.2% in the final quarter. Given all the uncertainties over Brexit, this weak growth in the final quarter was as to be expected. However, some recovery in the rate of growth is expected going forward. The annual growth in Q4 came in at 1.4% y/y confirming that the UK was the third fastest growing country in the G7 in quarter 4.
25. After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, it is little surprise that they have abstained from any further increases since then. We are unlikely to see any further action from the MPC until the uncertainties over Brexit clear. If there were a disorderly exit, it is likely that Bank Rate would be cut to support growth. Nevertheless, the MPC has been having increasing concerns over the trend in wage inflation which peaked at a new post financial crisis high of 3.5%, (excluding bonuses), in the three months to December before falling only marginally to 3.4% in the three months to January. British employers ramped up their hiring at the fastest pace in more than three years in the three months to January as the country's labour market defied the

broader weakness in the overall economy as Brexit approached. The number of people in work surged by 222,000, helping to push down the unemployment rate to 3.9 percent, its lowest rate since 1975. Correspondingly, the total level of vacancies has risen to new highs.

26. As for CPI inflation itself, this has been on a falling trend since peaking at 3.1% in November 2017, reaching a new low of 1.8% in January 2019 before rising marginally to 1.9% in February. However, in the February 2019 Bank of England Inflation Report, the latest forecast for inflation over both the two and three year time horizons remained marginally above the MPC's target of 2%.
27. The rise in wage inflation and fall in CPI inflation is good news for consumers as their spending power is improving in this scenario as the difference between the two figures is now around 1.5%, i.e. a real terms increase. Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months.
28. Brexit: There is an extension to the 31 October, and with a new prime minister to be elected (at the time of writing) by the conservatives, considerable uncertainty remains. Should a general election occur in 2019, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.
29. USA. President Trump's massive easing of fiscal policy in 2018 fuelled a (temporary) boost in consumption in 2018 which generated an upturn in the strong rate of growth; this rose from 2.2%, (annualised rate) in quarter 1 of 2018 to 4.2% in quarter 2, 3.5% in quarter 3 and then back to 2.2% in quarter 4. The annual rate came in at 2.9% for 2018, just below President Trump's aim for 3% growth. The strong growth in employment numbers has fed through to an upturn in wage inflation which hit 3.4% in February, a decade high point. However, CPI inflation overall fell to 1.5% in February, a two and a half year low, and looks to be likely to stay around that number in 2019 i.e. below the Fed's target of 2%. The Fed increased rates another 0.25% in December to between 2.25% and 2.50%, this being the fourth increase in 2018 and the ninth in the upward swing cycle. However, the Fed now appears to be edging towards a change of direction and admitting there may be a need to switch to taking action to cut rates over the next two years. Financial markets are now predicting two cuts of 25 bps by the end of 2020.
30. EUROZONE. The European Central Bank (ECB) provided massive monetary stimulus in 2016 and 2017 to encourage growth in the EZ and that produced strong annual growth in 2017 of 2.3%. However, since then the ECB has been reducing its monetary stimulus measures and growth has been weakening - to 0.4% in quarters 1 and 2 of 2018, and then slowed further to 0.2% in quarters 3 and 4; it is likely to be only 0.1 - 0.2% in quarter 1 of 2019. The annual rate of growth for 2018 was 1.8% but is expected to fall to possibly around half that rate in 2019. The ECB completely ended its programme of quantitative easing purchases of debt in December 2018, which means that the central banks in the US, UK and EU have all ended the phase of post financial crisis expansion of liquidity supporting world financial markets by purchases of debt. However, the

downturn in growth, together with inflation falling well under the upper limit of its target range of 0 to 2%, (but it aims to keep it near to 2%), prompted the ECB to take new measures to stimulate growth. With its refinancing rate already at 0.0% and the deposit rate at -0.4%, it has probably reached the limit of cutting rates. At its March 2019 meeting it said that it expects to leave interest rates at their present levels “at least through the end of 2019”, but that is of little help to boosting growth in the near term. Consequently, it also announced a third round of Targeted longer-term refinancing operations (**TLTROs**), which are one of the ECB’s non-standard monetary policy tools. This provides banks with cheap borrowing every three months from September 2019 until March 2021 which means that, although they will have only a two-year maturity, the Bank is making funds available until 2023, two years later than under its previous policy. As with the last round, the new TLTROs will include an incentive to encourage bank lending, and they will be capped at 30% of a bank’s eligible loans.

