



Council Meeting

**Wednesday, 10th
February, 2021**

HASTINGS BOROUGH COUNCIL

Dear Councillor

You are hereby summoned to attend a virtual meeting of the Hastings Borough Council to be held on Wednesday, 10th February, 2021 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

2 February 2021

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
 - b) Councillors under Rule 12
6. Motion (Rule 14)
Councillor Davies to propose:

This Council continues to express its gratitude for the extraordinary effort undertaken by many in our Borough during the pandemic crisis that in turn has created a force for good. We are all proud of the response of our Council, our medical professionals, key workers, our

partners and the wider community effort across the Borough of Hastings and St. Leonards.

This Council believes that while the overwhelming majority of residents are playing their part in observing COVID regulations and a large number have taken on community volunteering roles, we are not 'all in this together'. When the pandemic is over the most vulnerable groups will still be vulnerable - economically, socially, academically and in their health and wellbeing outcomes. A resident living in one street will still be more likely to die 14 years earlier than a resident in the adjoining neighbourhood. We cannot accept this.

We are a council committed to narrowing the health gap. We are also a Council aware of the limits placed upon us. Therefore, whilst this Council welcomes the work already undertaken by ESCC Director of Public Health, before and during the pandemic, we remain acutely aware of the responsibility a phalanx of public bodies has for improving the health outcomes for our residents over the next decade.

We trust the result of this Motion will be to shine a spotlight beyond the well-rehearsed statistical recognition of health-inequality and onto the process by which these public bodies are forming and then acting upon a strategy to eradicate health-inequality from our Borough.

This motion is a challenge for all of us and especially those organisations whose very existence is predicated on improving the health and life-chances of our residents to act particular where there has been longstanding identified need.

The story of the primary care centre in the Ore Valley is a clear example of how desperate need does not lead to the prompt delivery of the required services, on time, to transform the health of our residents in Baird ward.

This motion calls on NHS England to deliver this primary care centre as a matter of necessity and as a clear signal of a new desire, the force for good extracted from the trauma of pandemic, to eradicate health inequality in our Borough by 2029.

This Council resolves to:

1. Lobby NHS England and the Secretary of State for Health to deliver on the primary health care centre for the Ore Valley;
2. Encourage formal and informal partnerships to contribute positively to reducing health inequality across the borough;
3. Promote the need for a unifying strategic plan to eradicate severe health inequality from our Borough by 2029;
4. Promote our Corporate Plan, our post-Covid recovery work and all other opportunities and agency as they become available to

us as a means to this end;

5. Request a twice-yearly report on the progress of measures, taken by organisations operating within the Borough, to reduce health-inequality using national, county and local profiles from the Director of Public Health
6. Instigate with partners specific locality measures with outcomes that raise the life chances of particular vulnerable groups or neighbourhoods;
7. Consider the impact on public health and inequality of our own decision-making, for example within the draft local plan;
8. Invite our MP to take up the mantle of reducing health inequality in the most deprived wards she represents.

7. Motion (Rule 14)

Councillor Levane to propose:

No cuts to Universal Credit – let families keep the £20 increase

Aim: To maintain the income of low and middle income families.

This council notes:

Next April the government plans to cut the benefit level for millions of claimants by ending the time limited increase to the basic rate of Universal Credit (and the tax credit equivalent) announced by the Chancellor on 20th March as part of his pandemic response package.

The £20 a week boost reflected the reality that the level of benefits were not adequate to protect the swiftly increasing number of households relying on them as the crisis hit. Exactly because that increase was a very significant and welcome move to bolster low- and middle-income families' living standards, its removal will be a huge loss.

Pressing ahead would see the level of unemployment support fall to its lowest real-terms level since 1990-91, and its lowest ever relative to average earnings. Indeed, the basic level of out-of-work support prior to the March boost was – at £73 a week (£3,800 a year) – less than half the absolute poverty line.

The increase in benefits has had a positive effect on the lives of thousands of local claimants who are better able to pay for life's essentials such as food, clothing and utilities.

The local economy has also benefited from the increase in benefit levels as claimants spend their money locally thereby supporting local businesses and jobs.

This council resolves to:

- Write to the Chancellor, Rishi Sunak and to the Prime Minister, Boris Johnson demanding that the £20 increase to Universal Credit is made permanent and extended to claimants on legacy benefits.
- Work with other local government organisations to form a coalition to pressure the government to make the £20 increase to Universal Credit permanent.

8. Motion (Rule 14)

Councillor Rogers to propose:

Hastings Borough Council calls upon this government to extend the legislation allowing councils to hold 'virtual' meetings beyond the end of April 2021 to allow for all council meetings in the future to be conducted face to face (when Covid restrictions are lifted) with the public present, but also to continue to be accessed via a virtual platform whilst being livestreamed to the public.

There are many councillors and officers who will welcome the return to face to face meetings but the role of local government is to reach out and engage with the whole community particularly those who for whatever reason are more isolated.

In Hastings councillors work hard to ensure that every resident feels that their views are heard and they feel they are a part of the democratic structure of the town. One of the ways that this can be achieved is to target the under represented groups and support them to become spokespeople for their communities and ultimately councillors.

One of the major barriers to many people feeling they are able to stand for election is their inability to be able to attend the required number of council meetings. There are many reasons for this from caring responsibilities, disability, work commitments, financial constraints and the establishing of hybrid meetings will allow members to join remotely and will give more people from our town a voice.

We ask that the Leader of the Council writes to the appropriate Minister to pass on our comments.

9. Membership of Committees

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

10. Appointment of Statutory Monitoring Officer

11. 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 – 4 JANUARY 2021		
298. (C)	Treasury Management – Mid-Year Report 2020/21	Chowney
299.	Hastings Draft Local Plan – Regulation 18 Consultation	Forward
300.	Housing Renewal Enforcement Policy	Batsford
301.	Hastings Country Park Visitor Centre Part 1	Evans
302. (E)	Hastings Country Park Visitor Centre Part 2	Evans
303. (E)	Cornwallis Street Car Park – Potential Development	Chowney
CABINET – 8 FEBRUARY 2021		
307. (C)	Pay Policy Statement 2021/22	Rogers
308.	Churchfields Business Centre – Incubator Units	Chowney

c)

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 11a) above. Any such discussion shall be deferred to item 12 on the agenda.
12. 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 MINUTES

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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Agenda Item 2 Public Document Pack

FULL COUNCIL

16 DECEMBER 2020

Present: Councillors Sinden (Chair), Bacon (from 6.08pm) (Vice-Chair), Barnett, Batsford, Battley, S Beaney, Berelson, Bishop, Chowney, Cox, Davies, Evans, Fitzgerald, Forward, Levane, O'Callaghan, Roberts, Rogers, Sabetian, Scott, Turner, Louise, Lee, K Beaney, Beaver, Edwards, Foster, Marlow-Eastwood, Patmore and Rankin.

140. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillor Charman. Apologies for lateness received from Councillors Bacon and Webb.

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

RESOLVED that the minutes of the Full Council meetings held on 21st October and 9th November 2020 be approved and signed by the Mayor as a correct record of the proceedings.

142. DECLARATIONS OF INTEREST

Councillor	Committee	Minute	Interest
Rankin	Cabinet, 2 November 2020	285 - Final Accounts 2019/2020	Personal – works in the property sector

143. BATHING POOL PETITION

The Mayor moved this item up the agenda.

A petition was received regarding the West Maria old bathing pool site. The lead petitioner, Lucie Mason, joined the meeting to present the petition.

Ms Mason asked the council to engage in meaningful consultation with the local community before signing the contract to develop the site. Ms Mason said she was representing over 2500 residents and interested parties who are concerned about the future of the site. West Marina could be a catalyst for the regeneration of West St Leonards and the council gave assurances the site would be as a leisure destination, yet the development is focussed on housing. The petitioners do not feel that housing is the only option to fund the development and a local community group submitted a fully costed alternative proposal to the Town Deal Board. Although this was not successful there are other funding options which could be explored. Ms Mason said the need for housing is understood and the petitioners ask the council to consider the many other local sites which are undeveloped. This development will be complex,

FULL COUNCIL

16 DECEMBER 2020

high-density and lacking in affordable homes. The response to this petition shows the strength of public opinion. Therefore, the petitioners ask that the council delays agreeing terms until a full public consultation has taken place.

Councillors asked questions of the petitioner.

