



Council Meeting

**Wednesday, 13th
October, 2021**

HASTINGS BOROUGH COUNCIL

Dear Councillor

You are hereby summoned to attend a meeting of the Hastings Borough Council to be held in the Council Chamber, Muriel Matters House on Wednesday, 13th October, 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

5 October 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. Appointments to Representative Bodies and Partnerships
6. Extension of Emergency Powers
7. Membership of Committees
To give effect to any request received from a political group for a change in their representation on committee(s).
8. 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
AUDIT COMMITTEE – 29 JULY 2021		
121.	Audit Committee Report to Council	Rankin
CABINET – 6 SEPTEMBER 2021		
362. (C)	Annual Treasury Management Outturn Report – 2020-21	Chowney
363.	Amendment to Financial Assistance Policy	Batsford
365. (E)	4 Stanier Road	Chowney
CABINET – 4 OCTOBER 2021		
369.	Annual Climate Change Report	Evans
370. (C)	Land at Harold Place	Chowney
371. (C)	2-12 Battle Road – Dangerous Structure	Forward

Notes:

1. The Mayor will call over the minutes and members will raise a hand 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 8a) above. Any such discussion shall be deferred to item 9 on the agenda.
9. 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.

10. Questions (if any) from:

- a) Members of the public under Rule 11
- b) Councillors under Rule 12

11. Motion (Rule 14)

Councillor Foster to propose:

'I move that to help tackle the climate emergency, the council install secure electric bike charging points at strategic points around the town'

12. Motion (Rule 14)

Councillor Hilton to propose:

'Concentrations of CO₂ in the atmosphere continue to rise despite international agreements. Whilst targets can serve a purpose, what has been lacking are mechanisms to drive down emissions quickly. Crucially, this means a Carbon Tax, given that 'Cap and Trade' systems have failed to drive the change we need.

The moral and economic case for such a tax rests on the 'polluter pays' principle:

- Currently the costs of climate breakdown are not born by the industries and activities that are causing the damage but by people and communities coming under increasing pressure and danger. As The Economist leader states (17/7/21); 'The opportunity to pollute the atmosphere without penalty is ... a kind of distorting subsidy'.
- A Carbon Tax, set at the right level, will drive fossil fuel burning out of the economy and promote investment in clean alternatives.
- Applied at the border it will have the same effect internationally. Such a tax can be used as a citizen's dividend to ensure a just transition for communities facing rapid change, help pay for the essential retrofitting to our draughty cold housing stock and helping to alleviate fuel poverty, as well as to help communities around the world adapt to the inevitable change and disruption that climate breakdown is already bringing. It could also help finance a Universal Basic Income as passed by Hastings Borough Council at the last full council meeting.

This approach is supported by a broad coalition of NGOs and civil society groups and was recently included in a set of proposals from the European Commission. COP26 should establish an international

carbon tax framework, but if this doesn't happen, the UK and other countries wishing to show leadership should introduce their own carbon taxes. . By including border tax adjustment this can drive other economies to follow suit.

Therefore Council resolves to support calls for a Carbon Tax by;

Writing to our MPs, to Alok Sharma, President of COP26, and to the Prime Minister, calling for the UK to:

1. propose an international carbon tax framework to the COP; the tax to be applied to imports as well as to domestic production
2. Introduce a UK-wide carbon tax by the end of 2022.'

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

14 JULY 2021

Present: Councillors Bacon (Chair), Cox (Vice-Chair), Arthur, Barnett, Battley, Batsford, K Beaney, S Beaney, Beaver, Bishop, Carr, Cooke, Chowney, Edwards, Evans, Fernando, Forward, Foster, Hay, Hilton, Marlow-Eastwood, Patmore, Pragnell, Roark, Rankin, Rogers, Roberts, Scott, Sinden, Turner, Webb, Williams

189. APOLOGIES FOR ABSENCE

None received.

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

RESOLVED (unanimously) that the minutes of the Annual Council meeting held on 19th May 2021 be signed by the Mayor as a correct record of the proceedings.