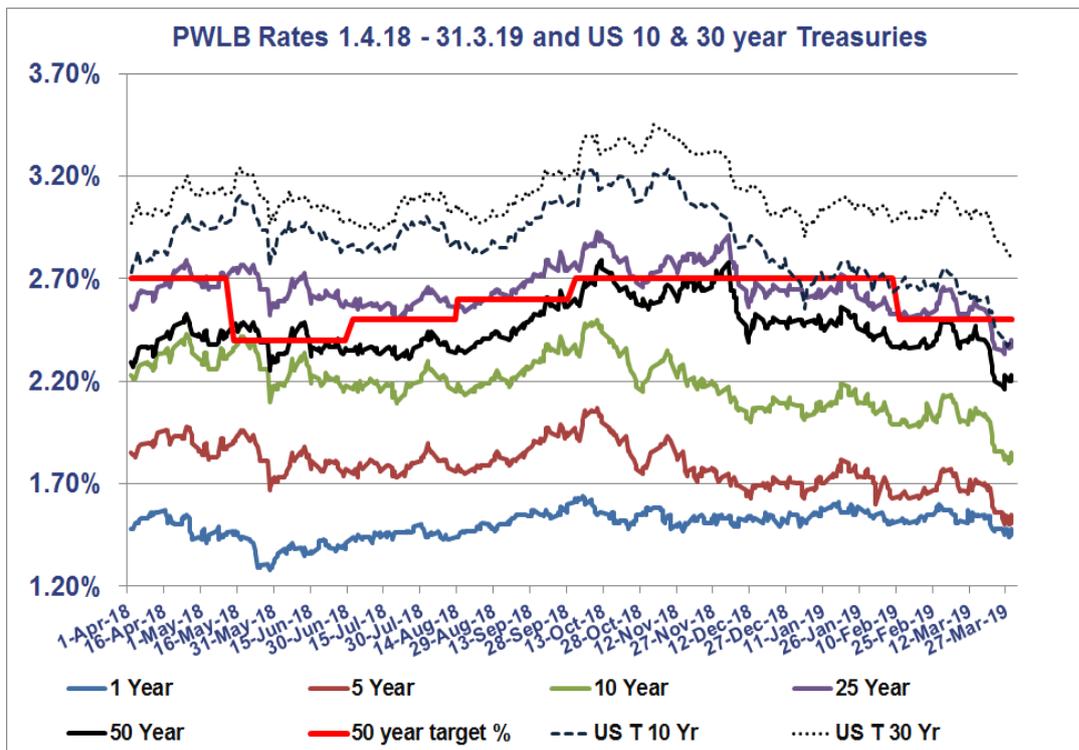
31. CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.
32. JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.
33. WORLD GROWTH. Equity markets are currently concerned about the synchronised general weakening of growth in the major economies of the world: they fear there could even be a recession looming up in the US.

Borrowing Rates in 2018-19

34. PWLB borrowing rates - the graphs and table for PWLB maturity rates below show, for a selection of maturity periods, the high and low points in rates, the average rates, spreads and individual rates at the start and the end of the financial year.

Table 9: PWLB rates

| Link Asset Services Interest Rate View 12.2.18 | | | | | | | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | Mar-18 | Jun-18 | Sep-18 | Dec-18 | Mar-19 | Jun-19 | Sep-19 | Dec-19 | Mar-20 | Jun-20 | Sep-20 | Dec-20 | Mar-21 |
| Bank Rate | 0.50% | 0.75% | 0.75% | 1.00% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% | 1.50% | 1.50% | 1.50% |
| 5yr PWLB Rate | 1.90% | 2.00% | 2.10% | 2.10% | 2.20% | 2.30% | 2.30% | 2.40% | 2.40% | 2.50% | 2.50% | 2.60% | 2.60% |
| 10yr PWLB Rate | 2.50% | 2.50% | 2.60% | 2.70% | 2.70% | 2.80% | 2.80% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% |
| 25yr PWLB Rate | 2.80% | 2.90% | 3.00% | 3.10% | 3.20% | 3.20% | 3.30% | 3.30% | 3.40% | 3.50% | 3.50% | 3.60% | 3.60% |
| 50yr PWLB Rate | 2.60% | 2.70% | 2.80% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% |