The portfolio holder, Councillor Chowney, responded to the petition. Councillor Chowney said the site has had a long history and was originally in the Local Plan as a mixed development site, which was the subject of public consultation at the time. Several years ago councillors met with local residents and, whilst there were objections to developing the site, it had already been identified for development. Ideas which came out of the public meetings have been included in the development plan. Councillor Chowney said the housing development was necessary as no other source of grant funding has been found to develop the site. Whilst heads of terms were agreed with County Gate some time ago the development has been delayed, partly due to Covid-19. Councillor Chowney concluded that he hoped the lease would be signed sometime soon at which point public consultation on the details of the development can begin.

144. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

The Leader of the Council thanked council officers for their work and dedication throughout the year in supporting local residents.

Councillor Forward proposed a motion, seconded by Councillor Sinden, as follows:

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, said there has been concern about the rising rate of infection in Hastings and Rother over the last two weeks. Hastings has regularly been at the bottom of the table for infection rates in English local authority areas, however the town is now in the top twenty areas with the highest number of new cases. Together with the rate of admissions to the Conquest Hospital this means the town is in a very serious position. Council colleagues are working very closely with partners in public health to amplify messages and environmental health officers are targeting locations such as supermarkets to ensure regulations are adhered to. The council will be using all of its communication tools to strongly urge residents to help stop the spread of infection and to keep themselves and their loved ones safe.

The meeting returned to Full Council mode.

145. QUESTIONS (IF ANY) FROM:

FULL COUNCIL

16 DECEMBER 2020

145.1 Members of the public under Rule 11

No public questions were received.

145.2 Councillors under Rule 12

Questioner	Subject	Reply given by
Councillor Lee	<p><u>Debenhams</u> – Will the Leader of the Council agree to a meeting with opposition leadership to discuss a strategy for supporting the Hastings Debenhams store?</p> <p>Councillor Forward replied that she would be happy to meet Councillors Lee and Patmore to discuss this matter.</p>	Councillor Forward
Councillor Davies	<p><u>Broomgrove</u> – Will the council bring together Optivo and other relevant agencies to ensure a transformation of opportunities for young people in Broomgrove?</p> <p>Councillor Batsford replied that the council should hold partners to account in providing opportunities for young people on local estates. Additionally, there is an opportunity for the council to show how these spaces can be used in a creative way by building homes directly in the future.</p>	Councillor Batsford
Councillor Edwards	<p><u>Harrow Lane</u> – The Ashdown House site is due to be developed, almost opposite the playing field site which is also under development. This will see a large increase in traffic. Can the council consider if Harrow Lane playing fields development might be withdrawn should the deadline for work to begin lapse?</p> <p>Councillor Forward replied that the site has been identified for much needed housing. No planning application has been received for the Ashdown House development yet. These are valid concerns and should be raised through the planning process.</p>	Councillor Forward
Councillor Louise	<p><u>Country Park</u> – Why have concerns over unlawful development in the Country Park not been addressed?</p> <p>Councillor Forward replied that the concerns will be taken away and a full written response provided.</p>	Councillor Forward
Councillor	<p><u>Self-Isolation Grants</u> – Can you provide an</p>	Councillor

FULL COUNCIL

16 DECEMBER 2020

Roberts	<p>update on the take up of Covid-19 isolation grants?</p> <p>Councillor Chowney replied that the council is administering a statutory and a discretionary isolation grant scheme. There have not been as many applications as expected and there is a need to raise awareness of the schemes.</p>	Chowney
Councillor Rankin	<p><u>Hastings Housing Company</u> – The Overview and Scrutiny Committee made a recommendation in the summer that an elected member be put on the board of the Hastings Housing Company. Are you aware of this recommendation and will you action it?</p> <p>Councillor Batsford replied that there is a Councillor on the board, however it is important that the company is seen as an arm lengths body as it will have to make commercial decisions. Recently the council has been purchasing property directly rather than through the Housing Company. Councillor Forward added that a meeting is being arranged to discuss all of the Overview and Scrutiny Committee’s recommendations.</p>	Councillor Batsford
Councillor Patmore	<p><u>Planning Enforcement</u> – Will the Leader of the Council assure the public that all enforcement requirements are being fulfilled in relation to Rocklands?</p> <p>Councillor Forward replied that she has every confidence the council is operating within agreed policies and will provide a written response.</p>	Councillor Forward
Councillor Battley	<p><u>Homelessness</u> - What support is Hastings Borough Council providing to the homeless this winter?</p> <p>Councillor Batsford replied that the council has been able to secure accommodation for a record number of homeless people. Winter shelters are currently a Covid risk therefore all individuals already in accommodation have had their accommodation guaranteed for the winter and a further 19 units have been secured.</p>	Councillor Batsford

FULL COUNCIL

16 DECEMBER 2020

Councillor Beaver	<p><u>No Deal Brexit</u> - Does the Leader of the Council support a no deal Brexit which supports sovereignty of our fishing waters or does she support a deal at any cost?</p> <p>Councillor Forward replied that she is in favour of anything which supports the local fishing fleet.</p>	Councillor Forward
Councillor K Beaney	<p><u>Town Deal</u> – Will the Town Deal Board publish all ideas it received for the Town Deal? Additionally, can all conflicts of interest for board members be published?</p> <p>Councillor Forward replied that any concerns should be addressed to the Co-Chairs of the Town Deal Board. Councillor Fitzgerald added that while it is a matter for the Board what they make public he will speak to the Assistant Director, Regeneration and Culture about conflicts of interest.</p>	Councillor Forward
Councillor Berelson	<p><u>Covid-19 Messaging</u> – There have been lots of compliments from staff and patients at the hospital about the clear messaging from the council and Director of Public Health.</p> <p>Councillor Forward replied that all councillors should be reassured that the relationship with the Director of Public Health is very important for the town and the council will continue to do everything it can to give a clear message to residents.</p>	Councillor Forward

146. MOTION (RULE 14)

Councillor Cox proposed a motion, as set out in the agenda, which was seconded by Councillor Rogers.

Councillors debated the motion.

RESOLVED (unanimously) that the Council do accept the motion as set out below:

Age-friendly communities is a concept developed by the World Health Organisation (WHO) in 2006 with already over 800 members worldwide. In an Age-friendly community, services, local groups, businesses and residents all work together to identify and make the necessary changes in both the physical and social environment to both support and enable older people to lead healthy and active lives. Working

FULL COUNCIL

16 DECEMBER 2020

together with Hastings Voluntary Action (HVA), the Centre for Ageing Better and Age UK, the lead for equalities along with interested councillors have already identified the first steps we need to take to put this plan into action.

Becoming an Age Friendly Community costs nothing, nor is it a commitment to spend funds that are not available but it is a statement of intent to; take into account the needs and wishes of older people in every area of policy making, to take those needs seriously, to combat the dreadful ageism seen in every area of society, particularly the media portraying older people as a burden with nothing further to offer and to share with the Age Friendly Cities network knowledge and expertise that will improve the lives of our residents in later life.

To become officially recognised as Age Friendly, the leadership in a town, city or county must make a written commitment to actively work towards becoming a great place to grow old in for all of its residents. This must be done with the support and engagement of older people and relevant stakeholders.

Hastings Borough Council, therefore, resolves to make an official application to join the UK Network of Age Friendly Communities. This will be a first step in its commitment towards joining the World Health Organisation Global Network of Age-friendly Cities and Communities and to have a named Councillor who will become the Older Persons champion and who, will have the initial task of taking forward Age Friendly Hastings and ensuring that this is a target group in the HBC Equalities Charter

The Mayor adjourned the meeting at 7.56pm and the meeting reconvened at 8.06pm.

147. MOTION (RULE 14)

Councillor Turner proposed a motion, as set out in the agenda, which was seconded by Councillor Chowney.

Councillors debated the motion.

RESOLVED (by 26 for, to 3 against) that the Council do accept the motion as set out below:

This Council resolves:

- To request all public firework displays within the local authority boundaries to be advertised in advance of the event, allowing residents to take precautions for their animals and vulnerable people.
- To actively promote a public awareness campaign about the impact of fireworks on animal welfare, impact to the environment especially toxic heavy metals as well as the

FULL COUNCIL

16 DECEMBER 2020

impact on vulnerable people – including the precautions that can be taken to mitigate risks.

- To write to the UK Government urging them to introduce legislation to limit the maximum noise level of fireworks to 90dB for those sold to the public for private displays.
- To encourage local suppliers of fireworks to stock ‘quieter’ fireworks for public display.

148. MEMBERSHIP OF COMMITTEES

No changes to membership of committees were proposed.

149. REPORTS OF COMMITTEES

The Mayor having called over the minutes set out in the agenda, the following minutes were reserved for discussion.

