



Council Meeting

**Wednesday, 21st
October, 2020
6pm – 9pm**

HASTINGS BOROUGH COUNCIL

Dear Councillor

You are hereby summoned to attend a virtual meeting of the Hastings Borough Council to be held on Wednesday, 21st October 2020 at 6.00 pm at which meeting the business specified below is proposed to be transacted.

Yours sincerely,

Chief Legal Officer

Muriel Matters House
Breeds Place
Hastings

13 October 2020

AGENDA

1. Apologies for Absence
2. To approve as a correct record the minutes of the last meeting
3. Declarations of Interest
4. Announcements from the Mayor and Leader
5. Questions (if any) from:
 - a) Members of the public under Rule 11 (Questions including supplementary and answers to be in writing)
 - b) Councillors under Rule 12
6. Motion (Rule 14)
Councillor Evans to propose:

“(I move) That Hastings Borough Council mark the 75 years since the atomic bombing of the cities of Hiroshima and Nagasaki, instantly killing an estimated 185,000 civilians, which is more than double the population of Hastings, by a letter of solidarity and friendship to the municipal authorities of both cities.

To mark the 50th anniversary of the Nuclear Non-Proliferation Treaty, Hastings Borough Council calls upon the UK government to reverse plans to spend £205bn on the upgrade of our national nuclear arsenal.

As the representatives of our community it is our patriotic duty to ask for this money to be spent on guaranteeing the citizens of deprived coastal towns, such as Hastings, have access to world class health, education and housing.

It is our obligation as the stewards of our local environment to call on the government to spend this money in protecting our local, national and global environment.

We recognise the horrors of war for everyone unfortunate enough to be caught up in one, witnessing and experiencing violence which undoubtably scare people for life, both mentally and physically. Many of the homeless people on our streets bravely served in British wars, while refugees from those very same wars now flee for their lives and end up on our shores in Hastings. There are many victims of war.

To this end we resolve to write to the S-of-S for Defence asking for absolute guarantees that our serving citizens are in receipt of the very best to guarantee their safe return from active duty to family and into satisfying future employment.

We also resolve to write to the Home Office asking for Britain to take its fair responsibility for people displaced in war, which this country has been actively involved with, acknowledging international human rights.

From Hastings, a small town on a global stage, we can still reach out to unite with other voices to promote peace and reconciliation by supporting a Prohibition of Nuclear Weapons Treaty. Therefore, we call on our government to sign and ratify it.”

7. Motion (Rule 14)

Councillor Marlow-Eastwood to propose:

“Recognition for posterity, of the outstanding achievements by the frontline workers of Hastings Borough.

Considering the incredible hard work, under the most difficult circumstances that most of us have ever had to face in our lifetimes. I would like to propose a motion, to recognise the phenomenal ongoing effort, that the many people of our Borough, working on the frontline have made and are continuing to deliver; supporting us during this most devastating time. By erecting in a prominent place, a permanent reminder, recognising and thanking them ALL, on our behalf.”

8. Motion (Rule 14)

Councillor Louise to propose:

“Hastings is a Community of Sanctuary and a town with increasingly diverse communities and residents. This Council recognises that it needs to lead by example on anti-racist conduct and the growing tide of antisemitism we are seeing in this country. Hate crime figures show that antisemitic hate crimes, along with all religious hate crimes, have risen alarmingly in the last five years.

In 2018 – 2019, antisemitism accounted for 18% of all religious hate crime in the UK, despite the Jewish population being less than 0.5% of the total population. The IHRA definition is the most widely accepted and recognised definition of anti-Jewish racism, and the vast majority of the Jewish community welcomes it as providing the protection they need. Therefore this Council resolves to join with 260 other local authorities, and the national Conservative and Labour Parties, to adopt the IHRA definition of antisemitism with all its working examples, to be included in the Council’s policy and practices.

The IHRA Definition

Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.

The following examples may serve as illustrations:

Manifestations might include the targeting of the state of Israel, conceived as a Jewish collectivity. However, criticism of Israel similar to that levelled against any other country cannot be regarded as antisemitic. Antisemitism frequently charges Jews with conspiring to harm humanity, and it is often used to blame Jews for “why things go wrong.” It is expressed in speech, writing, visual forms and action, and employs sinister stereotypes and negative character traits.

Contemporary examples of antisemitism in public life, the media, schools, the workplace, and in the religious sphere could, taking into account the overall context, include, but are not limited to:

- Calling for, aiding, or justifying the killing or harming of Jews in the name of a radical ideology or an extremist view of religion.
- Making mendacious, dehumanizing, demonizing, or stereotypical allegations about Jews as such or the power of Jews as collective — such as, especially but not exclusively, the myth about a world Jewish conspiracy or of Jews controlling the

media, economy, government or other societal institutions.

- Accusing Jews as a people of being responsible for real or imagined wrongdoing committed by a single Jewish person or group, or even for acts committed by non-Jews.
- Denying the fact, scope, mechanisms (e.g. gas chambers) or intentionality of the genocide of the Jewish people at the hands of National Socialist Germany and its supporters and accomplices during World War II (the Holocaust).
- Accusing the Jews as a people, or Israel as a state, of inventing or exaggerating the Holocaust.
- Accusing Jewish citizens of being more loyal to Israel, or to the alleged priorities of Jews worldwide, than to the interests of their own nations.
- Denying the Jewish people their right to self-determination, e.g., by claiming that the existence of a State of Israel is a racist endeavor.
- Applying double standards by requiring of it a behavior not expected or demanded of any other democratic nation.
- Using the symbols and images associated with classic antisemitism (e.g., claims of Jews killing Jesus or blood libel) to characterize Israel or Israelis.
- Drawing comparisons of contemporary Israeli policy to that of the Nazis.
- Holding Jews collectively responsible for actions of the state of Israel.”

9. Motion (Rule 14)

Councillor Cox to propose:

“Hastings Borough Council has already made clear its commitment to reduce greenhouse gas emissions and promote renewable energy, and continues with its ambitious target to make Hastings carbon neutral by 2030.

Further to this, we recognise...

- that very large financial setup and running costs involved in selling locally generated renewable electricity to local customers result in it being impossible for local renewable electricity

generators to do so,

- that making these financial costs proportionate to the scale of a renewable electricity supplier's operation would enable and empower new local businesses, or councils, to be providers of locally generated renewable electricity directly to local customers, and
- that revenues received by new local renewable electricity providers could be used to help improve the local economy, local services and facilities and to reduce local greenhouse gas emissions;

We therefore resolve to support the Local Electricity Bill, currently supported also by 210 MPs from all political parties, 56 local authorities, 56 national charities and other national organisations including big energy suppliers. The bill, if made law, would establish a Right to Local Supply which would promote local renewable electricity supply companies and co-operatives by making the setup and running costs of selling renewable electricity to local customers proportionate to the size of the supply operation; and

We further resolve to:

- inform the local media of this decision,
- write to local the MP, asking her to support the Bill, and
- write to the organisers of the campaign for the Bill, Power for People, expressing our support."

10. Motion (Rule 14)

Councillor Rogers to propose:

"Hastings has a long tradition of welcoming people from a range of diverse backgrounds and celebrating difference, something which we all should be proud. Just some of the things we as a town have been support are:

City of Sanctuary, Lift the Ban, Black History month, International Women's Day, Holocaust Memorial Day, One Hastings Many Voices.

We work closely as a council to support and engage with the numerous faith groups right across the Borough with strong links for example to the Hastings Mosque, the Inter Faith Forum and the Chinese Community where we join together every year to celebrate the Chinese New Year.

Our festivals which the council are proud to be involved in include Hastings Pride, Jack in the Green, Bonfire celebrations, Hastings Old Town Week and Carnival, Hastings Week, Storytelling Festival and these help to bring together our community.

The advent of COVID, unprecedented in our lifetime, saw our town come together to set up things like the food hub, and provide accommodation for the homeless to ensure that people at the margins of our society were protected. We can be proud of our town's response.

Unfortunately, COVID has also served to highlight the inequalities in our society. The poorest and most economically disadvantaged are likely to be the hardest hit by this terrible disease. We also know that people from a BAME background have suffered higher mortality rates than the general population and keenly await the outcomes of ongoing research looking to explain these differences.

During this time the emergence of the Black Lives Matter movement has been a stark reminder also of the inequalities that people of a BAME background still face. Hate crimes of homophobia and towards religious groups continue to rise.

Unfortunately, there is evidence to suggest that some groups are looking to exploit these differences and divide communities. We cannot afford to let the rich fabric of our town to be torn apart by letting such ideas take hold.

While we must await the outcomes of varying pieces of research and the government's commitment to a public enquiry on COVID with interest – there remain practical steps we can take now to help ensure the diverse communities of Hastings & St Leonard's continue to not only survive and but also to thrive. This motion, therefore, commits the council to the following practical steps:

1. The council reaffirms its commitment to combat, racism and prejudice in all its forms. In order to ensure that every individual feels safe, protected and comfortable we will look to work closely with the diverse range of communities in our town.
2. As part of our commitment to the above the council will formally adopt the *International Holocaust Remembrance Alliance (IHRA)'s working definition on antisemitism which defines antisemitism thus:*

“Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.”

3. We will continue to work as part of a City of Sanctuary to press local and national leaders to Lift the Ban on refugees being able to work

4. We will work with the Local Strategic Partnership to bring forward an Equalities Charter that is updated and refreshed to account for the issues raised by COVID and the BLM movement – which will include an associated action plan
5. The council will produce its initial interim report in this regard no later than February 2021
6. The council will look to have the renewed charter and any associated policy changes in place by no later than August 2021
7. The council will ensure that the new charter, once in place, is subject to a review every two years.”

11. Membership of Committees

To give effect to any request received from a political group for a change in their representation on committee(s).

12. Reports of Committees

- a) To resolve that the public be excluded from the meeting during the discussion of any items considered while the public were excluded by the relevant committee because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in the respective paragraphs of Schedule 12A to the Local Government Act 1972 referred to in the minutes of the relevant committee.
- b) To receive and consider the recommendations and any decisions of the following committees.

Minute No.	Subject	Cabinet Member / Chair
CABINET – 2 MARCH 2020		
246.	Local Development Scheme	Forward
248.	Reducing Rough Sleeping	Batsford
CABINET (Decisions made under emergency powers) – 23 MARCH 2020		
250.	Energy Procurement	Chowney
251.	Selective Licensing 2020	Batsford

252.	Climate Emergency Plan	Evans
CABINET – 8 JUNE 2020		
256.	COVID-19 response update	Forward
258. (E)	Dangerous Structure at 2 - 12 Battle Road	Forward
CABINET (Decisions made under emergency powers) – 9 JUNE 2020		
2.	Discretionary Business Grant Scheme Policy	Chowney
CABINET – 6 JULY 2020		
262.	Planning Enforcement Policy Updated	Forward
263.	Financial Implications Arising From Covid-19	Chowney
264.	Housing and Homelessness Recovery Plan	Batsford
265. (E)	Freedom Leisure Financial Support	Chowney
267. (E)	Potential Development - Cornwallis Street Car Park	Chowney
CABINET – 1 SEPTEMBER 2020		
271. (C)	Annual Treasury Management Outturn Report 2019/2020	Chowney
272.	Accelerated Town Fund Project – Investing in electric vehicle charging infrastructure in town centre public car parks	Evans
CABINET – 5 OCTOBER 2020		
276.	Medium Term Financial Strategy	Chowney
277.	Planning for recovery: HBC priorities and actions	Forward
278.	Green Homes Grant Local Authority Delivery	Batsford
279.	Next Steps Accommodation Programme (Recommendations 1-5)	Batsford
279. (C)	Next Steps Accommodation Programme (Recommendation 6)	Batsford
280.	Museum Committee Recommendations	Fitzgerald
281.	Hastings Town Fund £1m	Fitzgerald

	Accelerated Fund Projects	
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Notes:

1. The Mayor will call over the minutes and members will rise and indicate those items which they wish to have discussed.
 2. No discussion shall take place at this stage upon part II minutes covered by the resolution 12a) above. Any such discussion shall be deferred to item 13 on the agenda.
13. To consider the recommendations and decisions of committees (if any) which the Council has resolved should be discussed after the exclusion of the public from the meeting.

Appendix – Cabinet Agendas

Note: Nothing contained in this agenda or in the attached reports and minutes of committees constitutes an offer or acceptance of an offer or an undertaking or contract by the Borough Council

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FULL COUNCIL

18 MARCH 2020

Present: Councillors Sinden (Chair), Bacon (Vice-Chair), Battley, S Beaney, Bishop, Charman, Chowney, Cox, Davies, Fitzgerald, Forward, Levane, Roberts, Rogers, Sabetian, Webb, Louise, Lee, Patmore, K Beaney, Beaver and Foster.

114. APOLOGIES FOR ABSENCE

Apologies for absence were noted for Councillors Barnett, Batsford, Berelson, Evans, O'Callaghan, Scott, Turner, Edwards, Marlow-Eastwood and Rankin

115. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE LAST MEETING

RESOLVED that the minutes of the Full Council meeting held on 12th February 2020 be approved and signed by the Mayor as a correct record of the proceedings.

RESOLVED that the minutes of the Budget Council meeting held on 19th February 2020 be approved and signed by the Mayor as a correct record of the proceedings.

116. DECLARATIONS OF INTEREST

None.

117. ELECTION OF LEADER OF THE COUNCIL

Councillor Fitzgerald proposed Councillor Forward be elected Leader of the Council, seconded by Councillor Levane.

RESOLVED (by majority) that Councillor Kim Forward be elected Leader of the Council until her term in office ends.