191. DECLARATIONS OF INTEREST

Councillor	Minute	Interest
Patmore	Cabinet, 16 th June – 343. Parking Spaces at Winding Street	Personal – Trustee of Magdalen and Lasher charity which gave a contribution to the Isabel Blackman Centre in Winding Street
Hays	Cabinet, 6 th April – 333. Hastings Lifeguard Contract	Personal – Directly involved with Hastings RNLI crew but not in a paid capacity and had no influence on the decision
Carr	Cabinet, 27 th May – 338. Additional Restrictions Grant (ARG) Scheme Policy (Tranche 3)	Personal – Close family member received a grant from the scheme
Arthur	Cabinet, 27 th May – 338. Additional Restrictions Grant (ARG) Scheme Policy (Tranche 3)	Personal – In receipt of a grant as a self-employed actress
Hilton	Cabinet, 16 th June – 342. Welcome Back Fund, Contain Outbreak Management Fund and Culture Recovery Fund proposals	Personal – Part of Hastings garden town team which is linked to the Town Deal
Hilton	Cabinet, 25 th June – 352. Hastings Town Deal	Personal – Part of Hastings garden town team which is linked to the Town Deal
Battley	Cabinet, 16 th June – 345 & 348. Lease and Management Agreement for the Bale House	Personal – A member of the Hastings Country Park Management Forum

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Forward	Cabinet, 25 th June - 352. Hastings Town Deal	Personal – Member of Hastings Town Deal Board
Roark	Cabinet, 6 th April – 336. 2-12 Battle Road - Dangerous Structure	Personal – Lives in the vicinity
Carr	Cabinet, 6 th April – 336. 2-12 Battle Road - Dangerous Structure	Personal – Lives in a road mentioned in discussion
Forward	Cabinet, 6 th April – 336. 2-12 Battle Road - Dangerous Structure	Personal – Has a family member who lives near the Battle Road arches

192. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

The Mayor led a minute's silence for Alan Stace, former Mayor of Hastings, who recently passed away.

The Mayor paid tribute to his predecessor, Councillor Sinden, for his time as Mayor of Hastings.

Councillor Forward, Leader of the Council, invited the Managing Director to update the council on the latest Covid-19 developments in Hastings.

The Managing Director said that the rate of infections in Hastings had been substantially rising over the last few weeks. The Director of Public Health for East Sussex has confirmed that the rate of infection in Hastings is now higher than the average weekly rate in England. As a result, an additional mobile testing unit is being allocated to Hastings with a recommendation that anyone who has recently been in a crowded or enclosed space without protection should get a PCR test even if they are asymptomatic.

The rise in positive cases is having a big impact on business continuity in workplaces and education settings. The hospitality sector is particularly affected, with many locations closing whilst staff self-isolate.

The council continues to amplify the importance of protecting others, especially those who are more vulnerable, and recommends residents take a lateral flow test twice weekly. The council also encourages everyone over 18 to get vaccinated as soon as possible.

If infections continue to spread in the community the biggest concerns are the impact of long-covid, and the potential for the virus to mutate into a variant which is more resistant to vaccines. Council lobbying has resulted in a rapid improvement plan for the town whereby additional mobile, clinic and pop-up vaccination points are being deployed in the town over the next few weeks.

193. PROGRAMME FOR THE YEAR 2021

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The Managing Director submitted a report to outline the Programme for the Year 2021/22, which sets out seven priority themes for the council's activities.

Councillor Forward proposed approval of the Programme for the Year 2021/22, seconded by Councillor Barnett.

Councillor Patmore, Leader of the Opposition, responded to Councillor Forward's opening remarks on the programme for the new municipal year.

RESOLVED (by 19 votes for, to 12 against):

That the Programme for the Year headlines are agreed and then integrated where required into the Council's Corporate Plan and Budget performance monitoring arrangements.

Reasons:

To ensure alignment of Programme for the Year commitments with those already agreed by full Council in the Corporate Plan.

The meeting adjourned at 7.02pm and reconvened at 7.10pm.

194. APPOINTMENTS TO CABINET COMMITTEES, WORKING GROUPS AND PARTNERSHIPS

The Chief Legal Officer submitted a report to consider the nominations received and to make appointments to committees, working groups and partnerships, and to appoint the Chairs and Vice Chairs to the committees of Cabinet.

Councillor Forward proposed approval of the recommendations, seconded by Councillor Patmore.

RESOLVED (unanimously):

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

Reasons:

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

195. MEMBERSHIP OF COMMITTEES

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Councillor Forward requested changes in membership to the Joint Waste Committee and the Audit Committee as set out below.