RESOLVED that under rule 13.3 the reports and minutes of committees set out in the agenda, including those items on which a council decision was required, be received and agreed. Only those items which were reserved were discussed, as follows:

Meeting	Minute	Councillor
Cabinet, 2 November 2020	285 - Final Accounts 2019/2020	Rankin
Cabinet, 23 November 2020	288 - Additional Restrictions Grant Scheme	Levane
Cabinet, 7 December 2020	292 (C) - Changes to Council Constitution	Beaver
Cabinet, 7 December 2020	293 - 12/13 York Buildings	Lee
Cabinet, 7 December 2020	294 (E) - Commercial Property Lease	Lee

Minute 292 of Cabinet on 7th December 2020, Changes to Council Constitution, was a matter on which the Full Council was required to make a decision. The recommendations were proposed by Councillor Rogers, seconded by Councillor Fitzgerald and agreed by 20 for, to 8 against with 1 abstention.

The Mayor proposed the meeting adjourn, to reconvene on Monday, 21st December 2020 at 6pm.

FULL COUNCIL

16 DECEMBER 2020

RESOLVED (by 20 for, to 8 against) that the meeting adjourn and reconvene on Monday, 21st December.

(The Mayor declared the meeting adjourned at 9.17pm)

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FULL COUNCIL

21 DECEMBER 2020

Present: Sinden (Chair), Bacon (Vice-Chair), Barnett, Batsford, Battley, Bishop, Chowney, Cox, Davies, Evans, Forward, Foster, Levane, Marlow-Eastwood, O'Callaghan, Roberts, Rogers, Sabetian, Turner, Webb, Lee, Patmore, K Beaney, Marlow-Eastwood and Rankin.

150. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillors S Beaney, Berelson, Edwards, Fitzgerald, Louise and Scott. Apologies for lateness from Councillor Bacon.

151. DECLARATION OF INTERESTS

Councillor	Committee	Minute	Interest
Rankin	Cabinet, 7 December 2020	293 - 12/13 York Buildings	Personal – works in the property sector

152. REPORTS OF COMMITTEES

Meeting	Minute	Councillor
Cabinet, 2 November 2020	285 - Final Accounts 2019/2020	Rankin
Cabinet, 23 November 2020	288 - Additional Restrictions Grant Scheme	Levane
Cabinet, 7 December 2020	292 (C) - Changes to Council Constitution	Beaver
Cabinet, 7 December 2020	293 - 12/13 York Buildings	Lee
Cabinet, 7 December 2020	294 (E) - Commercial Property Lease	Lee

Councillors debated minute 285 of Cabinet on 2nd November 2020; minute 288 of Cabinet on 23rd November 2020; and minutes 292 and 294 of Cabinet on 7th December 2020. These matters did not require approval of Full Council.

Minute 294 of Cabinet on 7th December 2020 was an exempt item. When debate moved to this item Councillor Lee proposed a motion for the exclusion of the public from the meeting, seconded by Councillor Roberts.

RESOLVED that the public be excluded from the meeting during the consideration of minute 294 of Cabinet on 7th December 2020 because it is likely that if members of the public were present there would be disclosure to

FULL COUNCIL

21 DECEMBER 2020

them of exempt information as defined in the paragraphs of Schedule 12A to the Local Government Act 1972 referred to in the relevant reports.

No motions for reference to Overview and Scrutiny Committee or reference back to Cabinet were approved in respect of the items reserved for discussion and they were therefore received.

(The Mayor declared the meeting closed at 6.57pm)

Agenda Item 10



Report To: Full Council
Date of Meeting: 10th February 2021
Report Title: Appointment of Statutory Monitoring Officer
Report By: Jane Hartnell, Managing Director
Key Decision: N
Classification: Open

Purpose of Report

The Monitoring Officer is a statutory role under Section 5 of the Local Government and Housing Act 1989 (the Act). There is a duty under that Act for a local authority to appoint one of its officers as the Monitoring Officer to undertake the duties imposed under the Act.

Recommendation(s)

1. That Mary Kilner is appointed statutory Monitoring Officer with immediate effect.

Reasons for Recommendations

1. Section 5 of the Local Government and Housing Act 1989 places responsibility on the Monitoring Officer to oversee vires issues. In particular, reporting to the local authority if she or he thinks any proposal, decision or omission would give rise to
 - (a) a contravention by the authority, by any committee, or sub-committee of the authority, by any person holding any office or employment under the authority or by any such joint committee of any enactment or rule of law or of any code of practice made or approved by or under any enactment; or
 - (b) any such maladministration or injustice as is mentioned in Part III of the Local Government Act 1974 (Local Commissioners)to prepare a report to the authority with respect to that proposal, decision or omission.
2. The previous Monitoring Officer now has a different role within the Council as a result of retiring from a substantive post. Mary Kilner is the newly appointed Chief Legal Officer.

Wards Affected

(All Wards);

Policy Implications

Reading Ease Score:

Have you used relevant project tools?: Y/N

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

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

Additional Information

Officer to Contact

Officer: Jane Hartnell, Managing Director
Email jhartnell@hastings.gov.uk

Agenda Annex Document Pack

CABINET

4 JANUARY 2021

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

In opening the meeting Councillor Fitzgerald acknowledged the difficulties faced by Hastings residents in 2020 and in particular over the Christmas period. Councillor Fitzgerald said that the council will continue to work with, and support, residents until the current crisis is over.

295. APOLOGIES FOR ABSENCE

Apologies received from Councillor Forward.

296. DECLARATION OF INTERESTS

Councillor	Minute	Interest
Rogers	299. Hastings Draft Local plan – Regulation 18 Consultation	Personal – Works in sport
Chowney	300. Housing Renewal Enforcement Policy	Personal – Partner owns a property which is subject to the selective licensing scheme

297. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the Cabinet meeting held on 7th December 2020 be approved as a true record.

298. TREASURY MANAGEMENT - MID-YEAR REPORT 2020/21

The Assistant Director, Financial Services and Revenues, introduced a report to advise the Cabinet of the Treasury Management activities and performance during the current year.

The mid-year report provides the opportunity to review the Treasury Management Strategy and make appropriate recommendations to Council to take account of any issues or concerns that have arisen since approving it in February 2020.

Acknowledging the difficult year that has just passed the Assistant Director informed the meeting that the Treasury Management strategy has proven to be invaluable in meeting the challenges of Covid-19. The strategy and supporting policies for the next financial year will be presented to the February meeting of Cabinet and the January meeting of the Audit Committee. No amendments to the strategy were recommended.

The Chair thanked the Assistant Director and the Finance Team for their work on the strategy.

CABINET

4 JANUARY 2021

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

RESOLVED (unanimously):

Cabinet agree the Mid-Year report.

Reason:

The Code of Practice on Treasury Management requires, as a minimum, a mid-year review of the Treasury Management Strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved (February 2020). It is a requirement of the Code of Practice that the Mid year review is considered by Cabinet, Audit Committee and full Council.

299. HASTINGS DRAFT LOCAL PLAN – REGULATION 18 CONSULTATION

The Assistant Director, Regeneration and Culture, presented a report to advise Cabinet of the necessity of publishing a draft Local Plan for consultation purposes and the arrangements in place to promote public engagement.

The existing Local Plan requires updating and the new plan will identify future land use needs and requirements relating to housing, economic growth and physical and social infrastructure needs in the town. The first draft has been completed in line with regulatory requirements and the council is now required to undertake public consultation on the draft Local Plan.

The Planning Policy Manager gave an overview of the draft Local Plan and explained that there is a significant evidence base underpinning the draft but public consultation will further this and help shape the final document.

Councillor Davies was present and spoke as ward councillor for Baird ward. Councillor Davies welcomed the draft document and said that he thought there was another important strand which should be included, namely creating an environment which supports healthy lifestyles and opportunities. Councillor Davies said the key objective of the document is to improve the health and wellbeing of local communities, however this isn't fed through into any actions. The community in Broomgrove, in Baird ward, have been left behind in this regard. This community is seeking to build beautiful homes against the odds and the Local Plan provides an instrument for intervention. The Local Plan can be a structure for redistributing wealth and economic opportunities, as explored in the NHS report Putting Health into Place. Councillor Davies called on the Cabinet to consider how this could be implemented strategically into the draft Local Plan so that it is a clear strand in the document before it goes out to consultation.

Councillor Fitzgerald briefly left the meeting at 6.50pm and returned at 6.52pm.

CABINET

4 JANUARY 2021

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

RESOLVED (unanimously):

1. That the Hastings Local Plan Regulation 18 consultation document is published for an eight-week consultation period between January 2021 and March 2021.