Councillor Forward addressed the Council and announced the appointment of Councillor Fitzgerald as Deputy Leader of the Council.

Councillor Forward proposed a formal vote of thanks to Councillor Chowney.

RESOLVED (unanimously) that the Council give thanks to Councillor Chowney for his service as Leader.

Councillor Forward said that the Council will focus on continuing to deliver services and supporting those most affected by the situation in the local community throughout the Covid-19 pandemic. The impact is already being felt and the Council must work strategically with its partners to offer support and guidance. The Council will do all it can to support the residents of Hastings at this most difficult of times.

FULL COUNCIL

18 MARCH 2020

(The Chair declared the meeting closed at. 6.15 pm)

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FULL COUNCIL

18 MARCH 2020

Present: Councillors Sinden (Chair), Bacon (Vice-Chair), Battley, S Beaney, Bishop, Charman, Chowney, Cox, Davies, Fitzgerald, Forward, Levane, Roberts, Rogers, Sabetian, Webb, Louise, Lee, Patmore, K Beaney, Beaver and Foster.

118. APOLOGIES FOR ABSENCE

Apologies for absence were noted for Councillors Barnett, Batsford, Berelson, Evans, O'Callaghan, Scott, Turner, Edwards, Marlow-Eastwood and Rankin.

119. DECLARATIONS OF INTEREST

None.

120. APPOINTMENT OF MANAGING DIRECTOR AND HEAD OF PAID SERVICE

The Employment Committee met on Monday 17 February 2020 to consider the options for appointing to the position of Managing Director/Head of Paid Service. It was agreed that both the Director of Corporate Services and Governance (HOPS) and the Director of Operations would participate in a competitive interview for the position of Managing Director.

Interviews were held on 6 March 2020. The candidates were interviewed by the Employment Committee with support from an independent adviser.

Following the conclusion of the interview process the Employment Committee agreed Jane Hartnell should be recommended to be re-appointed as Head of Paid Service in her new role as Managing Director.

Under the Local Authorities (Standing Orders) regulations 1193 (SI No.202) in relation to the appointment of Head of Paid Service, all Executive members of the Council must be given the opportunity to object to the proposed recommendation. This has been undertaken and no objections have been received.

The Leader therefore made a conditional offer of employment to Jane Hartnell subject to approval by the Council.

Councillor Rogers proposed approval of the recommendations as set out in the report, seconded by Councillor Chowney.

RESOLVED (by majority):

1. Council approve the recommendation of Employment Committee to re-appoint Jane Hartnell for the position of Head of Paid Service in her new role as Managing Director following the conclusion of the selection process on 6th March 2020.

FULL COUNCIL

18 MARCH 2020

2. That delegated authority be given to the Executive Manager, People, Customer and Business support in consultation with the Leader of the Council to finalise the arrangements, salary and the start date for the Managing Director.

Reasons:

To ensure the Council complies with the requirements of Section 4 of the Local Government and Housing Act 1989 to appoint a Head of Paid Service.

(The Chair declared the meeting closed at. 6.36 pm)

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FULL COUNCIL

18 MARCH 2020

Present: Councillors Sinden (Chair), Bacon (Vice-Chair), Battley, S Beaney, Bishop, Charman, Chowney, Cox, Davies, Fitzgerald, Forward, Levane, Roberts, Rogers, Sabetian, Webb, Louise, Lee, Patmore, K Beaney, Beaver and Foster.

121. APOLOGIES FOR ABSENCE

Apologies for absence were noted for Councillors Barnett, Batsford, Berelson, Evans, O'Callaghan, Scott, Turner, Edwards, Marlow-Eastwood and Rankin.

122. DECLARATIONS OF INTEREST

None.

123. URGENT AMENDMENT TO THE CONSTITUTION OF THE COUNCIL

The Mayor proposed a motion to proceed as if in committee, seconded by Councillor Lee.

RESOLVED that in order for Councillors to take advice from the Managing Director, under Rule 16(14) of council procedure the council proceed as if in committee.

The Managing Director, Jane Hartnell, addressed the Council on Covid-19. The Managing Director informed the Council of the steps being taken to respond to the crisis, including the Council's community leadership role and support for businesses and vulnerable residents.

In response to questions from the Council the Managing Director confirmed that emergency powers would only be used when absolutely necessary. Where possible decisions would be delayed until virtual committee meetings could be facilitated and when an urgent decision is required the Managing Director would consult with the Cabinet.

The Mayor proposed a motion to return to Council mode, seconded by Councillor Lee.

RESOLVED that the meeting return to Council mode.

Councillor Rogers proposed an urgent amendment to the Constitution of the Council, seconded by Councillor Lee, as set out below:

"In urgency and/or emergency situations whereby Cabinet or Council and their respective Committees cannot meet to determine the Council's business, delegated authority is given to the Council's Managing Director (or nominee) in consultation with a minimum of 4 members of cabinet, one of whom to be an opposition councillor and one to be the Leader or Deputy Leader of the Council. The delegation is to cover all

FULL COUNCIL

18 MARCH 2020

the Cabinet's and Council's powers, duties and functions not currently covered by Part 8 of the Council's constitution.

If the Managing Director's nominee is making a decision, they must also consult with the Council's Monitoring Officer and Section 151 officer."

Councillor Levane proposed the following amendment:

"Emergency circumstances would include the sorts of events covered by our Emergency Plan as well as unprecedented episodes, such as pandemics. "Urgency" would in most cases be confined to essential decision making during such emergency situations. This change to apply from 19th March 2020 for a period of no more than 12 months. Any proposed extension or reinstatement of this change must be put to Full Council with full reasons outlined."

The amendment was accepted by Councillor Rogers and Councillors voted on the substantive motion as amended.

RESOLVED (unanimously) that:

The Constitution of the Council be amended to include the following:

In urgency and/or emergency situations whereby Cabinet or Council and their respective Committees cannot meet to determine the Council's business, delegated authority is given to the Council's Managing Director (or nominee) in consultation with a minimum of 4 members of cabinet, one of whom to be an opposition councillor and one to be the Leader or Deputy Leader of the Council. The delegation is to cover all the Cabinet's and Council's powers, duties and functions not currently covered by Part 8 of the Council's constitution.

If the Managing Director's nominee is making a decision, they must also consult with the Council's Monitoring Officer and Section 151 officer.

Emergency circumstances would include the sorts of events covered by our Emergency Plan as well as unprecedented episodes, such as pandemics. "Urgency" would in most cases be confined to essential decision making during such emergency situations. This change to apply from 19th March 2020 for a period of no more than 12 months. Any proposed extension or reinstatement of this change must be put to Full Council with full reasons outlined.

Reason:

This is a necessary response to the Council being able to continue its business during the Covid 19 crisis.

(The Chair declared the meeting closed at. 7.15 pm)

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MANAGING DIRECTOR DECISION

15 JULY 2020

124. DECLARATIONS OF INTEREST

The Managing Director declared no interests.

125. AMENDMENTS TO THE COUNCIL'S CONSTITUTION

The Chief Legal Officer submitted a report to propose amendments to the Council's Constitution following discussions with the Working Arrangements Group.

The proposed amendments are as a result of updating the Constitution to reflect the change from two Directors to one Managing Director. Changes are also being proposed to allow Electronic Petitions for current Planning and Licensing applications in response to the Covid-19 pandemic and to acknowledge that they can be a faster, more convenient alternative to paper petitions. Paper petitions will still be accepted for those who prefer this method.

Changes are being proposed to Parts 1, 2, 3, 4, 5, 7, 8 and 9 of the Constitution and are outlined in the Chief Legal Officer's report.

Under the emergency powers set out in Part 4 of the Council's Constitution the Managing Director made the decision in consultation with the following Councillors: Cllr Forward, Cllr Fitzgerald, Cllr Batsford, Cllr Chowney, Cllr Rogers, Cllr Lee and Cllr Patmore.

RESOLVED –

That the amendments to the Council's Constitution be adopted by Full Council or under the delegated authority given to the Managing Director in consultation with a minimum of four members of the Cabinet, one of whom to be the Leader or Deputy Leader of the Council and in consultation with the Leader or deputy Leader of the opposition.

Reasons for the decision:

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

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Minute Annex

Managing Director Decision Record

Part 4 of the Council's Constitution
Emergency Powers



Date: 15th July 2020

Item: Amendments to the Council's Constitution

Report by: Christine Barkshire-Jones, Chief Legal Officer & Monitoring Officer

Decision type: Full Council

Decision:

That the amendments to the Council's Constitution be adopted by Full Council or under the delegated authority given to the Managing Director in consultation with a minimum of four members of the Cabinet, one of whom to be the Leader or Deputy Leader of the Council and in consultation with the Leader or deputy Leader of the opposition.

Reasons:

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

Decision made in consultation with:

Cabinet	For	Against	Abstain
Councillor Forward	X		
Councillor Fitzgerald	X		
Councillor Barnett			
Councillor Batsford	X		
Councillor Chowney	X		
Councillor Evans			
Councillor O'Callaghan			
Councillor Rogers	X		
Opposition			

Councillor Lee	X		
Councillor Patmore	X		

Signed:



Jane Hartnell
Managing Director
Hastings Borough Council

2 MARCH 2020

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

243. APOLOGIES FOR ABSENCE

None received.

244. DECLARATION OF INTERESTS

None.

245. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the Cabinet meeting held on the 10th February 2020 be approved as a true record.

246. LOCAL DEVELOPMENT SCHEME

The Assistant Director Regeneration and Culture presented a report to inform Cabinet of the revised timescales for the production of Local Plan since the Local Development Scheme (the timetable) was last updated Feb 2019.

This item was only to discuss the timetable of the Local Plan.

Proposed revisions to the Local Development Scheme timetable

Key Stage	LDS 2019 Date	New revised date
Consulting statutory bodies on the scope of the Sustainability Appraisal	May – June 2019	Quarter 1 2020/21
Public participation in the preparation of the Local Plan (Regulation 18)	Oct-Dec 2019	Formal consultation Quarter 2 2020/21. As far as practicable in the run up to Reg18 the Council will engage with a range of parties including residents, businesses, developers and other local groups to capture the diversity of views on key issues.
Publication of the Proposed Submission Local Plan (Regulation 19)	June – July 2020	Quarter 4 2020/21
Local Plan Adoption	October 2021	Quarter 3-4 2021/22

CABINET

2 MARCH 2020

Under Rule 13.3 the recommendations of the report were agreed without discussion.

RESOLVED – (unanimously)

- 1. That the content of the revised Local Development Scheme be agreed.**
- 2. That future minor updates to the Local Development Scheme (the timetable) are delegated to the Lead Officer in conjunction with the Lead Councillor.**

Reasons for recommendations:

1. To ensure an up-to-date Local Development Scheme is in place in accordance with: Section 15 of the Planning and Compulsory Purchase Act 2004, as amended by section 180 of the Planning Act 2008 and section 111 (7) of the Localism Act, and the Town and Country Planning (Local Development) (England) Regulations 2004.

247. NOTIFICATION OF ADDITIONAL URGENT ITEMS

Notice of an urgent item was given under Rule 26 of the Access to Information rules contained in the Council's Constitution.

248. REDUCING ROUGH SLEEPING

The Assistant Director Housing and Built Environment presented a report to update members on progress to reduce rough sleeping in East Sussex over the past 18 months. To seek approval to mobilise a new programme of interventions in 2020/21.

This report recognizes the work that has been undertaken regarding reducing rough sleeping and to agree the expenditure now that officers have had confirmation from the government. This report builds on previous reports. Members are asked to acknowledge the progress made. Not detailed in this report.

The Assistant Director Housing and Built Environment also highlighted that according to the most recent street count taken on the 27th February 2020, there were 12 rough sleepers recorded which is down from a high of 24 in November 2019.

Hastings Borough Council have not changed how the figures are counted, so these statistics are directly comparable. At the time the count was undertaken, the winter provision wasn't included. These numbers do also not include caravan count, which is likely to add one or two to the final count.

The council is headed in the right direction and hope that the number will continue to fall in the future.

Councillor Batsford expressed that he is pleased the officers have had emails from central government expressing gratefulness for the success in reducing rough sleeping. It is an incredible achievement by officers and all voluntary organisations.

CABINET

2 MARCH 2020

Because of the short-term nature of the funding from central government, these items have to be presented urgently. Ideally, in the future, they would like to see more long-term funding from government so the council can really focus on the root causes of homelessness.

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

Councillors thanked the officers for doing such a great job to reduce the number of rough sleepers and was very glad to hear that there has been recognition from the government. They also agreed that long term funding is needed.

Councillors also thanked the volunteers who have worked tirelessly to help achieve the reduction. The council are incredibly grateful for all the work these organisations do.

Councillor Chowney said that this funding and the work is about getting people off the streets and is very thankful for all the work that has been done. The results of this funding have been a massive success, and he is glad to see the council are leading innovators. However, the underlying issue is that support services for earlier prevention are still not being funded properly and further focus should be put on prevention in the future.