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

Borrowing Outturn for 2018/19

36. Additional long term borrowing of £22.310m was undertaken in 2018/19 along with the repayment of a £2m loan and £254,407 annuity repayments resulting in a total balance outstanding with the PWLB of £61,068,673 as at 31 March 2019.

Borrowing in advance of need

37. The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

38. The Council did have a higher level of borrowing than its Capital Financing Requirement (CFR) at the 31 March 2019. The Council had expected to complete the purchase of a major housing company portfolio prior to year end. Borrowing rates had fallen to a point where it was considered optimal to borrow in order to finance the forthcoming capital expenditure. In taking this decision, the Council carefully considered achieving best value, the risk of having to borrow at higher rates at a later date, the carrying cost of the difference between interest paid on such debt and interest received from investing funds which would be surplus until used, and that the Council could ensure the security of such funds placed on temporary investment.

Debt Rescheduling

39. The Council examined the potential for making premature debt repayments in order to reduce borrowing costs as well as reducing counterparty risk by reducing investment balances. No rescheduling was undertaken during the year as the

differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable. When last reviewed on the 27 September 2017 the early repayment cost of the £7.5m PWLB loan, maturing in 2033, would have amounted to £3,177,343. Given the reduction in rates the redemption premiums payable are likely to have increased.

Compliance with Treasury Limits

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

Investment Rates in 2018-19

41. Investment rates for 3 months and longer have been on a rising trend during the second half of the year with the increase in Bank Rate
42. The Bank Rate was raised from 0.5% to 0.75% on 2 August 2018 and remained at that level for the rest of the year. However, further increases are expected over the next few years, but some commentators are now predicting a short term fall in early 2020.
43. The funds invested during the year were often available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

Investment Strategy

44. The strategy was agreed at the Council meeting in February 2018. The Investment strategy did not change during the year. The revised budget forecast investment returns of £366,000 whilst the actual outturn was £396,000.
45. The overall return on the Property Fund investment (£2m with CCLA) was 5.99% net of fees i.e. Capital growth and dividends. The net dividends received amounted to £85,172 - a very satisfactory 4.26% return.

Investment Outturn for 2018-19

46. Investments held by the Council - the Council maintained an average balance in the year of £30.712m. The average rate of return for the year was 0.81%. The comparable performance indicator is the average 7-day LIBID rate (un-compounded), which was 0.51%.

47. The table below provides a snapshot of the investments/deposits held at 31 March 2019.

| Counterparty | Rate/ Return (%) | Start Date | End Date | Principal (£) | Term |
|---------------------------|------------------|------------|------------|---------------|-------|
| NatWest | 0.05 | | | 1,771 | Call |
| Birmingham City Council | 1.05 | 30/08/2018 | 28/08/2019 | 3,000,000 | Fixed |
| DBS Bank Ltd | 0.97 | 04/12/2018 | 04/04/2019 | 3,000,000 | Fixed |
| Eastleigh Borough Council | 0.91 | 28/02/2019 | 31/05/2019 | 5,000,000 | Fixed |
| London Borough of Harrow | 0.75 | 10/09/2018 | 10/04/2019 | 3,000,000 | Fixed |
| Landesbank Berlin | 1.14 | 30/01/2019 | 30/01/2020 | 5,000,000 | Fixed |
| Barclays | 0.40 | | | 2,998,425 | Call |
| Lloyds Gen | 0.40 | | | 2,570,536 | Call |
| | | | Total | 24,570,732 | |

48. In addition to the investments the Council has a few loans in place, namely as at 31 March 2019:-

| Counterparty | Rate/ Return (%) | Start Date | End Date | Principal (£) | Term |
|-----------------|------------------|------------|------------|---------------|---------|
| Amicus | 3.78 | 04/09/2014 | 02/09/2044 | 1,793,235 | Fixed |
| The Source | 2.43 | 17/12/2015 | 17/12/2025 | 19,304 | Fixed |
| Foreshore Trust | 1.66 | 21/03/2016 | 20/03/2026 | 215,147 | Annuity |

49. It should be noted that the Council agreed on 9 April 2018 to lend monies (£134,037.60) to Freedom leisure for investments in the Council's leisure centre. The loan to be for a period of 5 years at 7%. This has not yet been taken up.