2. That the Managing Director has delegated authority in consultation with the Leader to agree any necessary minor editorial changes to the draft Local Plan before it is published for consultation purposes.

Reasons:

1. It is a regulatory requirement to invite the public and stakeholders to participate in the preparation of the new Local Plan for Hastings.

2. In order to ensure the draft document is as up-to-date and accurate as possible at the time of publication

1. That the Hastings Local Plan Regulation 18 consultation document is published for an eight-week consultation period between January 2021 and March 2021.

2. That the Managing Director has delegated authority in consultation with the Leader to agree any necessary minor editorial changes to the draft Local Plan before it is published for consultation purposes.

300. HOUSING RENEWAL ENFORCEMENT POLICY (INCLUDING MINIMUM ENERGY EFFICIENCY STANDARDS ENFORCEMENT)

The Managing Director introduced a report to agree substantive amendments to the Housing Renewal Enforcement Policy in order to undertake enforcement in respect of the Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015 (known as the Minimum Energy Efficiency Standards Regulations – “MEES”). In March 2020 the Department for Business, Energy and Industrial Strategy approached Hastings Borough Council to express an interest in piloting an enforcement toolkit for MEES. Officers submitted an expression of interest and were successful in being selected as one of 10 local authorities to pilot the enforcement toolkit. As part of this pilot Hastings Borough Council were awarded £100,000 of funding.

Due to the way MEES is enforced a review of the Housing Renewal Enforcement Policy has taken place to include the provisions required to robustly enforce the regulations.

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

CABINET

4 JANUARY 2021

RESOLVED (unanimously):

- 1. The revised Housing Renewal Enforcement Policy (Version 3.0) is approved**
- 2. Cabinet are recommended to delegate future minor amendments to the Assistant Director Housing and Built Environment and Chief Legal Officer in consultation with the Lead Member**

Reasons:

Due to the substantive changes proposed to the previously approved Housing Renewal Enforcement Policy Cabinet approval is required.

301. HASTINGS COUNTRY PARK VISITOR CENTRE PART 1

The Assistant Director, Environment and Place, introduced a report to update Cabinet on progress with the project, and to seek authority to increase the capital and revenue budget associated with it.

The Assistant Director informed the Cabinet that although the project to provide a state of the art, environmentally sustainable, visitor centre is nearing completion the last year has been extremely challenging and consequently an overspend is being projected. Changes to working practices due to Covid-19 and a breakdown in the relationship between the principal contractor and the council have contributed to the overspend. An additional factor has been the impact of Covid-19 on the availability of UK grant funding to bodies such the council's partner Groundworks South.

However, despite these difficulties when the project is completed, and Covid-19 restrictions lifted, Hastings residents will have a new environmentally sustainable community facility which is likely to become a major attraction for people from across Kent, Sussex and beyond.

Councillor Evans proposed approval of the recommendation, seconded by Councillor O'Callaghan.

RESOLVED (unanimously):

It is recommended that Cabinet consider the content of this report in conjunction with the associated part two report, and that Cabinet agree that the works on the visitor centre should be completed subject to the recommendations in the Part 2 report being approved.

Reasons:

Due to matters set out in this report and the associated part two report, additional funding is needed to complete the project, and this requires Cabinet approval.

CABINET

4 JANUARY 2021

Councillor Fitzgerald 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.

The live stream was ended and the meeting proceeded in private session.

302. HASTINGS COUNTRY PARK VISITOR CENTRE (PART 2)

The Assistant Director, Environment and Place, introduced a report to update cabinet on progress with the project, and to seek authority to increase the capital and revenue budget associated with it.

Councillor Evans proposed approval of the recommendations, seconded by Councillor O’Callaghan.

RESOLVED (unanimously):

It is recommended that Cabinet authorises the Assistant Director Financial Services and Revenues to:-

- 1. Increase the capital budget for completion of this project as set out in the report.**
- 2. Increase the revenue budget for completion of this project and to cover basic ongoing annual premises costs as set out in the report.**

Reasons:

Due to matters set out in this report and the associated part one report, additional funding is needed to complete the project, and this requires Cabinet approval.

303. CORNWALLIS STREET CAR PARK - POTENTIAL DEVELOPMENT

The Assistant Director, Financial Services and Revenues presented a report considering revised terms for the potential development of a hotel on Cornwallis Street Car park (Council owned land).

Councillor Barnett proposed an additional recommendation (as set it out recommendation 2 below), seconded by Councillor Chowney. The additional recommendation was agreed unanimously.

CABINET

4 JANUARY 2021

Councillor Chowney proposed approval of the recommendations, subject to the addition of recommendation 2, seconded by Councillor Rogers.

RESOLVED (unanimously):

- 1. Agree in principle to proceed on the basis of revised terms.**
- 2. Delegated authority is given to the Chief Finance Officer, in consultation with the Lead Member for Financial Management and Estates, to agree to the revised terms.**

Reason:

The hotel chain agreed at their meeting on the 10 December 2020 revised terms on which to proceed with the development of a hotel at Cornwallis Street in Hastings. The scheme remains a viable option should the Council wish to proceed.

(The Chair declared the meeting closed at 8.22pm)

Agenda Item No:

Report to: Cabinet

Date of Meeting: 4 January 2021

Report Title: Treasury Management Mid-Year Report 2020-21

Report By: Peter Grace
Chief Finance Officer

Purpose of Report

This report advises the Cabinet of the Treasury Management activities and performance during the current year. It provides the opportunity to review the Treasury Management Strategy and make appropriate recommendations to Council to take account of any issues or concerns that have arisen since approving it in February 2020.

Recommendation

Cabinet agree the Mid-Year report.

Reasons for Recommendations

The Code of Practice on Treasury Management requires, as a minimum, a mid-year review of the Treasury Management Strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved (February 2020). It is a requirement of the Code of Practice that the Mid-year review is considered by Cabinet, Audit Committee and full Council.

Background

1. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure in combination with funding from reserves. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering optimising investment return.
2. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing needs of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.
3. Accordingly, treasury management is defined as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Covid-19 has highlighted the need to have proper and effective Treasury Management Practices and Policies in place. The Council has been able to sustain its services throughout this period, has not experienced undue difficulties in managing major cash flows, and retains sufficient reserves (given government assistance).

Introduction

4. The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017) was adopted by this Council in February 2018.
5. The primary requirements of the Code are as follows:
 - Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
 - 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.

- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.
6. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:
 - An economic update for the first part of the 2020/21 financial year;
 - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
 - The Council's capital expenditure (prudential indicators);
 - A review of the Council's investment portfolio for 2020/21;
 - A review of the Council's borrowing strategy for 2020/21;
 - A review of any debt rescheduling undertaken during 2020/21;
 - A review of compliance with Treasury and Prudential Limits for 2020/21.
 7. The Committee will need to determine whether there are any issues that require the amendment of the Council's Treasury Management Strategy or Investment Policy and that they therefore wish to draw to the attention of Council.
 8. The Council has increased its levels of income generation over the last few years and this has entailed new borrowing over potentially long periods, with consequent risks in terms of asset valuations, credit worthiness, cash and reserve fund availability. Such risks cannot be considered in isolation of all the issues facing the Council now and potentially in the future. The Council strengthened its reserves when taking on these additional risks and the level of reserves have to date proven more than adequate to cope with the immediate effects of Covid-19.
 9. The Audit Committee will consider a similar report at their meeting on 21 January 2021.

Economic Update

10. As expected, the Bank of England's Monetary Policy Committee (MPC) has kept Bank Rate unchanged since reducing them to 0.1% in March 2020. Its forecasts have been optimistic in terms of three areas (as at Mid-year):
 - i. The fall in GDP in the first half of 2020 was revised from 28% to 23% (subsequently revised to -21.8%). This is still one of the largest falls in output of any developed nation. However, it is only to be expected as the UK economy is heavily skewed towards consumer-facing services – an area which was particularly vulnerable to being damaged by lockdown.
 - ii. The peak in the unemployment rate was revised down from 9% in Q2 to 7½% by Q4 2020.
 - iii. It forecast that there would be excess demand in the economy by Q3 2022 causing CPI inflation to rise above the 2% target in Q3 2022, (based on market interest rate expectations for a further loosening in policy). Nevertheless, even

if the Bank were to leave policy unchanged, inflation was still projected to be above 2% in 2023.