RESOLVED – (unanimously)

- 1. To acknowledge progress to reduce rough sleeping over the past 18 months**
- 2. To authorise expenditure of £1,584,518 to continue the programme of services on 2020/21**
- 3. To approve a 12 month extension to the existing contract with Sanctuary Supported Living for the RSI Assessment Centre**
- 4. To grant an exemption to the council's financial rules under paragraph 21c of the Financial Operating Procedures, to enable the council to procure the outreach, day centre and Housing First service from the Seaview Project**
- 5. To grant an exemption to the council's financial rules under paragraph 21c of the Financial Operating Procedures, to enable the council to procure the Rapid Rehousing Pathway service from Southdown Housing Association**
- 6. To grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures, to enable the council to procure a case management system from Inform**
- 7. To delegate authority to enter into a Memorandum of Understanding with the Ministry for Housing, Communities and Local Government to deliver the project to the relevant senior housing officer**

CABINET

2 MARCH 2020

8. To delegate authority to the relevant senior housing officer, in consultation with the lead member, to draft a joint rough sleeping reduction strategy with the local authorities in East Sussex. The draft strategy will be presented to Cabinet later in the year

9. To delegate authority to the relevant senior housing officer, in consultation with the lead member, to finalise arrangements for the mobilisation and delivery of the projects

10. To delegate authority to the Chief Legal Officer to enter into contractual arrangements for the delivery of the projects

11. To delegate authority to the relevant senior housing officer to agree adaptations to the services in 2020/21, if funding arrangements change, and to delegate authority to the Chief Legal Officer to agree contract variations as required.

Reasons for recommendations

1. Hastings Borough Council is lead partner for a programme of activities to reduce rough sleeping in 2020/21.

(The Chair declared the meeting closed at. 6.13 pm)

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MANAGING DIRECTOR DECISIONS

23 MARCH 2020

249. DECLARATIONS OF INTEREST

The Managing Director declared no interests.

250. ENERGY PROCUREMENT

The Assistant Director, Financial Services and Revenues, submitted a report to decide the preferred procurement route option for energy supply.

On 5 September 2016, Cabinet took the decision and endorsed the proposal continue to support and participate in the LASER Buying Group's flexible procurement framework for the period from September 2016 to October 2020.

Following the EU compliant tendering exercise carried out by LASER, NPower is the preferred supplier for electricity and Total Gas for the supply of gas. About 2/3rds of the Council's electricity spend is used in its main buildings (i.e. Town Hall and Muriel Matters House) and the rest is spread over approximately 60 smaller sites.

The report presented two options:

(i) LASER: Fixed Term Fixed Price Framework 2019-2023 – Electricity Option. Purchase of 100% green energy at a competitive cost with flexibility to change supplier early. The forecasted cost will be approximately £1,200 (or 0.5%) than we currently pay.

(ii) LASER: Flexible Framework (2020–2024) – Renewable Energy Guarantees of Origin (REGO) backed electricity from Npower. Npower will match the equivalent certificates produced with the council's consumption for the same period. Electricity is largely generated from wind, hydro, biomass, sewerage/landfill gas or solar sources. The forecasted cost is an increase of £2,000 on what we currently pay.

Under the emergency powers set out in Part 4 of the Council's Constitution the Managing Director made the decision in consultation with the following members of

MANAGING DIRECTOR DECISIONS

23 MARCH 2020

Cabinet: Cllr Forward, Cllr Fitzgerald, Cllr Batsford, Cllr S Beaney, Cllr Chowney, Cllr Evans, Cllr Rogers, Cllr Lee and Cllr Patmore.

RESOLVED –

1. That the Council's preferred procurement route from the Local Authority South East Region (LASER) buying consortium options is:

LASER: Fixed Term Fixed Price Framework 2019-2023 – Ecotricity Option.
Purchase of 100% green energy at a competitive cost with flexibility to change supplier early. The forecasted cost will be approximately £1,200 (or 0.5%) more than we currently pay.

2. To approve purchase of our gas supply through the LASER gas flexible framework.
3. To delegate authority to the lead officer or their nominee in consultation with the respective portfolio lead member, to finalise the agreements.

Reasons for the decision:

The Council's Constitution, Part 9 Financial Rules Section 3, requires Cabinet approval for expenditure exceeding £200,000.

The LASER Energy Buying Group is a government approved public sector buying agency (a trading arm of Kent County Council), providing an energy procurement service to some 207 member authorities in the South East of England, with a successful track record of purchasing performance for the period April 2009 to March 2020.

They have requested that they need an indication of commitment by the end of March 2020 as they are unable to undertake any purchases until the contracts are in place

MANAGING DIRECTOR DECISIONS

23 MARCH 2020

which can take some time in terms of drafting the documentation based on each authority's individual requirements.

251. SELECTIVE LICENSING

The Assistant Director, Housing and Built Environment, submitted a report to consider proposals for designating a Selective Licensing Scheme for private rented homes in six wards in the borough which contain higher than average levels of privately rented dwellings and which are suffering from poor property conditions.

The current Hastings Borough Council Selective Licensing Scheme 2015 is due to end on the 25 October 2020. Following a review of the 2015 Scheme (the "2015 Scheme") it has been determined that whilst there has been a reduction in anti-social behaviour in the 7 wards subject to licensing, there remain wards in the borough that have a large proportion of private rented properties in poor condition. Following a review of the available evidence, consultation has been carried out on the option of declaring a further scheme on completion of the current scheme in October 2020.

It is proposed that a further selective licensing scheme is introduced covering a reduced geographic area; that being the wards of Braybrooke, Castle, Central St Leonards, Gensing, Old Hastings and Tressell (the proposed "2020 Scheme"). As the proposed new scheme will cover more than 20% of all private rented accommodation in the borough it will require confirmation by the Secretary of State.

Under the emergency powers set out in Part 4 of the Council's Constitution the Managing Director made the decision in consultation with the following members of Cabinet: Cllr Fitzgerald, Cllr Batsford, Cllr S Beaney, Cllr Chowney, Cllr Evans, Cllr Rogers, Cllr Lee and Cllr Patmore.

RESOLVED -

1. That Cabinet considers the evidence base and outcome of the consultation on a replacement selective licensing scheme as set out in Appendix 1 & 2 of this report
2. That subject to Secretary of State approval, a new 5-year selective licensing scheme (as designated under section 80(7) of the Housing Act 2004) covering all

MANAGING DIRECTOR DECISIONS

23 MARCH 2020

privately rented dwellings in the 6 wards of Braybrooke, Castle, Central St Leonards, Gensing, Old Hastings and Tressell is introduced on completion of the current 2015 selective licensing scheme in October 2020.

3. That the rationale for a replacement scheme is supported on the grounds of the higher than average levels of privately rented accommodation and the poor property conditions that exist in those wards

4. That Cabinet delegate to the Assistant Director Housing and Built Environment responsibility for agreeing the final document requesting confirmation of the selective licensing designation from the Ministry of Housing, Communities and Local Government (MHCLG) in consultation with the Chief Legal Officer.

5. That the licensing conditions proposed in Appendix 5 of this report are agreed.

6. That the proposed fee structure in Appendix 3 of this report is adopted.

Reasons for the decision:

1. The current Hastings Borough Council Selective Licensing Scheme 2015 is due to end on the 25 October 2020. Following a review of the 2015 Scheme (the “2015 Scheme”) it has been determined that whilst there has been a reduction in anti-social behaviour in the 7 wards subject to licensing, there remain wards in the borough that have a large proportion of private rented properties in poor condition. Following a review of the available evidence, consultation has been carried out on the option of declaring a further scheme on (completion of the current scheme in October 2020.

2. It is now proposed that a further selective licensing scheme is introduced covering a reduced geographic area; that being the wards of Braybrooke, Castle, Central St Leonards, Gensing, Old Hastings and Tressell (the proposed “2020 Scheme”). As the proposed new scheme will cover more than 20% of all private rented accommodation in the borough it will require confirmation by the Secretary of State.

MANAGING DIRECTOR DECISIONS

23 MARCH 2020

3. In all the six wards selected for the proposed 2020 Scheme the proportion of the private rented sector homes is greater than the national average. In three of the wards (namely Castle, Central St Leonards and Gensing) more than half of the properties are privately rented. Whilst the evidence from the review of the 2015 Scheme has identified an improvement in anti-social behaviour in those wards, there remain serious issues with regards to housing conditions in the private rented sector within those wards. Over 31% of homes in the area covered by the 2015 scheme do not meet the decent homes standard and almost 14% have a category one hazard (that being a hazard to the occupants of the property that would require the council to intervene).
4. Applications to the Secretary of State for confirmation of a selective licensing scheme are required to be made in a prescribed form.
5. The Housing Act 2004 allows the council to include conditions on licenses that regulate the condition, contents, management, use and occupation of the house concerned.
6. As with the 2015 Scheme it is proposed to charge a fee to cover the cost of running the new scheme. The proposed fees have been set to achieve a balance between ensuring that the council can operate a successful, properly funded and adequately resourced scheme whilst keeping fees to the minimum level for landlords. The Council cannot by law profit from the scheme and proposes to apply the principle of full cost recovery.

252. CLIMATE EMERGENCY

The Assistant Director, Regeneration and Culture, submitted a report to set out the Councils initial response to its Climate Emergency declaration and present a draft Climate Emergency Strategy and Action Plan.

The development of the plan has been aligned with national legislation and policy including the Climate Act 2008; the Industrial Strategy; the Clean Growth Strategy; Road to Zero and the Future of Heating. The plan also aligns with the regional policy Energy South2East (LEP strategy) and the draft Local Industrial Strategy and has

MANAGING DIRECTOR DECISIONS

23 MARCH 2020

taken into account future policy drivers including the update to Building Regulations (Part L) and the Future Homes Standard.

Under the emergency powers set out in Part 4 of the Council's Constitution the Managing Director made the decision in consultation with the following members of Cabinet: Cllr Forward, Cllr Fitzgerald, Cllr Batsford, Cllr S Beaney, Cllr Chowney, Cllr Evans, Cllr Rogers, Cllr Lee and Cllr Patmore.

RESOLVED –

To approve the adoption of the Climate Emergency Strategy and Action Plan to work towards delivering net – zero carbon emissions for the borough by 2030

Reasons for the decision:

The report presents a draft Climate Emergency Strategy and Action Plan developed in response to the climate emergency that the Council declared last year.

Minute Annex

Managing Director Decision Record

Part 4 of the Council's Constitution
Emergency Powers



Date: 23rd March 2020

Item: Energy Procurement

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

Decision type: Cabinet

Decision:

1. That the Council's preferred procurement route from the Local Authority South East Region (LASER) buying consortium options is:

(i) LASER: Fixed Term Fixed Price Framework 2019-2023 – Ecotricity Option. Purchase of 100% green energy at a competitive cost with flexibility to change supplier early. The forecasted cost will be approximately £1,200 (or 0.5%) more than we currently pay.

2. To approve purchase of our gas supply through the LASER gas flexible framework.

3. To delegate authority to the lead officer or their nominee in consultation with the respective portfolio lead member, to finalise the agreements.

Reasons:

The Council's Constitution, Part 9 Financial Rules Section 3, requires Cabinet approval for expenditure exceeding £200,000.

The LASER Energy Buying Group is a government approved public sector buying agency (a trading arm of Kent County Council), providing an energy procurement service to some 207 member authorities in the South East of England, with a successful track record of purchasing performance for the period April 2009 to March 2020.



They have requested that they need an indication of commitment by the end of March 2020 as they are unable to undertake any purchases until the contracts are in place which can take some time in terms of drafting the documentation based on each authority`s individual requirements.

Decision made in consultation with:

	For	Against	Abstain
Councillor Forward	X		
Councillor Fitzgerald	X		
Councillor Batsford	X		
Councillor S Beaney	X		
Councillor Chowney	X		
Councillor Evans	X		
Councillor Rogers	X		
Councillor Lee	X		
Councillor Patmore	X		

Signed:



Jane Hartnell
Managing Director
Hastings Borough Council

Managing Director Decision Record

Part 4 of the Council's Constitution
Emergency Powers



Date: 23rd March 2020

Item: Selective Licensing 2020

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

Decision type: Cabinet

Decisions:

1. That Cabinet considers the evidence base and outcome of the consultation on a replacement selective licensing scheme as set out in Appendix 1 & 2 of this report
2. That subject to Secretary of State approval, a new 5-year selective licensing scheme (as designated under section 80(7) of the Housing Act 2004) covering all privately rented dwellings in the 6 wards of Braybrooke, Castle, Central St Leonards, Gensing, Old Hastings and Tressell is introduced on completion of the current 2015 selective licensing scheme in October 2020.
3. That the rationale for a replacement scheme is supported on the grounds of the higher than average levels of privately rented accommodation and the poor property conditions that exist in those wards
4. That Cabinet delegate to the Assistant Director Housing and Built Environment responsibility for agreeing the final document requesting confirmation of the selective licensing designation from the Ministry of Housing, Communities and Local Government (MHCLG) in consultation with the Chief Legal Officer.
5. That the licensing conditions proposed in Appendix 5 of this report are agreed.
6. That the proposed fee structure in Appendix 3 of this report is adopted.