RESOLVED that the council notes the following arrangements for the membership of committees:

1. Councillor Chowney replaces Councillor Forward on the Joint Waste Committee.
2. Councillor Chowney replaces Councillor Forward on the Audit Committee.

196. REPORTS OF COMMITTEES

Only those items which were reserved were discussed as follows:

Meeting	Minute	Councillor
Cabinet, 6 th April 2021	333 – Hastings Lifeguard Contract	Cox
Cabinet, 6 th April 2021	336 (E) - 2-12 Battle Road - Dangerous Structure	Fernando
Cabinet, 27 th May 2021 (Emergency Decision)	338 – Additional Restrictions Grant (ARG) Scheme Policy (Tranche 3)	Roark
Cabinet, 16 th June 2021	342 – Welcome Back Fund, Contain Outbreak Management Fund and Culture Recovery Fund proposals	Patmore
Cabinet, 16 th June 2021	343 (C) – Parking Spaces at Winding Street	Cox
Cabinet, 16 th June 2021	345 – Lease and Management Agreement for the Bale House (Part 1)	Battley
Cabinet, 16 th June 2021	346 (C) - Buckshole Reservoir Safety Improvements – Update (Part 1)	Sinden
Cabinet, 16 th June 2021	348 (E) - Lease and Management Agreement for the Bale House (Part 2)	Battley
Cabinet, 16 th June 2021	349 (C)(E) – Buckshole Reservoir Safety Improvements – Update (Part 2)	Sinden
Special Cabinet, 25 th June 2021	352 – Hastings Town Deal	Patmore

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Cabinet, 5 th July 2021	357 (C) – Homelessness Recovery Plan	Rankin
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Minute 343 of Cabinet on 16th June 2021, Parking Spaces at Winding Street, was a matter requiring Full Council approval. The recommendations were proposed by Councillor Chowney, seconded by Councillor Cox and agreed unanimously.

Minute 346 of Cabinet on 16th June 2021, Buckshole Reservoir Safety Improvements – Updates (Part 1), was a matter requiring Full Council approval. The recommendations were proposed by Councillor Evans, seconded by Councillor Sinden and agreed unanimously.

Minute 357 of Cabinet on 5th July 2021, Homelessness Recovery Plan, was a matter requiring Full Council approval. The recommendations were proposed by Councillor Batsford, seconded by Councillor Turner and agreed unanimously.

Councillors debated minute 333 of Cabinet on 6th April 2021; minute 338 of Cabinet on 27th May 2021 (Emergency Decision); minutes 342 and 345 of Cabinet on 16th June 2021; and minute 352 of Special Cabinet on 25th June 2021. These matters did not require approval of Full Council.

The meeting adjourned at 8pm and reconvened at 8.12pm.

Minute 336 of Cabinet on 6th April 2021, and minutes 348 and 349 of Cabinet on 16th June 2021 were exempt items. When debate moved to these items the Mayor proposed a motion for the exclusion of the public from the meeting, seconded by Councillor Beaver.

RESOLVED that the public be excluded from the meeting during the consideration of minute 336 of Cabinet on 6th April 2021, and minutes 348 and 349 of Cabinet on 16th June 2021 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 reports.

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

Minute 349 of Cabinet on 16th June 2021, Buckshole Reservoir Safety Improvements – Update (Part 2), was an exempt item requiring Full Council approval. The recommendations were proposed by Councillor Evans, seconded by Councillor Sinden and agreed unanimously.

Councillors debated minutes 336 of Cabinet on 6th April 2021 and minutes 348 of Cabinet on 16th June 2021. These matters did not require approval of Full Council.

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The Mayor adjourned the meeting until 6pm Thursday, 22nd July.

(The Mayor declared the meeting closed 9.04pm)

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FULL COUNCIL

22 JULY 2021

Present: Councillors Bacon (Chair), Cox (Vice-Chair), Arthur, Barnett, Battley, Batsford, K Beaney, Beaver, Bishop, Carr, Cooke, Chowney, Evans, Fernando, Forward, Foster, Hay, Hilton, Marlow-Eastwood, Patmore, Pragnell, Roark, Rankin, Rogers, Roberts, Sinden, Turner, Webb, Williams

In his opening remarks the Mayor acknowledge the flooding experienced in Schwerte, a twin town of Hastings, and said that all of Hastings sends its thoughts and prayers to the residents of Schwerte.

197. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillors S Beaney, Edwards and Scott.
Apologies for lateness received from Councillor Forward.

198. DECLARATIONS OF INTEREST

<u>Councillor</u>	<u>Minute</u>	<u>Interest</u>
Pragnell	201 – Motion	Prejudicial – Employed by the Department for Work and Pensions in a role related to Universal Credit
Foster	202 – Motion	Personal - Leases an electric car and is a member of the Conservative Environment Network
Chowney	202 – Motion	Personal – Owns an electric car

199. QUESTIONS (IF ANY) FROM:

199a) Members of the public under Rule 11

No public questions were received.

199b) Councillors under Rule 12

Councillor Hilton submitted a written question to the Leader of the Council, a written response was received and shared with Councillors prior to the meeting.

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In a supplementary question Councillor Hilton thanked officers for the detailed response to the original question, but asked that the council commit to some carbon reduction targets so that progress towards carbon neutrality could be tracked.

Councillor Barnett, Deputy Leader of the Council, responded. Councillor Barnett noted that at the next meeting of cabinet in September there will be an update on the climate change plan which will include some targets. If they are not the targets which Councillor Hilton thinks should be in the plan, Councillor Barnett said he would be happy to discuss the issue further.

The Mayor took oral questions from Councillors to the Leader and cabinet portfolio holders as follows:

Questioner	Subject	Reply given by
Councillor Patmore	<p><u>Public questions</u> – I have received complaints from a number of concerned residents who wanted to submit a written question but were refused. To put the proposed questions succinctly, given the council’s formal adoption of the International Holocaust Remembrance Alliance working definition of anti-Semitism, will the Deputy Leader condemn any form of anti-Semitism on the streets of Hastings and reaffirm to councillors and residents that it is council policy that every residents feels safe, protected and comfortable.</p> <p>Council Barnett said he would refer the matter to the Chief Legal Officer and respond once he knows why the questions were refused.</p>	Councillor Barnett
Councillor Sinden	<p><u>Transformation</u> - Can you update us on the transformation programme?</p> <p>Councillor Rogers replied that the council should be praising the Transformation team for their work. We are now feeling the benefits of using Smart Sheets and dashboards to track performance across the council. Officers recently presented their work to 15 other local authorities who were very impressed with our ways of working. There is also the possibility do develop a commercial opportunity in the future.</p>	Councillor Rogers
Councillor Rankin	<p><u>School Attendance</u> - Many of our schools in Hastings have below national average rates of attendance and higher than average rates of long-term absence. Our schools persistently</p>	Councillor Barnett

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	<p>fail to ensure above average grades in key subjects and have some of the highest rates for permanent and fixed term exclusions in the country. Does the Deputy Leader agree that these levels of education are one of the single biggest drivers of deprivation in our Borough and we should do everything in our powers to changes this?</p> <p>Councillor Barnett said he shared Councillor Rankin's views on education provision in Hastings. Councillor Barnett said these issues have been coming for many years because of the privatisation of the education system.</p>	
<p>Councillor Arthur</p>	<p><u>Covid-19 Restrictions</u> - Many people are feeling anxious about restrictions being lifted. What can we do to support and protect residents including those who are vulnerable and from Black and Asian communities who have been disproportionately affected?</p> <p>Councillor Barnett replied that we are beginning to see the local health authorities working together alongside partners to address some these issues. There have been a series of meetings between Hastings Borough Council, the Clinical Commissioning Group, the Primary Care Trust, and voluntary sector representatives to put in place a series of community-based pop-up vaccine centres.</p>	<p>Councillor Barnett</p>
<p>Councillor K Beaney</p>	<p><u>Bathing Pool Site</u> - Can you provide an update on the bathing pool site?</p> <p>Councillor Chowney responded that the council had received and signed the development agreement. The developer is still to sign but this is a formality.</p>	<p>Councillor Chowney</p>
<p>Councillor Carr</p>	<p><u>Traffic</u> - Can you update us on the traffic situation in Wellington Place and Wellington Square?</p> <p>Councillor Rogers replied that the bike rack in Wellington Square would be installed next week and at the same time posts will go up with no-parking signage. It will soon be illegal to park on the grass or anywhere off road in Wellington Square. Once the signage is in place the enforcement team will begin issuing tickets. In relation to the Town Centre it has</p>	<p>Councillor Rogers</p>