11. It also squashed any idea of using negative interest rates, at least in the next six months or so. It suggested that while negative rates can work in some circumstances, it would be “less effective as a tool to stimulate the economy” at this time when banks are worried about future loan losses. It also has “other instruments available”, including Quantitative Easing.
12. The MPC expected the £300bn of quantitative easing purchases announced between its March and June meetings to continue until the “turn of the year”. This implies that the pace of purchases will slow further to about £4bn a week, down from £14bn a week at the height of the crisis and £7bn more recently.
13. In conclusion, this would indicate that the Bank could now just sit on its hands as the economy was recovering better than expected. However, the MPC acknowledged that the “medium-term projections were a less informative guide than usual” and the minutes had multiple references to downside risks, which were judged to persist both in the short and medium term.
14. Brexit uncertainties remain a significant issue for recovery. The wind down of the initial generous furlough scheme through to the end of October was another development that caused the Bank to review the need for more support for the economy later in the year. Admittedly, the Chancellor announced in late September a second six month package from 1st November of government support for jobs whereby it will pay up to 22% of the costs of retaining an employee working a minimum of one third of their normal hours. There was further help for the self-employed, freelancers and the hospitality industry. However, this is a much less generous scheme than the furlough package and will inevitably mean there will be further job losses from the 11% of the workforce that were still on furlough in mid September.
15. Overall, the pace of recovery is not expected to be in the form of a rapid V shape, but a more elongated and prolonged one after a sharp recovery in June through to August which left the economy 11.7% smaller than in February. The last three months of 2020/21 are now unlikely to show growth unless there is a positive outcome of the UK/EU trade negotiations.
16. There are expected to be some painful longer term adjustments e.g. office space and travel by planes, trains and buses may not recover to their previous level of use for several years, or possibly ever. There is also likely to be a reversal of globalisation as this crisis has shown up how vulnerable long-distance supply chains are. On the other hand, digital services are an area that has already seen significant growth.
17. One key addition to the Bank’s forward guidance was a new phrase in the policy statement, namely that “it does not intend to tighten monetary policy until there is clear evidence that significant progress is being made in eliminating spare capacity and achieving the 2% target sustainably”. That seems designed to say, in effect, that even if inflation rises to 2% in a couple of years’ time, do not expect any action from the MPC to raise Bank Rate – until they can clearly see that level of inflation is going to be persistently above target if it takes no action to raise Bank Rate.

Interest rate forecasts

18. The Council's treasury advisor, Link Group, provided the following forecasts on 11th August 2020 (PWLB rates are certainty rates, gilt yields plus 180bps):

Link Group Interest Rate View 11.8.20										
	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
Bank Rate View	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
3 month average earnings	0.05	0.05	0.05	0.05	0.05	-	-	-	-	-
6 month average earnings	0.10	0.10	0.10	0.10	0.10	-	-	-	-	-
12 month average earnings	0.15	0.15	0.15	0.15	0.15	-	-	-	-	-
5yr PWLB Rate	1.90	2.00	2.00	2.00	2.00	2.00	2.10	2.10	2.10	2.10
10yr PWLB Rate	2.10	2.10	2.10	2.10	2.20	2.20	2.20	2.30	2.30	2.30
25yr PWLB Rate	2.50	2.50	2.50	2.60	2.60	2.60	2.70	2.70	2.70	2.70
50yr PWLB Rate	2.30	2.30	2.30	2.40	2.40	2.40	2.50	2.50	2.50	2.50

19. The coronavirus outbreak has done huge economic damage to the UK and economies around the world. After the Bank of England took emergency action in March to cut Bank Rate to first 0.25%, and then to 0.10%, it has left Bank Rate unchanged. The Governor of the Bank of England has made it clear that he currently thinks that a move to negative interest rates would do more damage than good and that more quantitative easing is the favoured tool if further action becomes necessary. As shown in the forecast table above, no increase in Bank Rate is expected within the forecast horizon ending on 31st March 2023 as economic recovery is expected to be only gradual and, therefore, prolonged.

The Council's Treasury Position – 30 September 2020

Borrowing

20. The Council's debt and investment position at the 30 September 2020 was as follows

Table 1 – Borrowing

Debt	1 April 2020 Principal	Start Date	Maturity Date	30 Sept 2020 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)	£185,915	21/03/2016	20/03/2026	£171,117	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)	£7,002,787	01/06/2017	01/06/2057	£6,946,261	2.53%
PWLB (Annuity)	£8,111,852	22/11/2017	22/11/2057	£8,050,277	2.72%
PWLB	£2,000,000	12/12/2018	12/06/2028	£2,000,000	1.98%
PWLB (Annuity)	£3,941,522	13/12/2018	13/12/2058	£3,911,723	2.55%
PWLB (Annuity)	£2,463,534	31/01/2019	31/01/2059	£2,444,950	2.56%
PWLB (Annuity)	£4,365,748	31/01/2019	31/01/2069	£4,343,197	2.56%
PWLB (Annuity)	£9,262,267	20/03/2019	20/03/2059	£9,192,086	2.54%
PWLB (Annuity)	£4,770,452	02/09/2019	02/09/2069	£4,740,634	1.83%
Total Debt	£65,301,339			£64,997,506	2.82%

21. At the 30 September 2020 the Council had debt amounting to £64.99m (PWLB debt). The Council has not taken on any more debt in the year – pending the outcome of the Treasury's review into Public Works Loan Board (PWLB) lending – the results of which were announced on 25 November; New lending terms from the PWLB applying from the 26 November 2020

22. 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.

23. Part of the Council's treasury activities is to address the funding requirements for the Council's borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets) or utilising temporary cash resources within the Council.
24. 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.
25. 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).
26. The Council's 2020/21 MRP Policy was approved as part of the Treasury Management Strategy Report for 2020/21 by Council in February 2020.
27. The Council's CFR for the year is shown below and represents a key prudential indicator. It includes leased items on the balance sheet, which increase the Council's borrowing need (albeit no additional borrowing is actually required against such items).

Table 2 CFR: General Fund	2019/20 Actual £000's	2020/21 Estimate £000's
Opening balance	58,094	66,373
Add unfinanced capital expenditure	9,455	9,067
Less MRP	(1,176)	(1,499)
Closing balance	66,373	73,941

28. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
29. 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 2020/21 plus the expected changes to the CFR over 2021/22 and 2022/23 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2020/21.

Table 3 Internal Borrowing	2019/20 Actual £000's	2020/21 Estimate As at 30/11/20 £000's
Capital Financing Requirement	66,373	73,941
External Borrowing	65,301	64,998
Net Internal Borrowing	1,072	8,943

30. The table above highlights the Council's gross borrowing position against the CFR, which provides an indication of affordability for the Council. The Council has complied with this prudential indicator.

Investments in 2020-21

31. The table below provides a snapshot of the investments and deposits held on 30 September 2020. The level of investments can fluctuate significantly on a day to day basis, given the level of funding received, precept payments, grants payable and receivable, salaries and wages, etc.

32. In addition to the investments there was £20,719,445 in the Lloyds current account which was being held for Business Grant payments (and repayments back to the government) and other funding potentially required at short notice during COVID-19.

33. The Council also had longer term investments with CCLA in a property fund and Diversified Income Fund

Table 4 – Investments and deposits (Other than Lloyds)

Counterparty	Rate/ Return	Start Date	End Date	Principal	Term
Barclays Corporate	0.40%			5,000,000	Call
NAT West	0.05%			6,155	Call

34. As at 30 September 2020 three longer term loans are outstanding to other organisations.

Table 5 – Loans to Other Organisations

Counterparty	Rate/ Return (%)	Start Date	End Date	Principal O/S (£)	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	171,117	Annuity

35. Borrowing from the PWLB was taken to fund the Amicus Horizon (now Optivo) loan (£1,788,235- Maturity loan) and the loan to the Foreshore Trust (£300,000 originally borrowed – Annuity loan); these correspond to PWLB loans in Table 1 above.
36. The overall investment performance for the first 6 months of 2020/21 provided an average return of 0.66% (1.48% including CCLA) (2019/20 0.91%).
37. The total interest receivable for the first 6 months is £43,628 (£134,422 including CCLA) (2019/20 £120,348) These figures exclude the interest receivable in respect of the three loans to other organisations.

Loans to Hastings Housing Company Ltd

38. Hastings Housing Company repaid the revenue loan and interest due to the Council in September 2020. It still has a capital loan of £5,489,398 outstanding. The capital loan interest rate is based on the rate prevailing at the time of the advance and is fixed for the period of the loan. The borrowing costs incurred by the Council in making advances to the housing company are covered by the interest repayments.