Reasons:

1. The current Hastings Borough Council Selective Licensing Scheme 2015 is due to end on the 25 October 2020. Following a review of the 2015 Scheme (the “2015 Scheme”) it has been determined that whilst there has been a reduction in anti-social behaviour in the 7 wards subject to licensing, there remain wards in the borough that have a large proportion of private rented properties in poor condition. Following a review of the available evidence, consultation has been carried out on the option of declaring a further scheme on (completion of the current scheme in October 2020).
2. It is now proposed that a further selective licensing scheme is introduced covering a reduced geographic area; that being the wards of Braybrooke, Castle, Central St Leonards, Gensing, Old Hastings and Tressell (the proposed “2020 Scheme”). As the proposed new scheme will cover more than 20% of all private rented accommodation in the borough it will require confirmation by the Secretary of State.
3. In all the six wards selected for the proposed 2020 Scheme the proportion of the private rented sector homes is greater than the national average. In three of the wards (namely Castle, Central St Leonards and Gensing) more than half of the properties are privately rented. Whilst the evidence from the review of the 2015 Scheme has identified an improvement in anti-social behaviour in those wards, there remain serious issues with regards to housing conditions in the private rented sector within those wards. Over 31% of homes in the area covered by the 2015 scheme do not meet the decent homes standard and almost 14% have a category one hazard (that being a hazard to the occupants of the property that would require the council to intervene).
4. Applications to the Secretary of State for confirmation of a selective licensing scheme are required to be made in a prescribed form.
5. The Housing Act 2004 allows the council to include conditions on licenses that regulate the condition, contents, management, use and occupation of the house concerned.
6. As with the 2015 Scheme it is proposed to charge a fee to cover the cost of running the new scheme. The proposed fees have been set to achieve a balance between ensuring that the council can operate a successful, properly funded and adequately resourced scheme whilst keeping fees

to the minimum level for landlords. The Council cannot by law profit from the scheme and proposes to apply the principle of full cost recovery.

Decision made in consultation with:

	For	Against	Abstain
Councillor Forward			
Councillor Fitzgerald	x		
Councillor Batsford	x		
Councillor S Beaney	x		
Councillor Chowney	x		
Councillor Evans	x		
Councillor Rogers	x		
Councillor Lee			
Councillor Patmore		x	

Signed:



Jane Hartnell
Managing Director
Hastings Borough Council

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Managing Director Decision Record

Part 4 of the Council's Constitution
Emergency Powers



Date: 23rd March 2020

Item: Climate Emergency Plan

Report by: Victoria Conheady, Assistant Director, Regeneration and Culture

Decision type: Cabinet

Decision:

To approve the adoption of the Climate Emergency Strategy and Action Plan to work towards delivering net – zero carbon emissions for the borough by 2030.

Reasons:

The report presents a draft Climate Emergency Strategy and Action Plan developed in response to the climate emergency that the Council declared last year.

Decision made in consultation with:

	For	Against	Abstain
Councillor Forward	X		
Councillor Fitzgerald	X		
Councillor Batsford	X		
Councillor S Beaney	X		
Councillor Chowney	X		
Councillor Evans	X		
Councillor Rogers	X		
Councillor Lee	X		
Councillor Patmore	X		

Signed:

A handwritten signature in black ink that reads "Jane Hartnell". The signature is written in a cursive, flowing style.

Jane Hartnell
Managing Director
Hastings Borough Council

Public Document Pack

CABINET

8 JUNE 2020

Present: Councillors Forward (Chair), Fitzgerald (Vice-Chair), Barnett, Batsford, Chowney, Evans, O'Callaghan and Rogers.

253. APOLOGIES FOR ABSENCE

No apologies received.

254. DECLARATION OF INTERESTS

Councillor	Minute	Declaration
O'Callaghan	258	Prejudicial – Lives near the property.

255. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the Cabinet meeting held on 23rd March 2020 be approved as a true record.

Councillor Forward, Leader of the Council, announced that Bottle Alley had been lit in purple in memory of George Floyd and to show support for the Black Lives Matter movement. Councillor Forward said that racism has no place in society and it is important that everyone challenges all forms of discrimination and injustice.

In the absence of an Annual Council meeting the Leader of the Council announced the following changes to Cabinet and Committee membership:

Cabinet Appointments

Cllr Kim Forward, Leader of the Council: Strategy and Partnership Working
Cllr Colin Fitzgerald, Deputy Leader of the Council: Regeneration, Culture and Tourism
Cllr Peter Chowney: Financial Management and Estates
Cllr Judy Rogers: Equalities, Organisational Well-Being & Performance
Cllr Paul Barnett: Urban Environment and Community Safety
Cllr Maya Evans: Natural Environment and Leisure
Cllr Andy Batsford: Housing and Homelessness
Cllr Margi O'Callaghan: Chair of the Charity Committee

Councillors S Beaney, Lee and Patmore leave the Cabinet. The Leader of the Council thanked them for their service.

Committee Appointments

Councillors S Beaney and Webb join the Overview and Scrutiny Committee replacing Councillors Barnett and O'Callaghan.

Councillor Turner joins the Standards Committee replacing Councillor O'Callaghan.

CABINET

8 JUNE 2020

Councillors S Beaney and Sinden join the Licensing Committee replacing Councillors Bishop and O'Callaghan.

Councillor Scott comes off the Working Arrangements Group, replaced by Councillor Webb.

Councillor Webb comes off the Planning Committee, replaced by Councillor Bacon.

Councillor Forward joins the Audit Committee and Councillors Berelson and Chowney come off.

256. COVID-19 RESPONSE UPDATE

The Managing Director presented the report to update cabinet on the response to the Covid-19 pandemic and changes to service delivery and the business operation of the council.

The Managing Director confirmed that the community hub will be continuing to operate until at least 31st August even though demand is reducing. There are a small number of ongoing cases which do require very complex interventions.

In terms of Business Support Grants 1634 grant applications have been processed to date and over £19 million has been distributed to local businesses.

On the homelessness response it was noted that there are 236 households still in emergency accommodation. The Council received 25 new homelessness applications over the last 2 weeks. A full report from homelessness recovery sub-group will be presented to the July cabinet meeting. The Council is submitting a bid to the Ministry of Housing, Communities and Local Government for capital funding to provide further temporary accommodation for rough sleepers.

The Assistant Director, Regeneration and Culture informed the cabinet that the Council is working with East Sussex County Council to develop an economy recovery plan. Feedback from the Council and partners has been returned to East Sussex County Council. A final report is expected to be presented to Team East Sussex at the beginning of July. The Assistant Director confirmed that the County Council had an indicative allocation of about £500,000 in tranche 1 for the Emergency Active Travel Fund. Hastings Borough Council have submitted proposals for the fund and East Sussex County Council have submitted a county wide proposal.

The Leader of the Council thanked officers for a comprehensive report which is testament to the Council's commitment to stand with the people of Hastings and support them through the most difficult of times.

Councillor Rogers thanked officers for their efforts in keeping Council services functioning in what has been an incredibly stressful period.

CABINET

8 JUNE 2020

257. PLANNING ENFORCEMENT POLICY UPDATED

Due to technical difficulties with the streaming service which interrupted the live broadcast of the meeting this item was not called and will be discussed at the next available meeting of cabinet.

258. DANGEROUS STRUCTURE AT 2 - 12 BATTLE ROAD

This item was discussed in private session as the Assistant Director's report contained exempt information as defined in Schedule 12A of the Local Government Act 1972.

Due to a prejudicial interest Councillor O'Callaghan left the meeting for the duration of this item.

The Assistant Director, Housing and Built Environment, presented the report to advise Cabinet of the latest engineering information on the property and the legal position regarding the future of the structure.

Councillor Forward proposed approval of the recommendation of the Assistant Director's report, seconded by Councillor Rogers.

RESOLVED (unanimously) that:

- 1. Cabinet agree that the Council should undertake works in relation to the dangerous structure at 2 – 12 Battle Road should an Order served on the owners of the premises under section 77 of the Building Act 1984 not be complied with.**
- 2. Cabinet agree that a budget of £300,000 is allocated from the general reserve.**
- 3. Cabinet agree the appointment of EAR SHEPPARD Consulting Civil and Structural Engineers Ltd to prepare a schedule of demolition and act as contract administrator for works.**

Reason for the decision

1. Following a complaint about a possible dangerous structure at 2 – 12 Battle Road EAR SHEPPARD Consulting Civil and Structural Engineers Ltd were appointed to assess the structural stability of the property. EAR SHEPPARD identified that the structure is not in danger of imminent collapse, however collapse cannot be entirely ruled out at some point and therefore it remains at risk. As such an Order under section 77 of the Building Act 1984 has been obtained to mandate the owners of the properties to take action. Should the owners not comply with the order the Council can undertake works to make the premises safe and seek to recover the cost.

CABINET

8 JUNE 2020

2. No expenditure is presently included in the Councils budget for these works.
3. In order to be able to progress works as soon as reasonably practicable the appointment of EAR SHEPPARD Consulting and Structural Engineers Ltd. is necessary due to their existing familiarity with the site and preparatory work already completed.

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

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CABINET

9 JUNE 2020

1. DECLARATION OF INTERESTS

The Managing Director declared no interests.

2. DISCRETIONARY BUSINESS GRANT SCHEME POLICY

The Assistant Director, Financial Services and Revenues, submitted a report to agree a Policy for the distribution of the government funding (£1,153,000) in respect of a Discretionary Small Business Grant Scheme.

The government announced on Friday 1 May 2020 that they would be making additional money available to local authorities to support businesses. The government have provided a general overview of the scheme which can be found on their website.

The Council only has a limited amount of funding available from the government for this scheme (£1,153,000). Given the funding pressures that the Council itself is currently facing it is unable to add to this level of resources.

The Council's website has been open for expressions of interest and as of 2 June there were some 157 expressions of interest. This has enabled the Council to capture contact details and has helped in the potential design of the scheme and level of payments that can be afforded with the limited funding available.

The Chair of the Overview and Scrutiny Committee gave approval for this decision to be made in accordance with rule 26.21 (Special Urgency) of the Council's Constitution.

Under the emergency powers set out in Part 4 of the Council's Constitution the Managing Director made the decision in consultation with the following Councillors: Cllr Forward, Cllr Fitzgerald, Cllr Chowney, Cllr O'Callaghan, Cllr Lee and Cllr Patmore.

RESOLVED –

CABINET

9 JUNE 2020

1. The Council's Managing Director in consultation with the Leader of the Council, the Deputy Leader, and the lead member for Financial Management and Estates approve the Hastings Discretionary Business Grants Policy on behalf of the Council's Cabinet under Emergency Powers (part 4 of the Council's constitution rule 26.22).

2. The Chief Finance Officer is authorised to make technical amendments and adjustments to the scheme in consultation with the lead member for Financial Management and Estates to ensure available funding is distributed, and that it meets the criteria set by the Council and remains in line with Central Government guidance.

Reasons for the decision:

1. The Council needs to agree a Discretionary Grant scheme as a matter of urgency to support businesses within the Borough.

2. Developing a scheme which has limited levels of funding that can not be exceeded, requires a degree of delegated authority to make technical amendments and adjustments to the scheme if grants are to be awarded quickly and to those which meet the eligibility criteria.

Minute Annex

Managing Director Decision Record

Part 4 of the Council's Constitutional Emergency Powers



Date: 9th June 2020

Item: Discretionary Business Grant Scheme Policy

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

Decision type: Cabinet

Recommendations:

1. The Council's Managing Director in consultation with the Leader of the Council, the Deputy Leader, and the lead member for Financial Management and Estates approve the Hastings Discretionary Business Grants Policy on behalf of the Council's Cabinet under Emergency Powers (part 4 of the Council's constitution rule 26.22).
2. The Chief Finance Officer is authorised to make technical amendments and adjustments to the scheme in consultation with the lead member for Financial Management and Estates to ensure available funding is distributed, and that it meets the criteria set by the Council and remains in line with Central Government guidance.

Reasons for Recommendations:

1. The Council needs to agree a Discretionary Grant scheme as a matter of urgency to support businesses within the Borough.
2. Developing a scheme which has limited levels of funding that can not be exceeded, requires a degree of delegated authority to make technical amendments and adjustments to the scheme if grants are to be awarded quickly and to those which meet the eligibility criteria.

Decision made in consultation with:

Cabinet	For	Against	Abstain
Councillor Forward	X		
Councillor Fitzgerald	X		
Councillor Chowney	X		
Councillor Barnett			
Councillor Batsford			
Councillor Evans			
Councillor O'Callaghan	X		
Councillor Rogers			
Opposition			
Councillor Lee	X		
Councillor Patmore	X		

The Chair of the Overview and Scrutiny Committee gave approval for this decision to be made in accordance with rule 26.21 (Special Urgency) of the Council's Constitution.

Signed



Jane Hartnell
Managing Director
Hastings Borough Council

Public Document Pack

CABINET

6 JULY 2020

Present: Councillors Forward (Chair), Fitzgerald (Vice-Chair), Barnett, Batsford, Chowney, Evans, O'Callaghan and Rogers

259. APOLOGIES FOR ABSENCE

None.

260. DECLARATION OF INTERESTS

Councillor	Minute	Declaration
Rogers	264	Personal – Trustee of the Fellowship of St Nicholas
Forward	264	Personal – Trustee of Education Futures Trust
Forward	266	Prejudicial

261. MINUTES OF LAST MEETING

RESOLVED – the minutes of the Cabinet meeting held on 9th June be approved as a true record.

The Leader of the Council announced that Councillor Davies is appointed to the Audit Committee and that Councillor Roberts, who is already a member of the Standards Committee, is appointed Vice-Chair of that Committee.

RESOLVED - the chair called over the items on the agenda, under rule 13.3 of the council's constitution, the recommendations set out in minute number 262 were agreed without being called for discussion.

262. PLANNING ENFORCEMENT POLICY UPDATED

The Assistant Director, Housing and Built Environment, submitted a report to seek approval for revisions to the Planning Enforcement Policy.

Proposed changes to the policy include

- The policy prioritises by complaint type, each priority with a time frame within which the site is visited. The existing 3-point priority framework has been replaced by a 5-point scheme This includes A new priority to carry out emergency site visits within 2 days. and replaces the existing 3 day target. This ensures that the service will be more proactive in emergency cases. The new priority 1 will apply in respect of dangerous structures, felling of TPO trees and demolition of heritage assets.