Other Issues

50. Markets in Financial Instruments Directive II (MiFID II)

The EU set the date of 3 January 2018 for the introduction of regulations under MIFID II. These regulations govern the relationship that financial institutions conducting lending and borrowing transactions will have with local authorities from that date. This has had little effect on this Authority apart from having to fill in forms sent by each institution dealing with this Authority and for each type of investment instrument we use, apart from for cash deposits with banks.

51. Revised CIPFA Codes

In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code.

A particular focus of these revised codes was how to deal with local authority investments which are not treasury type investments e.g. by investing in purchasing property in order to generate income for the Authority at a much higher level than can be attained by treasury investments. One recommendation was that local authorities should produce a new report to members to give a high level summary of the overall capital strategy and to enable members to see how the cash resources of the Authority have been apportioned between treasury and non-treasury investments.

52. A new Capital Strategy was considered and agreed by full council in February 2019. A mid-year treasury management report will provide an overall update on the Strategy and may necessitate some significant revisions given the ambitions of the Council for further economic and regeneration projects.

53. **Minimum Revenue Provision (MRP) guidance**

New government (MHCLG) MRP guidance was issued on 2 February 2018. This has focused particularly on expenditure relating to purchasing non-financial asset investments i.e. commercial property, but has also had impacts on investments – particularly where equity and loans are involved.

Financial Implications

54. The security of the Council’s monies remains the top priority within the strategy. Investment rates available in the market have continued at historically low levels during the last year. There has been significant new borrowing of £22.31m in the year – all at fixed rates and generally for long periods. The annual borrowing costs are more than offset by the income received and the Council has carefully considered the overall levels of borrowing being undertaken against the size of the Council’s budget and unencumbered assets, along with the affordability of the debt commitments as and when income streams reduce.

Timetable of Next Steps

55. Please include a list of key actions and the scheduled dates for these:

| Action | Key milestone | Due date (provisional) | Responsible |
|-----------------|---------------|------------------------|-------------|
| Cabinet | | 8 July | Peter Grace |
| Full Council | | 24 July | Peter Grace |
| Audit Committee | | 30 July | Peter Grace |

| | | | |
|--|--|--|--|
| | | | |
|--|--|--|--|

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

Implications

Relevant project tools applied? N/A

Have you checked this report for plain English and readability? Yes. This has been done as much as possible considering the complex financial issues involved.

Climate change implications considered? N/A

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. |
| These are detailed in paragraph 54 above. | |
| Human Rights Act | No |
| Organisational Consequences | No |
| Local People's Views | No |
| Anti-Poverty | No |

Additional Information

Treasury Management and Annual Investment Strategy 2018/19
 CIPFA - Treasury Management Code of Practice
 CIPFA - The Prudential Code

Appendix 1 – Prudential Indicators

Officer to Contact

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

APPENDIX 1 Prudential Indicators

The Council's Capital expenditure plans are the key driver of treasury management activity. The output of the Capital expenditure plans (detailed in the budget) is reflected in the prudential indicators below. The Authorised limit for external borrowing in 2017/18 was changed to £80m at the February Council meeting.

| TREASURY MANAGEMENT PRUDENTIAL INDICATORS | 2017/18* | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|----------------|----------------|-----------------|-----------------|-----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Authorised Limit for external debt | | | | | |
| Borrowing | £75,000 | £85,000 | £95,000 | £95,000 | £95,000 |
| other long term liabilities | £5,000 | £5,000 | £5,000 | £5,000 | £5,000 |
| TOTAL | £80,000 | £90,000 | £100,000 | £100,000 | £100,000 |
| Operational Boundary for external debt - | | | | | |
| borrowing | £65,000 | £75,000 | £85,000 | £85,000 | £85,000 |
| other long term liabilities | £5,000 | £5,000 | £5,000 | £5,000 | £5,000 |
| TOTAL | £70,000 | £80,000 | £90,000 | £90,000 | £90,000 |