The Council's Capital Position (Prudential Indicators)

39. This part of the report is structured to provide updates on:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

Prudential Indicator for Capital Expenditure

40. This table shows the revised estimates for capital expenditure for 2020/21.

Table 6 Capital Expenditure (Net) by Service	2020/21 Original Estimate (net) £'000	2020/21 Revised Estimate (net) £'000
Corporate Resources	13,379	6,053
Operational Services	3,557	3,199
Total Capital Expenditure (Net)	16,936	9,252

Capital Expenditure – Financing

41. The new Capital schemes, approved since the budget, will generally be financed by borrowing, unless Capital receipts from the sale of assets are available.
42. The larger schemes in the capital programme which are expected to require financing in 2020/21 from borrowing include:-
- (1) Buckshole Reservoir Works
 - (2) Temporary accommodation incl Next Steps Accommodation Pathway property purchases
 - (3) Country Park – Visitor Centre
 - (4) Priory Street Car Park – concrete works/lighting
 - (5) Electric vehicles and infrastructure
 - (6) 12/13 York Buildings
 - (7) Lacuna Place

Impact on the prudential indicators

43. The Capital Financing Requirement has increased over the last 18 months. It is expected to reach some £73.9m by April 2021. The position at 30 September 2020 is shown in Table 3 above, and highlights that there would be an underlying financing requirement of some £8.9m by the year end if no further borrowing is undertaken in 2020/21.

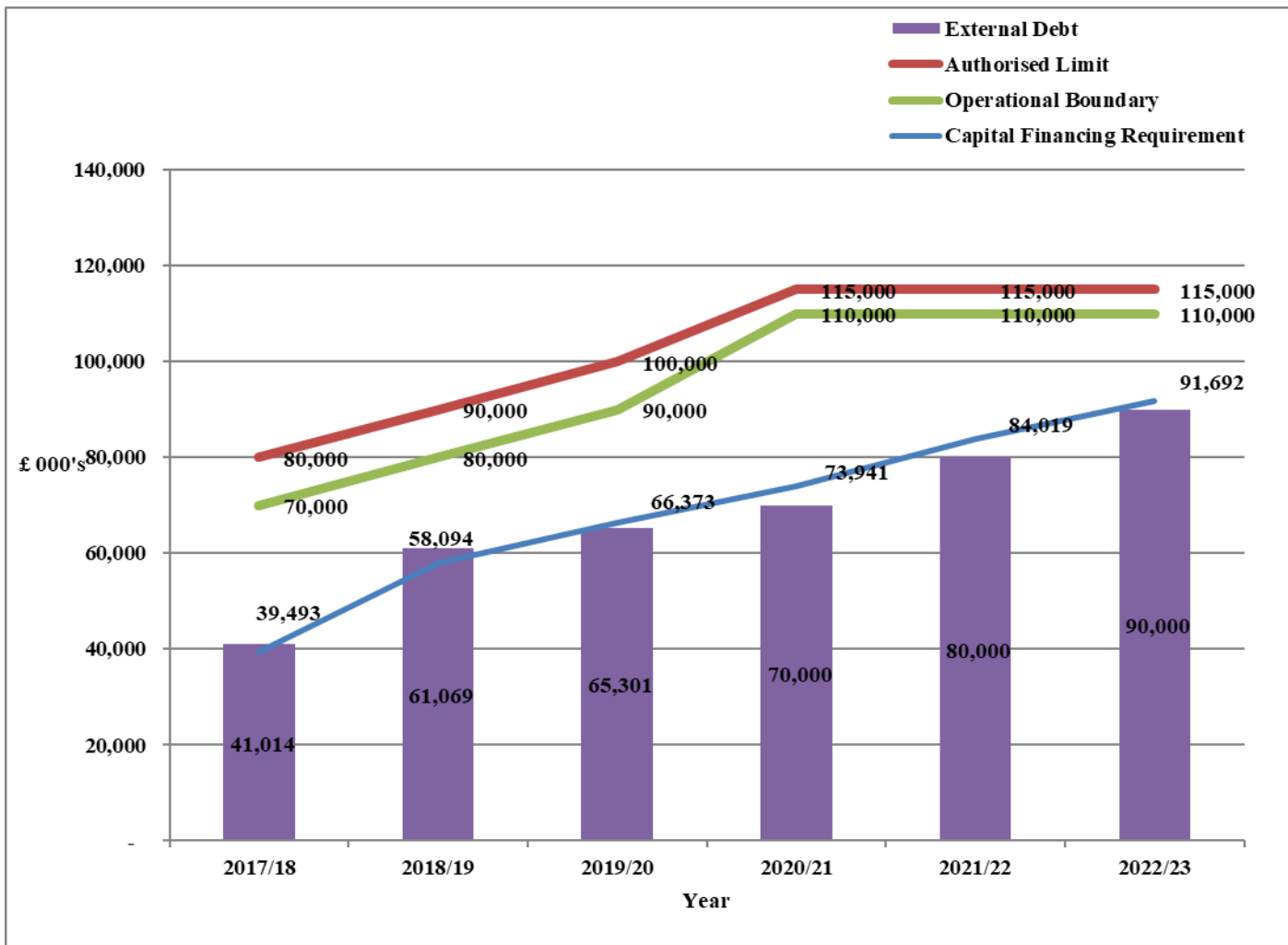
Compliance with the limits in place for borrowing activity.

44. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2020/21 and next two financial years.
45. A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited; this is set by full Council and can only be revised by full Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003.

46. The current operational and authorised boundaries are as follows:

Table 7	2020/21	2021/22	2022/23
TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000
Authorised Limit for external debt - borrowing	£110,000	£110,000	£110,000
other long term liabilities	£5,000	£5,000	£5,000
TOTAL	£115,000	£115,000	£115,000
Operational Boundary for external debt - borrowing	£105,000	£105,000	£105,000
other long term liabilities	£5,000	£5,000	£5,000
TOTAL	£110,000	£110,000	£110,000

Graph: Estimated CFR/ Debt and Debt boundaries at year end



Borrowing Strategy

47. The Council now has some £64.99m of PWLB debt and could potentially borrow up to a level of £73.9m (estimated CFR at 31 March 2021). This figure does not take account of any new capital spending in future years which could potentially be funded by new borrowing.
48. The interest rate forecasts from the Council's treasury advisers identify that it is unlikely that the base rate will increase until after March 2023. Whilst the borrowing rates are attractive on a historical basis the difference between the return on investment and the cost of borrowing remains – the additional revenue cost falling on the Council taxpayer.
49. The Council's corporate plans require substantial new borrowing by the Council in the future and play a part in the consideration as to when to borrow and the level of internal borrowing. Given the historically low interest rates and the ability of the Council to look at other investment opportunities which are providing higher returns than the cost of borrowing e.g. property funds, there has been a much stronger case for reducing the level of internal funding in order to ensure a lower level of borrowing risk in the future.
50. On 9 October 2019 the PWLB announced it was increasing rates on new loans by 100bps (1%) with immediate effect. At the time this increased the cost of a 40 year annuity loan from 1.88% to 2.88%, an increase of 53% in the rate of interest payable. It had suspected this might be a possibility given the government's concern at the level of borrowing by a few councils for commercial property investments. The Council did undertake borrow in September 2019 and has not borrowed since on the basis that once the treasury review was concluded and further restrictions were put in place rates would be decreased. This has proven to be the case with rates being reduced by 1% on the 26 November 2020. This announcement was earlier than anticipated.

Debt Rescheduling

51. The Council keeps under review the potential for making premature debt repayments in order to reduce borrowing costs as well as reducing counterparty risk by reducing investment balances. However, the cost of the early repayment premiums that would be incurred and the increase in risk exposure to significantly higher interest rates for new borrowing, continue to make this option unattractive. When reviewed on the 27 September 2017 the early repayment cost of the £7.5m (4.8%) PWLB loan, maturing in 2033, would amount to £3,177,343. No debt rescheduling is being contemplated at present as the interest rate differences are even greater than when last considered. It is understood that the Treasury may review their policy in this area.

Investment Strategy

52. Priority is given to security and liquidity of investments in order to reduce counterparty risk to the maximum possible extent.
53. The Council has a limit of £5m with any one institution (rated A or above, supported by Government, and given a blue (12 month) rating by Link Asset Services). This

generally represents a level of up to 15% of the investment portfolio with any one institution or group at any one time. It is also necessary, at times, to invest sums of this size in order to attract the larger institutions which have the higher credit ratings.

54. The Eurozone and Brexit have led to a number of downgrades to banks' credit ratings, making it increasingly difficult to spread investments across a number of institutions. The Chief Finance Officer has the authority to amend the limits if necessary, to ensure that monies can be placed with appropriate institutions.
55. The net cost to the Council of borrowing, investment interest and fees will be reviewed as part of the budget setting process.