CABINET

6 JULY 2020

- Timescales for Priorities 2- 5 have been adjusted accordingly and allow between 5 days (priority 2) to a max of 20 days (priority 5).
- The policy introduces a new section to explain when enforcement action will not be appropriate and what information is needed when a complaint is submitted. The policy also now provides a link to the on-line 'report a breach' form.
- The policy is generally edited to make it more accessible for its readers.

Under rule 13.3 the recommendations of the report were agreed without being called for discussion

RESOLVED:

To approve the Revised Planning Enforcement Policy.

Reasons for the decision:

The existing Planning Enforcement Policy was approved by CMG in 2017 and sets out how the service will respond to complaints regarding alleged breaches of planning control. The policy has recently been updated and amended following a review and restructure within Planning Services.

263. FINANCIAL IMPLICATIONS ARISING FROM COVID-19

The Chief Finance Officer presented a report to provide details of the financial impacts of Covid-19 on the Council.

The report identifies that there will be significant and continuing impacts for 2020/21 and beyond, and also highlights the need for additional government funding.

The cost implications of Covid-19 are large and varied. The estimates are changing weekly as the impacts become better understood and the rules change.

In February 2020, before the implications of the pandemic were fully understood, the council identified that a balanced budget could only be achieved in 2020/21 using £1.182m of reserves. The forecast deficit for 2021/22 being £798,000 at that time.

The monthly return to government in May 2020 on the impact of Covid-19 identified additional costs/ loss of income amounting to some £4.9m. The estimated costs/ loss of income ranges from a best-case scenario of some £3.65m to a worst-case scenario of some £10.1m. The range is very wide as it is hard to estimate given the unknown timescales and the impact of the lockdown, and the depth/ length of any recession.

The government have provided grant funding of £985,000 to date.

The Chief Finance Officer informed the Cabinet that, whilst the initial financial impact of Covid-19 is becoming clear, there will be a far-reaching impact across all Council activities and some of these will carry on into the next financial year. However, the

CABINET

6 JULY 2020

Council has been prudent in setting aside sufficient reserves to cope with unexpected events in the short term, but will need to replenish the reserves in the future.

The Medium-Term Financial Strategy will be updated and will look to provide indicative financial forecasts for the 5-year period 2020/21 to 2024/25. It is intended that this will be considered at Cabinet on 1 September 2020.

Councillor Chowney proposed approval of the recommendations, seconded by Councillor O'Callaghan.

RESOLVED (unanimously) that:

(i) An updated Medium-Term Financial Strategy be considered by Cabinet on the 1 September 2020; this will include a mid-year review of the Capital Programme and the impacts on reserves.

(ii) To continue to review expenditure pressures and income opportunities as part of the Council's Priority Income and Expenditure Review (PIER) process in order to help achieve sustainable budgets in the future.

(iii) The Council continue to make representations for additional funding from government – both in the short and long term.

Reasons for the decision

1. Covid-19 has had a significant impact on the Council. Most, if not all, areas of council activity have been substantially impacted. The Council's financial position was difficult before the pandemic and it is now even more challenging.

2. The Council's revised Medium Term Financial Strategy will look to provide revised expenditure and income projections for 2020/21 and the years beyond. This will form the basis for producing a budget for 2021/22 albeit that until the final funding settlement is known (expected December 2020), much of the budget planning work will need to consist of scenario planning and identifying potential savings.

3. The Council was already exposed to a much greater degrees of volatility in terms of its income from Non-Domestic Rates and expenditure in terms of Council Tax Support claims – the costs falling directly on the Council and the preceptors. Deficit incurred during the year will impact on the 2021/22 accounts The potential downside risks of Covid-19 and Brexit and the increased reliance on income streams are difficult to estimate accurately as yet; the Council needs to maintain sufficient reserves to deal with these and other unexpected events still to come.

4. The Council has had enormous budget cuts every year since 2010. Given the financial pressures now being faced services will need to continue to identify and make savings in order to produce balanced budgets for future years unless there is more funding. The Council will continue to make representations to government for additional funding both in the short and long term.

264. HOUSING AND HOMELESSNESS RECOVERY PLAN

CABINET

6 JULY 2020

The Assistant Director, Housing and Built Environment, presented a report to update the cabinet on the impact of the Coronavirus outbreak on housing and homelessness services and to set out our recovery plans for the next 12 months.

The number of homeless households living in emergency accommodation has increased from 205 at the start of lockdown to 240 at the end of June. Of these, 51 are discretionary placements for former rough sleepers.

The increasing use of emergency accommodation is due to ongoing homelessness presentations during lockdown; additional placements made for rough sleepers as a result of the “everyone in” instruction from the government; and a lack of move-on options in both the social and private rented sectors.

Demand for homelessness services is expected to rise significantly when the current restrictions on evictions are lifted at the end of August, particularly if this coincides with an economic downturn.

Councillor Batsford proposed approval of the recommendations, seconded by Councillor Rogers.

RESOLVED (unanimously) that:

- 1. To support the 3 priorities set out in the council’s housing and homelessness recovery plan, as set out in paragraph 11**
- 2. For Hastings Borough Council to host a Housing Solutions role, within the Mental Health Specialist Accommodation Team. To allocate funding of £6,842 for the role.**
- 3. To continue to provide dispersed temporary accommodation placements for rough sleepers. The full year net cost to the council is estimated at £643,000**
- 4. To note the net cost of the council’s statutory emergency accommodation is estimated to be £343,000 above the original budget projection for 2020/21**
- 5. To continue to lobby government to provide additional funding to help meet the rising costs of homelessness**
- 6. To resume the launch of Live, Work, Thrive and extend the programme end date until March 2023**

Reasons for the decision

The outbreak of Coronavirus has placed additional demand for on the council’s homelessness services. A range of activities are underway with partners to help reduce pressure upon the service and help mitigate the additional costs associated with extended temporary accommodation usage.

CABINET

6 JULY 2020

Councillor Forward proposed a motion for the exclusion of the public from the meeting, seconded by Councillor Rogers.

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

265. FREEDOM LEISURE FINANCIAL SUPPORT

The Assistant Director, Culture and Regeneration, presented a report to propose support for Freedom Leisure.

Councillor Evans proposed approval of the recommendations, seconded by Councillor Chowney.

RESOLVED (unanimously) that:

- 1. To agree financial support to Freedom Leisure with the unmitigated costs of reopening the leisure centres and reconciled through an open book process. Up to the approved amount by Cabinet, for the remainder of this financial year up to 31st March 2021.**
- 2. To delegate authority to the Assistant Director, Regeneration and Culture, and the Chief Finance Officer, in consultation with the lead councillor for Financial Management and Estates, and lead councillor for Natural Environment and Leisure to reduce this figure, in terms of HBC cost, in line with any additional funding received from government.**

Reasons for the decision

1. The council are committed to assisting Freedom Leisure in reopening the leisure centres in Hastings as soon as it is practicable, and officers are working with them to minimise costs to HBC for the remainder of the financial year.
2. Further detail of government funding, for HBC loss of income and expenditure, and what support government are considering for council owned leisure centres are still to be released, though this is expected shortly. Officers, under delegated authority, will work with Freedom Leisure and lead councillors in mitigating costs to HBC via utilising whatever funding is available via the government.
3. The cost of supporting these centres as closed, or mothballed, is more than opening the facilities.
4. The health and wellbeing of our residents is a priority and particularly prominent at this time of COVID-19. Ensuring the resilience of our leisure facilities will play a vital role in securing positive outcomes for our residents now and for the future.

CABINET

6 JULY 2020

266. NOTIFICATION OF ADDITIONAL URGENT ITEMS

267. POTENTIAL DEVELOPMENT - CONWALLIS STREET CAR PARK

Due to a prejudicial interest Councillor Forward left the meeting for the duration of this item and Councillor Fitzgerald took the chair.

The Assistant Director, Financial Services and Revenues, presented a report to consider the revised terms for the potential development of a hotel on Cornwallis Street car park.

Councillor Chowney proposed approval of the recommendations, seconded by Councillor Rogers.

RESOLVED (unanimously) that:

Agree to proceed on the basis of revised terms – subject to the hotel chain achieving board approval.

Reasons for the decision

The revised terms may result in the scheme proceeding. The scheme remains a viable option should the Council wish to proceed.

(The Chair declared the meeting closed at 7:06pm)

Public Document Pack

CABINET

1 SEPTEMBER 2020

Present: Councillors Forward (Chair), Fitzgerald (Vice-Chair), Barnett, Batsford, Chowney, Evans, O'Callaghan and Rogers.

The Leader of the Council announced that Cllr Bishop has been appointed to the Overview and Scrutiny and Committee in place of Cllr Roberts. Cllr Forward leaves the Museum Committee and Cllr Fitzgerald, Regeneration, Culture and Tourism portfolio holder, joins the Museum Committee as Chair ex officio.

268. APOLOGIES FOR ABSENCE

None.

269. DECLARATION OF INTERESTS

Councillor	Minute	Interest
Chowney	272	Personal – owns an electric vehicle

270. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the Cabinet meeting held on 8th June 2020 be approved as a true record.

RESOLVED – that the minutes of the Cabinet meeting held on 6th July 2020 be approved as a true record.

271. ANNUAL TREASURY MANAGEMENT OUTTURN REPORT 2019/2020

The Assistant Director, Financial Services and Revenues, presented a report on the Treasury Management activities and performance of the last financial year.

The 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 2019/20. The 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).

The Assistant Director reported that the council's investments and debt were properly managed and the strategy worked well in response to the covid-19 crisis. There were no cash flow shortages and the council has been able to access its cash as and when required. Therefore, there are no recommendations to amend the strategy for 2020/2021.

CABINET

1 SEPTEMBER 2020

New borrowing in the last financial year was in the region of £9.4 million and return on investments was just over 1%. A further mid-year report will be presented to cabinet and full council regarding the current financial year.

The Leader of the Council thanked the Assistant Director, Cllr Chowney and the Audit Committee for their work on the Treasury Management Strategy.

Councillor Chowney proposed approval of the recommendations, seconded by Councillor Fitzgerald.

RESOLVED (unanimously):

Cabinet consider the report – no recommendations are being made to amend the current Treasury Management Strategy as a result of this review.

Reasons for the decision:

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 2019-20.

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

272. ADDITIONAL ELECTRIC VEHICLE (EV) INFRASTRUCTURE IN TOWN CENTRE CAR PARKS

The Assistant Director, Environment and Place, presented a report to set out the case for installing new electric vehicle (EV) charge points for Priory Street and Carlisle underground car parks.

The report requests approval for funding of up to £35,000 from the Renewable Energy Capital Programme. This is in addition to the £15,000 funding requested from the Town Board Accelerator Fund programme.

The Accelerator Fund application has been provisionally approved by the Town Board EDG.

In early March 2020 the Charity Committee allocated funding to replace the single EV unit at Pelham with 3 new EV charge points. The council, using its own funds, also agreed to replace the faulty EV unit at Marina Car Park with another 3 new units. There is also a newly installed 'private' charger at Morrisons Supermarket.

In proposing approval of the recommendations Councillor Evans urged East Sussex County Council to take advantage of central government funding to invest in on-street charging infrastructure in Hastings.

CABINET

1 SEPTEMBER 2020

Councillor Evans proposed approval of the recommendations, seconded by Councillor Rogers.

RESOLVED (unanimously):

1. To allocate up to £35,000 for the purchase and installation of new EV charge points in Priory Street and Carlisle Underground car parks from the renewable energy capital budget within the capital programme. This is in addition to £15,000 funding, provisionally approved by the Town Board, as part of its Accelerated Fund proposal to the government.

2. That delegated authority be given to the Assistant Director of Environment and Place, in consultation with the Chief Finance Officer and the Lead Councillor for Natural Environment and Leisure, to appoint and instruct contractors to install new EV charge points by 31st March 2021.

Reasons for the decision:

1. The investment in and expansion of Electric Vehicle (EV) infrastructure, has been highlighted as an important element of the draft economic recovery plans for the borough and county.
2. Currently, the town centre area has only three publicly accessible EV charging points, one at Pelham Place car park; and two at Morrisons super market.
3. The Council has committed to installing 15 public charging points by the end of this financial year, in support of delivering its climate emergency commitments to make Hastings carbon neutral by 2030. This investment will support and enable residents, businesses and visitors to travel to the town centre, with the knowledge and confidence that they will be able to charge their electric vehicle. Such investment will support the transition to low carbon vehicles and help to meet the towns climate emergency action plan and improve local air quality.

(The Chair declared the meeting closed at 6.25pm)

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Report to: Cabinet

Date of Meeting: 1 September 2020

Report Title: Treasury Management Outturn Report for 2019-20

Report By: Peter Grace (Chief Finance Officer)

Purpose of Report

This report provides the opportunity for the Audit Committee, 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 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 2019-20.

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 2019/20. 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 15 January 2020 and training on the Medium Term Financial Strategy on 9 September 2019 in order to support members' scrutiny role.
6. The figures provided in this report for 2019/20 are as yet unaudited.