2017/18* - proposed revision to authorised boundary from £70m to £80m. Operational boundary unaltered.

| Interest Rate Exposures | 2018/19 | 2019/20 | 2020/21 |
|---|----------------|----------------|----------------|
| | Upper | Upper | Upper |
| Limits on fixed interest rates based on net debt | 100% | 100% | 100% |
| Limits on variable interest rates based on net debt | 100% | 100% | 100% |
| Limits on fixed interest rates: | | | |
| · Debt only | 100% | 100% | 100% |
| · Investments only | 100% | 100% | 100% |
| Limits on variable interest rates | | | |
| · Debt only | 30% | 30% | 30% |
| · Investments only | 100% | 100% | 100% |
| Maturity Structure of fixed interest rate borrowing 2018/19 | | | |
| | | lower | Upper |
| Under 12 Months | | 0% | 100% |
| 12 months to 2 years | | 0% | 100% |
| 2 years to 5 years | | 0% | 100% |
| 5 years to 10 years | | 0% | 100% |
| 10 years to 20 years | | 0% | 100% |
| 20 years to 30 years | | 0% | 100% |
| 30 years to 40 years | | 0% | 100% |
| 40 years to 50 years | | 0% | 100% |
| Maturity Structure of variable interest rate borrowing 2018/19 | | | |
| | | lower | Upper |
| Under 12 Months | | 0% | 30% |
| 12 months to 2 years | | 0% | 30% |
| 2 years to 5 years | | 0% | 30% |
| 5 years to 10 years | | 0% | 30% |
| 10 years to 20 years | | 0% | 10% |
| 20 years to 30 years | | 0% | 10% |
| 30 years to 40 years | | 0% | 10% |
| 40 years to 50 years | | 0% | 10% |

Affordability prudential indicator - Ratio of financing costs to net revenue stream

This indicator assesses the affordability of the capital investment plans. It provides an indication of the impact of the capital investment plans on the Council's overall finances. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

| Prudential Indicator: Financing Cost to Net Revenue Stream | 2017/18 Actual | 2018/19 Rev.Est | 2018/19 Outturn | 2019/20 Estimate | 2020/21 Estimate | 2021/22 Estimate |
|---|----------------|-----------------|-----------------|------------------|------------------|------------------|
| Financing Costs | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| 1. Interest Charged to General Fund | 925 | 1,366 | 1,323 | 1,950 | 2,296 | 2,394 |
| 2. Interest Payable under Finance Leases and any other long term liabilities | - | - | | - | - | - |
| 3. Gains and losses on the repurchase or early settlement of borrowing credited or charged to the amount met from government grants and local taxpayers | -19 | | | 0 | 0 | 0 |
| 4. Interest and Investment Income | -305 | -366 | -396 | -553 | -834 | -1,062 |
| 5. Amounts payable or receiveable in respect of financial derivatives | - | - | | - | - | - |
| 6. MRP, VRP | 717 | 795 | 795 | 1,184 | 1,628 | 1,775 |
| 6. Depreciation/Impairment that are charged to the amount to be met from government grants and local taxpayers | - | - | | - | - | - |
| Total | 1,318 | 1,795 | 1,722 | 2,581 | 3,090 | 3,107 |
| Net Revenue Stream | | | | | | |
| Amount to be met from government grants and local taxpayers | 13,373 | 13,459 | 13,697 | 13,369 | 13,216 | 13,578 |
| Ratio | | | | | | |
| Financing Cost to Net Revenue Stream | 10% | 13% | 13% | 19% | 23% | 23% |

This prudential indicator shows that the ratio of financing costs to the net revenue stream is increasing. This is not unexpected given that the Council has an income generation strategy that has identified an additional £50m of Capital expenditure over the period 2017/18 to 2020/21. The above ratio does not currently take into account the income that will be generated from the Capital investment.