Property Fund

56. It was agreed in February 2017 that the option for diversification of some of the investments into a property fund be undertaken with CCLA in the sum of £2m. The investment being in respect of the Council's reserves that are not required for a period of at least 5 years in order that any fall in values and entry costs into such funds can be covered. The £2m was invested in April 2017 and the performance from June 2019 is detailed below:

CCLA – LA's Property Prices and Dividend yields

End of	Sep-20	Aug-20	Jul-20	Jun-20	May-20	Apr-20	Mar-20	Dec-19	Sep-19	Jun-19
Offer Price p	302.56	301.67	302.10	303.14	305.90	310.33	315.70	322.70	324.35	327.66
Net Asset Value p	283.43	282.60	283.00	283.97	286.55	290.71	295.74	302.30	303.84	306.94
Bid Price p	279.04	278.22	278.61	279.57	282.11	286.20	291.15	297.61	299.13	302.19
Dividend* on XD Date p	3.10	-	-	2.80	-	-	3.25	3.21	3.45	3.15
Dividend* - Last 12 Months p	12.07	12.72	12.72	12.72	13.06	13.06	13.06	13.12	13.22	12.94
Dividend Yield on NAV %	4.26	4.50	4.49	4.48	4.56	4.49	4.41	4.34	4.35	4.22
Fund Size £m	1,155.80	1,152.40	1,154.10	1,158.00	1,168.60	1,185.50	1,206.00	1,200.10	1,173.10	1,178.20

57. The dividend yield is around 4.4% on the net asset value, which results in quarterly cash dividends of around £19,250. Full year dividends are estimated at around £78,000.

Property Fund Capital Value

Units (651,063)	Sep-20	Aug-20	Jul-20	Jun-20	May-20	Apr-20	Mar-20	Dec-19	Sep-19	Jun-19
Mid Market Price (£)	1,845,308	1,839,904	1,842,508	1,848,824	1,865,621	1,892,705	1,925,454	1,968,163	1,978,190	1,998,373
Bid Price (£)	1,816,726	1,811,387	1,813,927	1,820,177	1,836,714	1,863,342	1,895,570	1,937,629	1,947,525	1,967,447

58. The Capital value has decreased by 1.51% between April 2017 and September 2020. It is important that this is continued to be viewed as a longer term investment (5 years plus) if the original Capital value is to be recovered. At the end of November 2020 the mid-market value is £1.848,628.

Diversified Income Fund

59. It was agreed in February 2019 that a sum of £3m would be made available for further diversification of the Council's investments. £1m was invested on 26 July 2019 and a further £2m investment was made on 24 September 2019 into the CCLA Diversified

Income Fund. Anticipated returns were around 3% with the added advantage of much higher liquidity than the property fund.

60. The capital value has decreased by 5.05% from the initial investment and was valued at £2,848,617 at the end of November 2020. The quarterly dividend yield was 3.46% for September (£23,744). It should be remembered that this is a long term investment and prices can go up and down – as the impact of the pandemic has highlighted.

Compliance with Treasury Limits

61. As a result of Covid-9, the potential unknown impacts on foreign countries, their economies and banks along with the high levels of funding for business rate grants being provided by the government, the limits for balances held with Lloyds bank were raised substantially – approved by the Chief Finance officer in compliance with the Council's Treasury Management Practices. The council was thus able to manage, for example the £27,782,000 received in respect of business support grants for the first lockdown period. The money was held in either a call account or the general bank account. Exceeding the normal approved limits is a decision that is not taken lightly, and whilst the investment return achieved will have been lower than otherwise may have been the case, the need for security was considered to be more important – as was the ability to use the funds as and when necessary i.e. to pay out the grants.
62. The Prudential Indicators have been complied with - reproduced in Appendix 1 for reference.

Financial Implications

63. The Council's 2020/21 budget included an estimated return on investments of 0.75%. The Bank Base 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. Since then interest rates on investments have changed significantly. The Council's actual average rate of return to 30 September was 0.66% (1.48% including the CCLA investments).

Future Changes

64. The Treasury Management Code of Practice (Cipfa) and the Prudential Code for Capital Finance were revised in late 2017/18, and the requirement for a new strategic planning document introduced – the "Capital Strategy" which seeks to bridge the perceived gaps in understanding between the Capital programme, funding thereof and Treasury Management. This was agreed by full Council in February 2020 and will be reviewed and updated annually.
65. The 2021/22 Treasury Management Strategy suite of reports will be considered by the Audit Committee on the 21 January 2021 and thereafter considered by Cabinet and then by full Council on 09 February 2021 in conjunction with the budget papers.

Risk Management

66. The Council continues to face serious risks in terms of volatility in its income streams, expenditure and future funding. Business rates and property income are susceptible

during economic recessions and business rate appeals for example can have sudden and significant impacts. The Council has seen a massive increase in its homelessness expenditure this year, along with significant reductions in collection rates for Council tax and business rates, let alone sales fees and charges e.g. car park income. Where there is more risk and volatility in income streams the Council will need to ensure that it maintains sufficient reserves to ensure the Council's ability to deliver key services is not jeopardised.

67. The Council spreads its risk on investments by limiting the amount of monies with any one institution or group and limiting the timeframe of the exposure. In determining the level of the investment and period the Council considers formal credit ratings (Fitch) along with its own advisers (Link Asset Services) ratings advice.
68. The security of the principal sum remains of paramount importance to the Council.
69. To date the strategy of externalising debt has been successful, particularly in the light of the sudden PWLB rate increase in October 2019. The fact that the Council's reserves were cash backed meant that there was no need to borrow at high interest rates when funds were required.
70. The investments made in the Property Fund (CCLA) and the Diversified Investment Fund (CCLA), totalling £5m are currently showing good returns. The risks currently faced in achieving a sustainable Council budget mean that no further long term investments can be made. However, there are no reasons to sell the current investments at this time.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Review and revise Annual Treasury Management Strategy & Capital Strategy	Setting of 2021/21 Budget	February 2021	Chief Finance Officer
Treasury Management Outturn Report to Cabinet	Close of 2020/21 accounts	July 2021	Chief Finance Officer

Wards Affected - None

Area(s) Affected

None

Implications

Relevant project tools applied?N/A

Have you checked this report for plain English and readability? Yes. This has been done as far as possible considering the complex financial issues involved. Flesch-Kincaid grade level 13.7.

Climate change implications considered? N/A

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

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

Additional Information

Appendix 1: Prudential Indicators

Officer to Contact

Peter Grace
Chief Finance Officer
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 30 September 2020 amounted to £64,997,506 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: 8th February 2021

Report Title: Pay Policy Statement 2021/22

Report By: Jane Hartnell – Managing Director

Purpose of Report

The purpose of the report is for approval of the Pay Policy Statement for 2021/2022, as required by the Localism Act 2011.

Recommendation(s)

- 1. Recommendation of the pay policy statement to full council for approval**

Reasons for Recommendations

The Localism Act 2011 requires Hastings Borough Council to prepare and publish an annual pay policy statement. The purpose of such a statement is to provide information about Council policies on a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. A Pay Policy must be prepared for each financial year and must be approved by Full Council, and published

Introduction

1. The Localism Act 2011 requires Hastings Borough Council to prepare and publish a pay policy statement for each financial year.
2. The attached statement (Appendix 1) sets out the key policy principles that underpin the Council's requirements to provide accountability under the Localism Act. It takes into account and has due regard to guidance issued by the Department of Communities and Local Government.
3. The majority of the statement reflects current policy, practice and procedures adopted by the Council and it is cross referenced to other documents including the Council's severance scheme and transparency requirements.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
No further action required	To be reviewed annually	January 2022	Verna Connolly

Wards Affected

Insert the list of wards affected

Implications

Relevant project tools applied? No

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

Climate change implications considered? Yes

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

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	Yes

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Appendix 1

Hastings Borough Council

Pay Policy Statement for the year 1 April 2021 to 31 March 2022

Introduction

1. This pay policy statement under section 38 of the Localism Act 2011 shall apply for the financial year 2021 - 2022 until amended.
2. The purpose of the statement is to provide transparency regarding the Council's approach to setting the pay of its employees by identifying:
 - the methods by which remuneration of all employees are determined, including the remuneration of its most senior staff;
 - the arrangements for ensuring the provisions set out in this statement are applied consistently throughout the Council.
3. This statement applies to all employees under the following conditions of employment:

JNC for Chief Officers of Local Authorities
NJC for Local Government Services
4. The council defines its senior management as:
Managing Director
Assistant Directors
General Managers/Professional leads who are directly accountable to a statutory or non statutory officer in respect of all or most of their duties (excluding roles which are clerical or secretarial). Such officers are invited to provide expertise in their role as head of their profession.
5. This Pay Policy will operate subject to any requirements regarding exit payments pursuant to the Enterprise and the Small Business, Enterprise and Employment Act, 2015 and associated regulations.