7. This annual Treasury report covers
 - a. capital expenditure and financing 2019-20
 - b. overall borrowing need (the Capital Financing Requirement)
 - c. treasury position as at 31 March 2020
 - d. performance for 2019-20
 - e. the strategy for 2019-20
 - f. the economy and interest rates in 2019-20
 - g. borrowing rates in 2019-20
 - h. the borrowing outturn for 2019-20
 - i. debt rescheduling
 - j. compliance with treasury limits and Prudential Indicators
 - k. investment rates in 2019-20
 - l. investment outturn for 2019-20

Capital Expenditure and Financing 2019/20

8. 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.
9. 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 2019/20	Outturn 2019-20	
	£000's	£000's
Expenditure:		12,089
Borrowing		9,423
Grants:		
Disabled Facilities Grant	1,121	
Coastal Communities	238	
Harbour Arm and New Groynes	179	
Other Grants and Contributions	<u>1,051</u>	
		2,589
Reserves		59
Capital Receipts		18
Total		12,089

Overall Borrowing Need (Capital Financing Requirement (CFR))

10. 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.
11. 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 enough 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), the money markets, or by using temporary cash resources from within the Council.
12. 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.
13. 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).
14. The Council's 2019/20 MRP Policy was approved as part of the Treasury Management Strategy Report for 2019/20 by Council in February 2019.
15. 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 required).

Table 2 CFR: General Fund	2018/19 Actual £000's	2019/20 Estimate £000's	2019/20 Actual £000's
Opening balance	39,493	58,094	58,094
Add unfinanced capital expenditure	19,396	15,876	9,423
Less MRP	(795)	(1,184)	(1,176)
Closing balance	58,094	72,572	66,341

Note: Finance lease arrangements are excluded from the above table

16. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
17. 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 2019/20 plus the expected changes to the CFR over 2020/21 and 2021/22 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs
18. The table below highlights the Council's gross borrowing position (External Borrowing) against the CFR, which provides an indication of affordability for the Council. The Council has complied with this prudential indicator.

Table 3 CFR vs Borrowing Level	2018/19 Actual	2019/20 Estimate	2019/20 Actual
	£000's	£000's	£000's
Capital Financing Requirement	58,094	74,843	66,341
External Borrowing	61,069	74,000	65,301
Net Internal/(External) Borrowing	(2,975)	843	1,040

Treasury Position as at 31 March 2020

19. The Council's debt and investment position at the beginning and the end of the year is shown in the tables that follow, namely: -

Table 4				31-Mar 2020	
Debt	1 April 2019 Principal	Start Date	Maturity Date	Principal	Rate
PWLB	£7,500,000	25/05/2007	01/02/2033	£7,500,000	4.80%
PWLB	£909,027	04/09/2014	02/09/2044	£909,027	3.78%
PWLB (Optivo)	£1,788,235	04/09/2014	02/09/2044	£1,788,235	3.78%
PWLB (FT) (Annuity)	£215,148	21/03/2016	20/03/2026	£185,915	1.66%
PWLB	£1,000,000	11/05/2016	11/05/2056	£1,000,000	2.92%
PWLB	£1,000,000	11/05/2016	11/05/2046	£1,000,000	3.08%
PWLB	£1,000,000	11/05/2016	09/05/2036	£1,000,000	3.01%
PWLB	£1,000,000	11/05/2016	11/05/2026	£1,000,000	2.30%
PWLB	£2,000,000	24/06/2016	24/06/2054	£2,000,000	2.80%
PWLB	£1,000,000	24/06/2016	23/06/2028	£1,000,000	2.42%
PWLB	£2,000,000	21/03/2017	21/03/2057	£2,000,000	2.53%
PWLB	£2,000,000	21/03/2017	19/09/2059	£2,000,000	2.50%
PWLB	£2,000,000	23/03/2017	23/03/2060	£2,000,000	2.48%
PWLB (Annuity)	£7,113,729	01/06/2017	01/06/2057	£7,002,787	2.53%
PWLB (Annuity)	£8,232,534	22/11/2017	22/11/2057	£8,111,852	2.72%
PWLB	£2,000,000	12/12/2018	12/06/2028	£2,000,000	1.98%
PWLB (Annuity)	£4,000,000	13/12/2018	13/12/2058	£3,941,522	2.55%
PWLB (Annuity)	£2,500,000	31/01/2019	31/01/2059	£2,463,534	2.56%
PWLB (Annuity)	£4,410,000	31/01/2019	31/01/2059	£4,365,748	2.56%
PWLB (Annuity)	£9,400,000	20/03/2019	20/03/2059	£9,262,267	2.54%
PWLB (Annuity)	-	02/09/2019	02/09/2069	£4,770,452	1.83%
Total Debt	£61,068,673			£65,301,339	2.82%

Table 5		
Investments	31 March 2019 Principal	31 March 2020 Principal
Managed In-House	£25m	£17.683m
CCLA Managed Externally	£2m	£4.515m
Total Investments	£27m	£22.198m

Performance Measurement (2019-20)

20. Table 6 below compares the Estimated Interest Payable and Received and associated fees for the year 2019-20.

Table 6 Interest	2018 -19 Actual Outturn £000's	2019-20 Revised Budget £000's	2019 -20 Actual Outturn (Unaudited) £000's
Gross Interest Payable	1,323	1,914	1,810
Gross Interest Received	(396)	(545)	(596)
Fees	10	10	10
Other (e.g. PWLB Discount)	(0)	(0)	(0)
Net Cost	937	1,379	1,224

21. 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.

The Strategy for 2019-20

22. The expectation for interest rates within the Treasury Management Strategy for 2019/20 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 2019/20. 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 2019/20 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.
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 at 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. Brexit.** The main issue in 2019 was the repeated battles in the House of Commons to agree on one way forward for the UK over the issue of Brexit. This resulted in the resignation of Theresa May as the leader of the Conservative minority Government and the election of Boris Johnson as the new leader, on a platform of taking the UK out of the EU on 31 October 2019. The House of Commons duly frustrated that renewed effort and so a general election in December settled the matter once and for all by a decisive victory for the Conservative Party: that then enabled the UK to leave the EU on 31 January 2020. However, this still leaves much uncertainty as to whether there will be a reasonable trade deal achieved by the target deadline of the end of 2020. It is also unclear as to whether the coronavirus outbreak may yet impact on this deadline; however, the second and third rounds of negotiations have already had to be cancelled due to the virus.
25. **Economic growth** in 2019 has been very volatile with quarter 1 unexpectedly strong at 0.5%, quarter 2 dire at -0.2%, quarter 3 bouncing back up to +0.5% and quarter 4 flat at 0.0%, +1.1% y/y. 2020 started with optimistic business surveys pointing to an upswing in growth after the ending of political uncertainty as a result of the decisive result of the general election in December settled the Brexit issue. However, the three-monthly GDP statistics in January were disappointing, being stuck at 0.0% growth. Since then, the whole world has changed as a result of the **coronavirus outbreak**. It now looks likely that the closedown of whole sections of the economy will result in a fall in GDP of at least 15% in quarter two. What is uncertain, however, is the extent of the damage that will be done to businesses by the end of the lock down period, when the end of the lock down will occur, whether there could be a second wave of the outbreak, how soon a vaccine will be created and then how quickly it can be administered to the population. This leaves huge uncertainties as to how quickly the economy will recover.
26. After the Monetary Policy Committee raised Bank Rate from 0.5% to 0.75% in August 2018, Brexit uncertainty caused the MPC to sit on its hands and to do nothing until March 2020; at this point it was abundantly clear that the coronavirus outbreak posed a huge threat to the economy of the UK. Two emergency cuts in Bank Rate from 0.75% occurred in March, first to 0.25% and then to 0.10%. These cuts were accompanied by an increase in quantitative easing (QE), essentially the purchases of gilts (mainly) by the Bank of England of £200bn. The Government and the Bank were also very concerned to stop people losing their jobs during this lock down period. Accordingly, the Government introduced various schemes to subsidise both employed and self-employed jobs for three months while the country is locked down. It also put in place a raft of other measures to help businesses access loans from their banks, (with the Government providing guarantees to the banks against losses), to tide them over the lock down period when some firms may have little or no income. However, at the time of writing, this leaves open a question as to whether some firms will be solvent, even if they take out such loans, and some may also choose to close as

there is, and will be, insufficient demand for their services. The measures to support jobs and businesses already taken by the Government will result in a huge increase in the annual budget deficit in 2020/21 from 2%, to nearly 11%. The ratio of debt to GDP is also likely to increase from 80% to around 105%. In the Budget in March, the Government also announced a large increase in spending on infrastructure; this should also help the economy to recover. Provided the coronavirus outbreak is kept under control, then it is hoped that there would be a sharp recovery, but one that could take a prolonged time to fully recover the previous lost momentum.

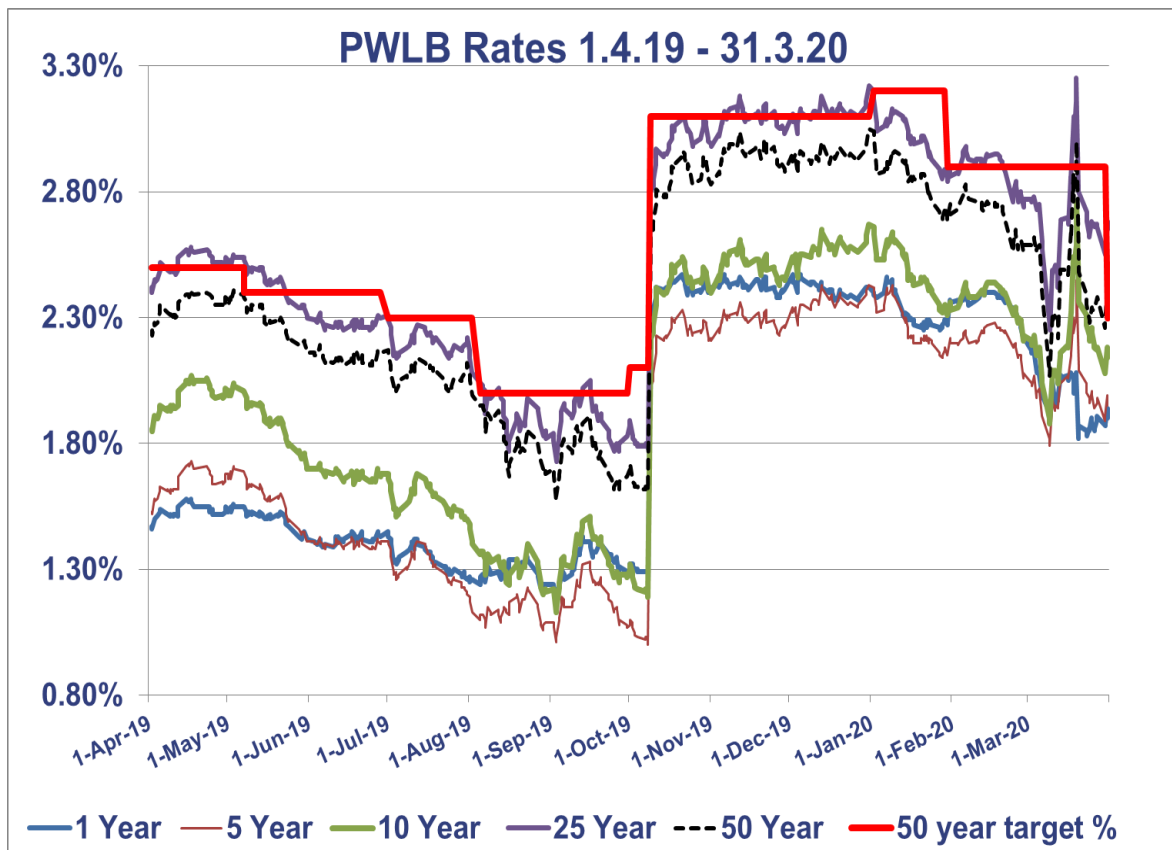
27. **Inflation** has posed little concern for the MPC during the last year, being mainly between 1.5 – 2.0%. It is also not going to be an issue for the near future as the world economy will be heading into a recession which is already causing a glut in the supply of oil which has fallen sharply in price. Other prices will also be under downward pressure while wage inflation has also been on a downward path over the last half year and is likely to continue that trend in the current environment. While inflation could even turn negative in the Eurozone, this is currently not likely in the UK.
28. **Employment** had been growing healthily through the last year, but it is likely to increase significantly throughout 2020/21. Over the last year wage inflation was significantly higher than CPI inflation which means that consumer real spending power had been increasing and so will have provided support to GDP growth. However, the Covid-19 crisis stopped a large proportion of high street spend that may never fully recover – with consequent unemployment implications.
29. **USA.** Growth in quarter 1 of 2019 was strong at 3.1% but growth fell back to 2.0% in quarter 2 and 2.1% in quarters 3 and 4. The slowdown in economic growth resulted in the Fed cutting rates from 2.25-2.50% by 0.25% in each of July, September and October. Once coronavirus started to impact the US in a big way, the Fed took decisive action by cutting rates twice by 0.50%, and then 1.00%, in March, all the way down to 0.00 – 0.25%. Near the end of March, Congress agreed a \$2trn stimulus package (worth about 10% of GDP) and new lending facilities announced by the Fed which could channel up to \$6trn in temporary financing to consumers and firms over the coming months. Nearly half of the first figure is made up of permanent fiscal transfers to households and firms, including cash payments of \$1,200 to individuals.
30. The loans for small businesses, which convert into grants if firms use them to maintain their payroll, will cost \$367bn and 100% of the cost of lost wages for four months will also be covered. In addition, there will be \$500bn of funding from the Treasury's Exchange Stabilization Fund which will provide loans for hard-hit industries, including \$50bn for airlines.
31. However, all this will not stop the US falling into a sharp recession in quarter 2 of 2020; some estimates are that growth could fall by as much as 40%.
32. **EUROZONE.** The annual rate of GDP growth has been steadily falling, from 1.8% in 2018 to only 0.9% y/y in quarter 4 in 2019. The European Central Bank (ECB) ended its programme of quantitative easing (QE) purchases of debt in December 2018, which meant that the central banks in the US, UK and EU had all ended the phase of post financial crisis expansion of liquidity supporting world

financial markets by purchases of debt. However, the downturn in EZ 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. At its March 2019 meeting it announced a third round of assistance - this provided banks with cheap two-year maturity borrowing every three months from September 2019 until March 2021. However, since then, the downturn in EZ and world growth has gathered momentum so at its meeting in September 2019, it cut its deposit rate further into negative territory, from -0.4% to -0.5% and announced a resumption of quantitative easing purchases of debt to start in November at €20bn per month, a relatively small amount, plus more liquidity measures. Once coronavirus started having a major impact in Europe, the ECB acted in March 2020 to expand its QE operations and other measures to help promote expansion of credit and economic growth.