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	<p>been agreed that the bollards will be switched on again and the pass code will be changed on a regular basis and only given to businesses who have a need to enter the pedestrianised area.</p>	
Councillor Cooke	<p><u>Hastings Housing Company</u> – When the company was setup I believe it was a requirement that a councillor be on the board, yet we currently have no councillor on the board. Can you update us?</p> <p>Councillor Batsford said the company is not currently operating as the main need in the town is to find temporary accommodation and the quickest means of doing this is for the council to purchase property directly.</p>	Councillor Batsford
Councillor Roark	<p><u>Active Hastings</u> - Can you give an update on what Active Hastings provision will be available to children over this summer?</p> <p>Councillor Barnett praised the Active Hastings team and shared feedback from users of the service.</p>	Councillor Barnett
Councillor Beaver	<p><u>Bulverhythe Lower Tier</u> - The Environment Agency in their submission in February stated that the Lower Tier site sits within Flood Zone 3B. However, the lead member for housing in an online article stated, 'this site is not a flood plain'. Whom does the Leader of the Council believe?</p> <p>Councillor Forward replied that money has been received from Homes England to develop flood mitigation. A planning application has been submitted and when this comes to the planning committee all relevant information will be in the officer's report.</p>	Councillor Forward
Councillor Roberts	<p><u>Hastings Museum</u> - As lock down ends can you update us on what is happening at the museum?</p> <p>Councillor Barnett said the museum is open again and operating safely with a well-designed one-way system. The museum has secured national funding and national attention with a series of new projects which have connected the museum to national and international audiences over lockdown.</p>	Councillor Barnett

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Councillor Pragnell	<p><u>Council Debate</u> – Since I was last at the council I notice the opportunity for debate has been cut by 25% and without consultation we have had 10-minute breaks at the last meeting cutting into debating time. Did cabinet decide this?</p> <p>Councillor Rogers replied that this was not decided by cabinet. A working group meets weekly to discuss how to manage covid safe meetings. It is recommended that you not look at your screen for too long so it was decided to include regular 5-minute screen breaks during the meeting. Changes to the debating times were approved by Full Council some years ago.</p>	Councillor Rogers
Councillor Cox	<p><u>Disabled Beach Access</u> - Can you give an update on disabled access to the beach?</p> <p>Councillor Webb replied that repair work to the groynes, funded by the Environment Agency, had gone very well. The contractor has now been instructed to construct the new disabled beach access.</p>	Councillor Webb
Councillor Hilton	<p><u>Queensway Business Park</u> – You will be aware of the current planning application from Sea Change for a business park at North Queensway which threatens Marline Valley Nature Reserve. There has been no scrutiny of Sea Change. As is allowed by paragraph 29.8 of the Constitution will you call on the Overview and Scrutiny Committee to conduct a long overdue inquiry into Sea Change?</p> <p>Councillor Evans replied that she would need to seek advice on what she can call on the Overview and Scrutiny Committee to do. However, Councillor Evans said she would like to see a consultation paper on the impact of the potential development on the surrounding area before commenting.</p>	Councillor Evans

200. MOTION (RULE 14)

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

Councillors debated the motion.

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

A pledge for Hastings:

Hastings Borough Council pledges its commitment to be a Town that is welcoming to all, to confirm our pride in having a programme of welcome to refugees and asylum seekers. Our commitment was, for example, part of the preamble to the Equalities motion passed by the Council in October 2020, which included confirmation of our support to the Lift The Ban Campaign to allow asylum seekers to work.

We are pleased to continue to work with the Refugee Buddy Project which works with local residents of Hastings who welcome people seeking refuge, the Lift The Ban Campaign and the Hastings City of Sanctuary. We are proud of the work that has been done so far and know that this will need to continue against an increasingly hostile environment.

We have been asked by the Hastings Buddy Project, with whom we work very closely, to restate our commitment, not least in the worrying development at Napier Barracks in Kent and the possibility that similar “facilities” are being considered for our town. We are committed to doing all we can to make sure that this Borough continues to be a welcoming place for everyone who has come here to live, study, work, seek sanctuary and join family, whether they have lived here for decades or have just arrived.