The Council's policies for setting remuneration

6. In determining its grading structure and setting remuneration levels for all posts, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.
7. With the exception of the Managing Director and Assistant Directors, the Council uses the nationally negotiated pay spine as the basis for its local grading structure. The grade of a post is determined by application of an agreed Job Evaluation process. The value of scale points changes in line with national agreements, including any "cost of living" increases, the most recent of these at the time of preparation of this policy, was a 2.75% increase effective from 1st April 2020

Grade and Salary Band (from 1st April 2020)

Grade	Salary Band
11	£18,198 to £19,312
10	£19,312 to £20,493
9	£19,698 to £22,183
8	£20,903 to £24,491
7	£23,080 to £27,041
6	£25,481 to £30,451
5	£28,672 to £33,782
4	£32,234 to £36,922
3	£34,728 to £40,876
2	£39,880 to £45,859
1	£44,863 to £51,754

8. All other pay-related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery and/or as determined by Council policy.
9. New appointments will normally be made at the minimum of the relevant grade, although this can be varied where necessary to secure the best candidate. From time to time it may be necessary to take account of the external pay market in order to attract and retain employees with particular experience, skills and capacity. Where possible, the Council will ensure the requirement for such approaches is objectively justified by reference to clear and transparent evidence of relevant market comparators, using appropriate data sources available from within and outside the local government sector.
10. There are a number of pay points within each grade. For staff not on the highest point within the band, there is a system of annual progression to the next point on the band. Faster progression is possible for posts identified and evaluated as career grades.
11. Regarding the equal pay requirements of the Equality Act 2010, the Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of equality proofed job evaluation mechanisms which directly relate salaries to the requirements, demands and responsibilities of the role.

Chief Officer Grade Range pay rate (officers who are JNC Chief Officers Terms and conditions of employment)

12. Chief Officer pay is £113,025 (value at 1st April 2020)

Chief Officers

13. The Council's policy and procedures regarding recruitment of Chief Officers are set out in the Officer Employment Procedure Rules in Part 4, Section 30 of the Council's Constitution. The determination of the remuneration to be offered to any newly appointed chief officer will be in accordance with this pay policy statement and other relevant policies in place at the time of recruitment. In the case of recruitment of Directors and Assistant Directors, the decision on remuneration will be taken by the Employment Committee. Any appointments at this level offering a salary in excess of £100,000 would require approval by Full Council. Where the

Council is unable to recruit to a post at the designated grade, it may consider the use of temporary market forces supplements in accordance with its relevant policies.

14. Where the Council remains unable to recruit Directors or Assistant Directors under a contract of service, or there is a need for interim support to provide cover for a vacant substantive Director or Chief Officer post, the Council will, where necessary, consider engaging individuals under 'contracts for service'. These will be sourced through a relevant procurement process ensuring the council is able to demonstrate value for money from competition in securing the relevant service.

Additional payments

15. In addition to the basic salary for the post, staff are or may be eligible for other payments under the Council's existing policies. Some of these payments are chargeable to UK Income Tax and do not solely constitute reimbursement of expenses incurred in the fulfilment of duties:

Lease car provision, the Council no longer offers subsidised lease cars to new employees. A small number of employees remain eligible under historical contracts of employment;

Benefits allowance, employees who are not entitled to a lease car but are required to travel in order to carry out their duties may receive a benefits allowance to cover motor costs of travel including mileage except for journeys over 50 miles.

Reimbursement of mileage, Employees can claim mileage travelled in the course of council business. Hastings Borough Council mileage rates are paid dependant on which scheme the employee is in.

This could be:-

NJC rates which are based on the engine size, fuel type for protected employees in post prior to 27th November 2001

HMRC Company Advisory Fuel Rates for lease cars.

HMRC Approved Mileage Rates for all other employees. Passenger rate is also paid if appropriate;

Professional fees. The Council will meet the cost of a legal practicing certificate for all those employees where it is a requirement of their employment; and professional body subscriptions for staff who are studying providing sponsorship has been agreed by the Council.

Long service awards. The Council allows staff to purchase a gift to a maximum amount if they have completed 25 years of service;

Honoraria, in accordance with the Council's policy on salary and grading. Generally, these may be paid only where a member of staff has performed a role at a higher grade. Deputy returning officers are paid an honorarium.

Fees for returning officer and other electoral duties, such as acting as a presiding officer of a polling station, excluding deputy returning officers. These are fees which are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda;

Pay protection, where a member of staff is placed in a new post and the grade is one grade below that of their previous post, for example as a result of a restructuring, pay protection at the level of their previous post is paid for the first 18 months;

Childcare vouchers are available to all eligible employees via the HMRC-approved salary sacrifice scheme. There is no direct subsidy towards childcare costs by the Council;

Standby and/or call-out payments, employees who are required to be on standby at times which are outside their normal working week and/or who may be called-out to attend to an issue at the Council's premises or other location may receive an additional payment in accordance with the provisions of the relevant Council policy;

Provision of mobile telephones, mobile telephones are provided to employees based on business need where they are necessary to enable them to undertake their duties effectively. The Council funds the provision of the phone and business calls.

Discounted loans, permanent employees who have satisfactorily completed their probationary period have access to discounted loans for:

- The purchase of cars/bicycles; and/or
- The purchase of season tickets for travel;

Interest is charged on Car and Bicycle loans at current PWLB (Public Works Loan Board) rates plus 1.25%. For a small number of employees employed before 27th November 2001 no interest is chargeable under historical contract of employment terms. Travel season ticket loans are interest free;

Employee assistance programme, is a 24/7 confidential support service for information and guidance on a range of work-life topics funded by the Council and made available to all staff.

Lifestyle scheme is an online benefits scheme that works with well-known retailers, both online and on the high street, to provide market-leading offers and discounts to all staff.

Performance-related pay and bonuses

16. The Council does not operate a scheme of performance-related pay or bonuses for its staff.

Lowest-paid employees

17. The Council's definition of lowest-paid employees is people employed in Grade 11 of the Council's grading structure. This is because it is the lowest pay band operated by the Council for permanent staff. Hastings Borough Council ensures its lowest paid employees are paid the current published UK Accredited Living Wage or higher.

Relationship between remuneration of chief officers and remuneration of employees who are not chief officers

18. The Council's ratio of pay at the top, to pay at the median is currently 1:4.1. The Council will look to ensure the ratio does not exceed the national average for the public sector. This ratio is based on basic salary only, excluding variable pay and benefit in kind.

Payments on termination etc.

19. The Council's approach to statutory and discretionary payments on termination of employment is set out within its Early Termination of Employment – Compensation Policy which includes the written statement in accordance with regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006. At the time of preparation of this policy statement, the policy is:
- to pay statutory redundancy payments in accordance with the Employment Relations Act 1998, which provides for a maximum calculation of up to 30 weeks' pay, multiplied by two.

The payment will be based on an employee's actual weekly salary rather than the figure set by the Government.

20. The Council's policy is normally not to make any awards under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011: this constitutes its written policy statement under the regulations.
21. Any large severance payments will be considered by the Employment Committee and referred to full Council for approval. Large payments would be those in excess of £95,000 including salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid. The basis of any exit payment is subject to a maximum salary of £80,000.
22. Employees re-employed by a relevant body, as specified in the Modification Order, within 12 months of receiving of an exit payment in excess of £80,000 will be required to repay an amount of the payment. Tapering provisions will be implemented using Government guidelines when they become available.

Publication of information

23. This statement will be published on the Council's Website www.hastings.gov.uk
In accordance with regulation 7 of the Accounts and Audit (England) Regulations 2011, for posts where the remuneration in a year is £50,000 or more, the Council's Annual Statement of Accounts will include a note setting out the total amount of - salary, fees or allowances paid to or receivable by the person in the current and previous year;
 - any sums payable by way of expenses allowance that are chargeable to UK income tax;
 - any compensation for loss of employment and any other payments connected with termination;
 - any benefits received that do not fall within the above

The statement of accounts is available on the Council's website.

24. The Council also publishes information about remuneration of JNC Chief Officers and staff in the transparency section of its website.
http://www.hastings.gov.uk/my_council/transparency/
This information is updated from time to time and includes a list of Directors and Assistant Directors as defined in the Localism Act 2011.

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