33. **CHINA.** Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium-term risks have also been increasing. The major feature of 2019 was the trade war with the US. However, this has been eclipsed by being the first country to be hit by the coronavirus outbreak; this resulted in a lock down of the country and a major contraction of economic activity in February-March 2020. Ongoing economic issues remain, in needing to make major progress to eliminate excess industrial capacity and to switch investment from property construction and infrastructure to consumer goods production. It also needs to address the level of non-performing loans in the banking and credit systems.
34. **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. It appears to have missed much of the domestic impact from coronavirus in 2019-20 but the virus impact has been increasing.
35. **WORLD GROWTH.** The trade war between the US and China on tariffs was a major concern to financial markets and was depressing worldwide growth during 2019, as any downturn in China would spill over into impacting countries supplying raw materials to China. Concerns were particularly focused on the synchronised general weakening of growth in the major economies of the world. These concerns resulted in government bond yields in the developed world falling significantly during 2019. In 2020, coronavirus is the big issue which has swept around the world and is having a major impact in causing a world recession in growth in 2020.

Borrowing Rates in 2019-20

36. PWLB borrowing rates - the graph for PWLB maturity rates below shows, for a selection of maturity periods, the fluctuations in rates during the last financial year.



Borrowing Outturn for 2019/20

37. Additional long term borrowing of £4.77m was undertaken just prior to the 1% hike in the rates. During 2019/20 there were debt repayments of £567,334 resulting in a total balance outstanding with the PWLB of £65,301,339 as at 31 March 2020.

Borrowing in advance of need

38. 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.
39. The Council had a lower level of borrowing than its Capital Financing Requirement (CFR) at the 31 March 2020.

Debt Rescheduling

40. The Council has examined in the past 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.

Compliance with Treasury Limits

41. During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council's annual Treasury Strategy Statement (Appendix 1).

Investment Rates in 2019-20

42. Investment rates for 3 months and longer were stable throughout most of the year with Bank Rate staying the same until March 2020.
43. The Bank Rate was 0.75% from 2 August 2018 and remained at that level until it fell to 0.25% on 11 March 2020 and then to 0.1% on 19 March 2020.
44. 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

45. The strategy was agreed at the Council meeting in February 2019. The Investment strategy did not change during the year. The revised budget in February 2020 forecast investment returns (including loans) of £545,000 whilst the actual outturn was £596,000.
46. The impact of Covid-19 has been significant on all investments and particularly the stock markets around the world. Hastings BC has not been immune, but the strategy of limiting the level of investments with different institutions, with different countries, and the amounts invested in property and other funds has stood the Council in a good position. Losses have been limited and the Council has had no issues in managing its cash flow.
47. The return on the Property Fund investment (£2m with CCLA) was -3.47% net of fees to the end of June 2020 i.e. Capital loss and dividends. This compares to positive returns in previous years. The net dividends received amounted to £84,942 in the financial year. The table below highlights the overall performance compared to previous years.

Long-term performance

Total return performance (net) 12 months to 30 June

	2020	2019	2018	2017	2016
The Local Authorities' Property Fund	-3.47%	+5.46%	+9.36%	+7.24%	+5.85%
Benchmark	-3.08%	+4.05%	+10.23%	+5.67%	+8.85%

The benchmark is the MSCI/AREF UK Other Balanced Quarterly Property Fund Index.

Performance shown after management fees and other expenses. Past performance is not a guide to future performance and future returns are not guaranteed.

Source: CCLA & MSCI/AREF

48. In addition to the £2m invested in the CCLA Property Fund the Council invested a further £3m in the CCLA Diversified Income Fund (DIF) during 2019/20. These are both longer term investments (5 years plus) and it was always well understood that the capital value could go up as well as down.
49. At the 31st March 2020 the Property Fund had a capital value of £1.895m (£1.82m at 1 June 2020) and the DIF £2.620m (£2.81m at 31 July 2020). The yields have continued to be high, with the DIF yielding some 3.39% (July 2020) and the Property Fund 4.49% (July 2020).
50. Since March 2020 the Capital value of the DIF has recovered to £2.81m (some £190,534). The funds are expected to continue to gain in value over the longer term.

Investment Outturn for 2019-20

51. Investments held by the Council - the Council maintained an average balance in the year of £31.115m. The average rate of return for the year was 0.87% (1.09% including CCLA). The comparable performance indicator is the average 7-day LIBID rate which was 0.53%. These returns exclude the interest received on loans.
52. The table below provides a snapshot of the investments/deposits held at 31 March 2020.

Counterparty	Rate/ Return (%)	Start Date	End Date	Principal (£)	Term
NatWest	0.05			6,153	Call
Rotherham Metropolitan Borough Council	0.90	12/12/2019	02/06/2020	5,000,000	Fixed
Luton Borough Council	1.00	09/03/2020	09/07/2020	5,000,000	Fixed
Warrington Borough Council	1.05	17/03/2020	14/04/2020	5,000,000	Fixed
Barclays	0.40			99,990	Call
Lloyds Gen	0.40			2,577,670	Call
			Total	17,683,813	

53. In addition to the investments the Council has a few loans in place, namely as at 31 March 2020: -

Counterparty	Rate/Return (%)	Start Date	End Date	Principal (£)	Term
Amicus/Optivo	3.78	04/09/2014	02/09/2044	1,788,235	Fixed
The Source	2.43	17/12/2015	17/12/2025	15,718	Fixed
Foreshore Trust	1.66	21/03/2016	20/03/2026	186,147	Annuity

Loans to Hastings Housing Company Ltd

54. Hastings Housing Company has two loans outstanding with the council, a revenue loan and a capital loan. The rate chargeable on the revenue loan is calculated monthly and stood at 4.69% at the end of March 2020. The Capital loan rate is based on the rate prevailing at the time of the advance and is fixed for the period of the loan. The value of the revenue loan was £89,330 and for the capital loan £5,490,010 at the end of March. The interest rates are determined in accordance with EU rules. The company is now able to be able to repay the revenue loan in full. Currently the debt costs incurred by the Council in making advances to the housing company are covered by the interest repayments. The interest receivable by the Council amounted to £206,677.

Other Issues

CIPFA Codes

55. 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 in 2017. A new Financial Management Code has been issued which applies to all authorities. There is a requirement that Council's comply with the Code from 1 April 2021; much of the Code relates to proper financial management arrangements being in place across the authority. The adherence to the various codes relating to treasury management form an important aspect of complying with the Financial Management Code.
56. A new Capital Strategy was considered and agreed by full council in February 2020. A future treasury management report will provide an overall update on the Strategy and may necessitate some significant revisions given the Covid-19 crisis and revised priorities.

Minimum Revenue Provision (MRP) guidance

57. The last government (MHCLG) MRP guidance was issued on 2 February 2018. This focused particularly on expenditure relating to purchasing non-financial asset investments and the periods over which debt was required to be repaid.

Public Work Loans Board (PWLB) Consultation

58. The government consulted on borrowing from the PWLB – ended 31 July 2020. In brief it is expected to result in the prevention of borrowing purely for monetary gain/yield. This has arisen as a number of authorities have been viewed as taking to high a level of borrowing and risk and therefore acting imprudently given their size and responsibilities. It is expected that this will result in borrowing being controlled more closely with a stop on borrowing for commercial property purchases where yield is the prime objective. The new rules are expected to be introduced in 2021, but this could potentially be earlier.

Financial Implications

59. The security of the Council's monies remains the top priority within the strategy, along with liquidity – being able to access sufficient money as and when required. Investment rates available in the market have continued to be at historically low levels during the last year.
60. New borrowing amounted to £4.77m in the year and was at a historically low fixed rate. The annual borrowing costs (interest and principal) are more than offset by the income received from the assets, or from reductions in costs that the Council would otherwise incur (reduced temporary accommodation costs). The Council has carefully considered the overall levels of borrowing being undertaken against the size of the Council's budget and its unencumbered assets, along with the affordability of the debt commitments as and when income streams reduce – as unfortunately the Covid-19 crisis has evidenced.
61. The effective management of the Council's cash flow, reserves, and investments remains of critical importance.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Audit Committee	Report	November 2020	Chief Finance Officer
Cabinet	Report	1 September 2020	Chief Finance Officer
Full Council	Report	21 October 2020	Chief Finance Officer

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

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

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

Additional Information

Treasury Management and Annual Investment Strategy 2019/20
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

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.

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt					
borrowing	85,000	95,000	110,000	110,000	110,000
other long term liabilities	5,000	5,000	5,000	5,000	5,000
TOTAL	90,000	100,000	115,000	115,000	115,000
Operational Boundary for external debt					
borrowing	75,000	85,000	105,000	105,000	105,000
other long term liabilities	5,000	5,000	5,000	5,000	5,000
TOTAL	80,000	90,000	110,000	110,000	110,000

The Council's external borrowing at 31 March 2020 amounted to £65,301,339 which is well within approved borrowing limits.

Interest Rate Exposures	2019/20	2020/21	2021/22
	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 2019/20			
	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 2019/20			
	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.

Affordability Prudential indicator - Ratio of Financing Costs to Net Revenue Stream					
Prudential Indicator Financing Cost to Net revenue Stream					
Prudential Indicator: Financing Cost to Net Revenue Stream	2018/19 Actual	2019/20 Rev.Est	2019/20 Outturn	2020/21 Estimate	2021/22 Estimate
Financing Costs	£'000	£'000	£'000	£'000	£'000
1. Interest Charged to General Fund	1,218	1,914	1,810	2,315	2,869
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	0	0	0	0	0
4. Interest and Investment Income	-303	-544	-596	-693	-787
5. Amounts payable or receivable in respect of financial derivatives	-	-	-	-	-
6. MRP, VRP	795	1,176	1,176	1,624	1,884
7. Depreciation/Impairment that are charged to the amount to be met from government grants and local taxpayers	-	-	-	-	-
Total	1,710	2,546	2,390	3,246	3,966
Net Revenue Stream					
Amount to be met from government grants and local taxpayers	13,373	13,329	13,329	13,063	13,392
Ratio					
Financing Cost to Net Revenue Stream	13%	19%	18%	25%	30%

Note: Outturn figures are unaudited

This prudential indicator shows that the ratio of financing costs to the net revenue stream is generally increasing. This is not unexpected given that the Council agreed a programme for over £50m of Capital expenditure over the period 2017/18 to 2021/22 - thus increasing borrowing costs.

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Report To: Cabinet

Date of Meeting: Monday, 5 October 2020

Report Title: Next Steps Accommodation Programme

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

Key Decision: Y

Classification: Open

Purpose of Report

To approve the mobilisation of the Next Steps Accommodation Programme and enhanced support services for rough sleepers, subject to the results of the current bid submitted to the Ministry for Housing Communities and Local Government (MHCLG) on 20 August 2020.

Recommendation(s)

Subject to the results of the bid:

- 1. Cabinet approves the activation of Hastings Borough Council's Registered Provider and Homes England Investment Partner status**
- 2. Cabinet grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures, to vary our existing contract for the Rapid Rehousing Pathway service to provide additional staffing cover and landlord incentives**
- 3. Cabinet grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures, to vary our existing contract for the Rough Sleeping Initiative Assessment Unit to provide additional staffing cover**
- 4. Cabinet grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures to vary our existing grant funding agreements with Change, Grow Live (CGL) and Sussex Partnership NHS Foundation Trust (SPFT) to provide enhanced substance dependency and mental health support for former rough sleepers**
- 5. Cabinet grant an exemption to the council's financial operating rules under paragraph 21c of the Financial Operating Procedures, to commission additional day centre provision for rough sleepers, as part of the Clinical Commissioning Group's health inequalities programme**
- 6. Cabinet recommend to Full Council that the capital programme is amended to provide match funding of £742,000 for new Housing First units, including £442,000 reassigned from the second phase of investment in emergency accommodation**

Reasons for Recommendations

- 1. The council has submitted a bid to the MHCLG's Next Steps Accommodation Programme on**

Report Template v30.0

behalf of East Sussex Partners to help enhance services locally for rough sleepers.

Introduction

1. Following the “Everyone In” instruction issued at the start of lockdown, the council made additional discretionary temporary accommodation placements for former rough sleepers. There are currently 62 former rough sleepers living in emergency accommodation in Hastings. Across East Sussex, there are 141 former rough sleepers living in emergency accommodation.
2. Outreach services continued throughout lockdown and the number of verified rough sleepers remained low. Since lockdown measures have begun to be eased, there has been an increase in the number of people found rough sleeping. The average number of people verified on outreach counts in Hastings in September is 15. It is estimated there are currently 33 people continuing to rough sleep across East Sussex.
3. The cost of the discretionary placements we have made was originally met through our Rough Sleeping Initiative grant, however, this allocation has now been fully spent. The other interventions funded by the grant have been fully mobilised, so we are not able to re-profile funds from elsewhere in the project to cover these costs. We are currently projecting a budget shortfall of £643,00 at year-end to continue temporary accommodation placements for former rough sleepers.
4. Please note the projected budget shortfall relates to rough sleeper placements only and does not include additional costs associated with statutory homeless households accommodated over the same period.
5. The government has stated a priority to minimise the number of people returning to the streets after lockdown. In July, Hastings Borough Council’s Cabinet approved the continuation of discretionary emergency accommodation placements for rough sleepers.