This Council backs this pledge:

1. Dignity and Respect for All

Long-term residents as well as asylum seekers, refugees and migrants should be treated with dignity and respect. The debate on immigration should be conducted with care for the dignity of people who are vulnerable, who do not have a voice in the public domain and who have to suffer the consequences of inaccurate and inflammatory language.

2. Protection not Destitution

Despite the challenges our town, and indeed our country, face, the UK is still one of the richest places in the world. It cannot be right that vulnerable people are forced into destitution and left without basic protections. Everybody should be treated justly and fairly.

3. Welcome and Integration

Integration requires everybody to play their part in making Hastings a place of welcome and supporting people to participate in the local community. The Council and local civil society can together ensure that good processes are in place and integration services are properly provided.

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Everybody in Hastings is invited to join the effort to translate these principles into effective action. Together, in our organisations and communities, our faith institutions and schools, we can make Hastings welcoming to all.

201. MOTION (RULE 14)

Councillor Pragnell left the chamber for the duration of the item due to a prejudicial interest.

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

Councillors debated the motion.

RESOLVED (by 17 votes in favour, to 10 against) that the Council do accept the motion as set out below:

Universal Basic Income (UBI) is a regular, non-means tested sum paid by the state to cover the basic cost of living. It's paid to all citizens individually, regardless of employment status, wealth or income.

Due to the Covid crisis, which has plunged more and more people into poverty, and shown up the ever-widening gap between rich and poor in the UK, the concept has been more widely debated in recent months than ever before. It would replace the labyrinth of means tested benefits of which £10 billion remains unclaimed each year. Motions supporting UBI pilots have now been passed by 13 local authorities, including Liverpool, Sheffield, Brighton and Lewes – the majority with cross-party support.

UBI is the fairest, most effective way to mitigate the effects of coronavirus on people's incomes and to start to repair the terrible damage done to society during the pandemic.

A network of UBI Labs has been set up which work with local authorities across the UK to develop UBI proposals to address problems such as poverty, inequality, discrimination and environmental damage – all issues that have a profound effect on the people of Hastings. We need to join them and show our support.

Universal Credit is a punitive system based on bullying people to spend 35 hours a week looking for jobs that don't exist, and the five week wait (which is supposed to emulate waiting for your first pay cheque) guarantees that individuals are already in debt before they get their first payment, which is insufficient to live on. It is a recipe for disaster, despair and the destruction of people's lives. Being part of the movement to introduce UBI is surely one way we can show our support for the people of Hastings and our commitment to improving their quality of life with guaranteed income security.

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In short:

- the current benefit system is failing citizens, with Universal Credit causing hardship to many communities in Hastings
- we need to test UBI, as it has the potential to address key challenges such as inequality, poverty, precarious employment, and loss of community through:
 - i) Giving employers a more flexible workforce whilst giving employees greater freedom to change their job and reject bad work;
 - ii) Valuing unpaid work, such as caring for family members and voluntary work;
 - iii) Removing the negative impacts of benefit sanctions and conditionality;
 - iv) Giving people more equal resources within the family, workplace and society;
 - v) Enabling greater opportunities for people to work in community and cultural activities or to train or re-skill in areas that will be needed to transition to a low- carbon economy.
- the success of a UBI pilot should not be measured only by its impact on the take up of paid work, but also the impact upon communities and what the people within them do with their lives, how they feel, and how they relate to others and the environment around them;
- given its history of innovation, creativity, resilience and community spirit, Hastings is ideally placed to pilot a UBI

This council therefore resolves to:

1. work with the UBI Lab Network to explore ways to promote and expand the concept of UBI with particular reference to Hastings, and campaign for UBI trials to be held in this country in the near future.
2. send a copy of this Motion to the Secretary of State for Work and Pensions, the Chancellor, the leader of the party in government, their counterparts in all opposition political parties in Parliament, and to our local MP.

202. MOTION (RULE 14)

Councillor Pragnell returned to the chamber.

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

Councillors debated the motion.

RESOLVED (by 11 votes in favour, to 17 against) that the Council do not accept the motion as set out below:

That the council introduce reduced season ticket and parking permit rates for electric vehicles.