Next Steps Accommodation Programme

6. The government has announced additional capital and revenue funding to continue our work with rough sleepers in its Next Steps Accommodation Programme.

£105 million revenue funding

- Continuation of emergency accommodation placements
- Private sector leasing schemes
- Landlord incentives to improve access to the private rented sector
- Winter weather provision, including SWEP services

£131 million capital funding, plus £30 million revenue funding

- Phase 1 of a four-year programme
- Phase 1 is to deliver 3,300 units of additional accommodation for former rough sleepers

- This can include acquisition and development of new accommodation, as well as re-purposing of existing stock
 - During phase 1, priority will be given to schemes which can be brought into use quickly
7. The additional resources the council secures through the grant will not be enough to fully offset the additional costs we are incurring. It was therefore important to focus our approach on those with the highest support needs, who will struggle the most to move on from emergency accommodation.

Our approach in East Sussex

8. Hastings Borough Council has led work with all district and borough councils in East Sussex to develop a consortium bid building upon our highly regarded approach to tackling rough sleeping. We utilised existing partnership structures including East Sussex Housing Officers Groups, East Sussex Homelessness Cell and the Recovery Sub-Group to engage partners from across health, social care, mental health and substance dependency services in the development of our proposals.

Capital Bid (with Revenue Support)

9. Our priority for the capital bid is to improve services for individuals with multiple and complex needs. We are intending to invest any capital grant awarded in providing new self-contained Housing First units. We are currently wholly reliant on existing social housing stock to provide these units to the Rough Sleeping Initiative (RSI), which often leads to long waiting times before people can leave emergency accommodation.
10. We are proposing to create 30 new Housing First units across East Sussex, with 10 of these located in Hastings.
11. The total capital investment across East Sussex would be £5,503,000, and the local authorities would need to provide match funding of £2,201,200. Capital grant funding would be allocated to each local authority directly if the bid is successful
12. In Hastings, the total capital investment would be £1,855,000. This is made up of £1,113,000 worth of grant funding and £742,000 match funding from the council. The cost of borrowing this amount based on the current interest rate from the Public Works Loans Board (PWLb) would be £31,208. The council has at present unallocated funding of £442,000 from the second phase of investment in emergency accommodation and it is proposed that this is used to partly match fund the Next Steps Accommodation Programme.
13. As a condition of grant the council would be required to let the units at social rents levels, which are currently £82.31 per week. Income from the rents would be used to cover borrowing costs and fund the future maintenance of the properties.
14. Investing in Housing First units will also help to reduce cost pressures on our use of emergency accommodation, by increasing the supply of move on accommodation. The average cost of placements for former rough sleepers is currently £221 per week. Individuals with high level support needs typically spend the longest time living in emergency accommodation.
15. The council would also be required to seek Registered Provider status and become a Homes England investment partner. This is because funding can only be paid to

Registered Providers. All local authorities are pre-approved Registered Providers and we will need to activate this with Homes England. We will not be required to open a housing revenue account, as the councils owns fewer than 250 units.

16. Units acquired for the purposes intended would not be subject to the Right to Buy as they would be acquired for specialist supported housing purposes and therefore be exempt from the legislation.
17. Support will be provided by existing support services commissioned through the Rough Sleeping Initiative in 2020/21. Beyond that, additional revenue funding of £645,000 has been secured to provide ongoing support to the 30 Housing First units across East Sussex between 2021/22 and 2023/24. The council would seek to commission a service via East Sussex Procurement Hub to begin when the existing contracts come to an end.
18. Any funding we secure will not be enough to fully meet our needs locally. A second phase of the capital grant is due to be announced in April 2021 and we will be working with partners to begin developing proposals for a further bid. This is likely to include the creation of further Housing First units and investment in additional supported accommodation.

Revenue Only Bid

19. Any revenue funding secured through this bid will be used to offset the cost of interim temporary accommodation. However, it should be noted that our funding award, even if successful, will only partially offset our projected additional costs.
20. MHCLG has indicated that night shelters are unlikely to be able to open this year, due to the increased risk of spreading coronavirus. We are proposing to lease additional units of emergency accommodation, to ensure we have capacity to continue to provide emergency accommodation. MHCLG have confirmed that no further winter weather funding will be available this year. We are working with community and health sector partners to ensure former rough sleepers living in emergency accommodation have access to services.
21. Key to our plans is supporting people to move on from emergency accommodation to a longer-term housing solution as soon as possible. In most cases, this will be privately rented accommodation. The Rapid Rehousing Pathway has supported 44 people to move on to a long-term housing solution since April. The project continues to support people after they have moved, to minimise the risk of them returning to rough sleeping in the future. We have bid for additional funding to increase the project by a further 2 workers until the end of March. We will also increase the landlord's incentives budget by £20,000. Due to the short timescales to deliver the project, we will mobilise this service by varying our contract for the existing service, if this element of the bid is successful.
22. MHLCG has confirmed that East Sussex has been allocated £964,300 worth of revenue funding, against our original bid of £1,335,000 for short term measures to minimise the number of people returning to the streets after lockdown. MHCLG had previously advised that the fund was very over subscribed nationally, so it is not unexpected that the final award is less than we bid for. We are awaiting further information from MHCLG as to which specific interventions they will be funding.

Financial Implications

23. The cost of continuing to provide emergency accommodation for former rough sleepers accommodated under the Everyone In instruction is £643,000. In the past, the council has

also received grant funding to support its winter weather provision (£30,000 in 2019/20), which will not be available this year. These costs will be partially offset by revenue funding from the Next Steps Accommodation Programme.

24. Increasing the supply of affordable accommodation, such as Housing First units, for individuals with multiple and complex needs is key to reducing our reliance on emergency accommodation. If our bid is successful, the council will be required to provide match funding of £742,000 to provide 10 new units of Housing First accommodation. This will incur additional borrowing costs of £31,208. The ongoing maintenance of the properties is currently estimated at £22,000 per annum. These costs will be offset by rental income of £42,801 per annum, leaving a shortfall of £10,407 which will need to be met by the council. However, based on the average cost of current placements, the cost of providing temporary accommodation for 10 individuals would be £114,000 per annum.

Additional Funding and Support

25. We have been working with colleagues from Public Health to re-purpose funding to enhance mental health and substance dependency support for rough sleepers. These services will be delivered through varying the existing services commissioned through the Rough Sleeping Initiative. The funds will also provide additional support services at the Rough Sleeping Initiative Assessment Centre.
26. The Clinical Commissioning Group has identified funding from their programme to reduce health inequalities to support services for rough sleepers. We are working with the Seaview Project and other partners to develop proposals to enhance day centre provision over the winter period for rough sleepers.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Mobilise capital investment	30 Housing First units created across East Sussex	31 March 2021	Strategic Housing and Projects Manager
Mobilise enhanced support services	Contracts varied with existing providers	1 November 2021	Strategic Housing and Projects Manager

Wards Affected

(All Wards);

Policy Implications

Reading Ease Score: 35.1

Have you used relevant project tools?: Y

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

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

Additional Information

Insert a list of appendices and/or additional documents. Report writers are encouraged to use links to existing information, rather than appending large documents.

Officer to Contact

Officer Michael Courts
Email mcourts@hastings.gov.uk
Tel 01424 451315

Agenda Annex

Cabinet Agenda

Monday, 2 March 2020 at 6.00 pm

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

If you are attending Muriel Matters House for this meeting, please enter the building via the Tourist Information Centre entrance. Members of public are advised that they will need to sign in to comply with health and safety legislation and will be escorted up to the Committee Room.

For further information, please contact Democratic Services on 01424 451484 or email: democraticservices@hastings.gov.uk

		Page No.
1.	Apologies for Absence	
2.	Declaration of Interests	
3.	Minutes of Last Meeting	1 - 8
4.	Local Development Scheme <i>(Victoria Conheady, Assistant Director Regeneration and Culture)</i> <i>(Cabinet decision)</i>	9 - 26
5.	Notification of Additional Urgent Items	27 - 28
6.	Urgent Items (if any)	
7.	Reducing Rough Sleeping <i>(Andrew Palmer, Assistant Director Housing and Built Environment)</i> <i>(Cabinet decision)</i>	29 - 34

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Cabinet Agenda

Monday, 23 March 2020 at 5.00 pm

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

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		Page No.
1.	Apologies for Absence	
2.	Declaration of Interests	
3.	Minutes of Last Meeting	1 - 4
4.	Coastal Communities Economic Prospectus <i>(Simon Hubbard, Director of Operational Services)</i> <i>(Cabinet decision)</i>	5 - 30
5.	Selective Licensing 2020 <i>(Andrew Palmer, Assistant Director Housing and Built Environment)</i> <i>(Cabinet decision)</i>	31 - 252
6.	Climate Emergency Plan <i>(Victoria Conheady, Assistant Director Regeneration and Culture)</i> <i>(Cabinet decision)</i>	253 - 318
7.	Energy Procurement <i>(Peter Grace, Assistant Director Financial Services and Revenues)</i> <i>(Cabinet decision)</i>	319 - 328
8.	Notification of Additional Urgent Items	
9.	Urgent Items (if any)	

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Cabinet Agenda

Monday, 8 June 2020 at 6.00 pm

This meeting will be taking place digitally on our website. A link to this will be posted nearer the time.

For further information, please contact Democratic Services on 01424 451484 or email: democraticservices@hastings.gov.uk

	Page No.
1. Apologies for Absence	
2. Minutes of Last Meeting	1 - 14
3. Declaration of Interests	
4. COVID-19 response update <i>(Jane Hartnell, Managing Director)</i> <i>(Cabinet Decision)</i>	15 - 34
5. Planning Enforcement Policy Updated <i>(Andrew Palmer, Assistant Director, Housing and Built Environment)</i> <i>(Cabinet Decision)</i>	35 - 44
6. Notification of Additional Urgent Items	45 - 46
7. Exclusion of the Public To resolve that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to them of "exempt" information as defined in the paragraphs of schedule 12A to the Local Government Act 1972 referred to in the relevant report	
8. Dangerous Structure at 2 - 12 Battle Road <i>(Andrew Palmer, Assistant Director, Housing and Built Environment)</i> <i>(Cabinet Decision)</i>	47 - 112

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Cabinet Agenda

Tuesday, 9 June 2020 at 5.00 pm

For further information, please contact Democratic Services on 01424 451484 or email: democraticservices@hastings.gov.uk

		Page No.
1.	Apologies for Absence	
2.	Declaration of Interests	
3.	Discretionary Business Grant Scheme Policy <i>(Peter Grace, Assistant Director, Financial Services and Revenues)</i>	1 - 22
4.	Notification of Additional Urgent Items	
5.	Urgent Items (if any)	

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Cabinet Agenda

Monday, 6 July 2020 at 6.00 pm

This meeting will be held digitally. The viewing link for this will be found under the council meetings video webpage nearer the meeting.

For further information, please contact Democratic Services on 01424 451484 or email: democraticservices@hastings.gov.uk

		Page No.
1.	Apologies for Absence	
2.	Declaration of Interests	
3.	Minutes of Last Meeting	1 - 4
4.	Planning Enforcement Policy Updated <i>(Andrew Palmer, Assistant Director Housing and Built Environment)</i>	5 - 6
5.	Financial Implications Arising From Covid-19 <i>(Peter Grace, Assistant Director, Financial Services and Revenues)</i>	7 - 18
6.	Housing and Homelessness Recovery Plan <i>(Andrew Palmer, Assistant Director Housing and Built Environment)</i>	19 - 28
	Exclusion of the Public To resolve that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that, if members of the public were present, there would be disclosure to them of 'exempt' information as defined in the paragraphs of Schedule 12A to the Local Government Act 1972 referred to in the relevant report.	
7.	Freedom Leisure Financial Support <i>(Victoria Conheady, Assistant Director, Regeneration and Culture)</i>	29 - 42
8.	Notification of Additional Urgent Items	43 - 44

9.	Potential Development - Cornwallis Street Car Park <i>(Peter Grace, Assistant Director, Financial Services and Revenues)</i>	45 - 48
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Cabinet Agenda

Tuesday, 1 September 2020 at 6.00 pm

This meeting will be taking place digitally on our website. A link to this will be posted nearer the time

For further information, please contact Democratic Services on 01424 451484 or email: democraticservices@hastings.gov.uk

		Page No.
1.	Apologies for Absence	
2.	Declaration of Interests	
3.	Minutes of the meetings held on 8 th June and 6 th July 2020	1 - 10
4.	Annual Treasury Management Outturn Report 2019/2020 <i>(Peter Grace, Assistant Director, Financial Services and Revenues)</i> <i>(Council Decision)</i>	11 - 30
5.	Accelerated Town Fund Project – Investing in electric vehicle charging infrastructure in town centre public car parks <i>(Mike Hepworth, Assistant Director, Environment and Place)</i> <i>(Cabinet Decision)</i>	31 - 36
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7.	Urgent Items (if any)	

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Cabinet Agenda

Monday, 5 October 2020 at 6.00 pm

This meeting will be held digitally. A viewing link will be posted on our website nearer

For further information, please contact Democratic Services on 01424 451484 or email: democraticservices@hastings.gov.uk

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