(The Mayor declared the meeting closed at 7.48pm)

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Agenda Item 5



Report to: Full Council

Date of Meeting: 13th October 2021

Report Title: Appointments to Representative Bodies and Partnerships

Report By: Mary Kilner, Chief Legal Officer and Monitoring Officer

Purpose of Report

To consider the nominations received and to make appointments to representative bodies and partnerships.

Recommendation(s)

- 1. To appoint councillors to partnerships and representative bodies as set out in Appendix A.**

Reasons for Recommendations

Councillors are required to serve on partnerships and representative bodies.

1. Councillors are required to serve on partnerships and representative bodies. Nominations were sought to fill the places available. The nominations received are appended to this report. Further nominations may be made at the meeting.
2. Members are appointed until the Borough elections in May 2022.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Inform relevant bodies and partnerships of appointments	Update membership of representative bodies and partnerships	14 th October 2021	Democratic Services

Wards Affected

None

Implications

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

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

Additional Information

1. Appendix A Cabinet Appointments to Representative Bodies and Partnerships

Officer to Contact

Officer Name: Mary Kilner
 Officer Email Address: mary.kilner@hastings.gov.uk



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CABINET – 2021/22**APPOINTMENT OF MEMBERS TO REPRESENTATIVE BODIES**

ORGANISATION	SEATS TO BE FILLED	APPOINTMENTS FOR 2021/22
East Sussex Energy Infrastructure and Development Ltd (Sea Change) (This is a directorship)	1	Lead Member for Regeneration – Cllr Barnett
Love Hastings (formerly Hastings & St Leonards Town Centre Management Group)	1	Leader – Cllr Forward
Health & Wellbeing Board	1 (not Health O & S Cttee member)	Lead Member for Regeneration – Cllr Barnett
Local Gov. Assoc. – National Body	1	Leader – Cllr Forward
Local Gov. Assoc. – Urban Commission	1	Lead Member for Regeneration – Cllr Barnett
Local Gov. Assoc. – Coastal Issues Group	1	Lead Member for Regeneration – Cllr Barnett
South East England Councils	1 (The Leader of the Council)	Cllr Forward

Appointments to external boards – 2021/22				
Board/Partner	Seats	Lab	Con	Current members
1066 Enterprise (Let's Do Business)	1	1	0	<ul style="list-style-type: none"> • Lead member - Cllr Barnett
Hastings Week Committee	4	3	1	<ul style="list-style-type: none"> • Mayor - Cllr Bacon • Dep Mayor- Cllr Cox • Cllr Sinden • Cllr Cooke
Court of the University of Sussex	1	1		<ul style="list-style-type: none"> • Cllr Roark
Magdalen and Lasher	3	2	1	<ul style="list-style-type: none"> • Cllr Bacon • Cllr Patmore
Parking Board	3	3	0	<ul style="list-style-type: none"> • Cllr Cox • Cllr Scott • Cllr Sinden

Agenda Item 6



Report To: Full Council
Date of Meeting: Wednesday, 13th October 2021
Report Title: Extension of Emergency Powers
Report By: Mary Kilner, Monitoring Officer
Key Decision: Y
Classification: Open

Purpose of Report

In making its winter preparedness plans the Council needs to ensure there is a mechanism for effective decision making should the Cabinet, Council or its Committees not be able to meet in public to take urgent decisions due to a rise in infection rates or hospitalisations as a result of the Covid-19 pandemic.

Recommendation(s)

1. Full Council adopts an amendment to Paragraph 26.22 of Part 4 of the Council's Constitution to extend the emergency powers given to the Managing Director with immediate effect for no more than six months.

Reasons for Recommendations

1. During the Covid 19 Pandemic it has been necessary to adapt our procedures to be able to continue the Council's business.

Introduction

1. The full council meeting on 14th April 2021 agreed an extension of the Emergency Powers which had been granted to the Managing Director on 18th March 2020 at the start of the pandemic.

2. This temporary change to the constitution was agreed in the context of the inability of the council to make decisions at virtual meetings following the lapse of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020. These regulations gave Councils the power to hold public meetings remotely through electronic, digital, virtual locations and telephone conferencing technology, but no longer applied to meetings held on or after 7th May 2021.

3. The full text of the amendment to 26.22 of Part 4 of the Council's Constitution which was agreed is as follows:

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

The Managing Director (or nominee) should also consult with the Leader or Deputy Leader of the opposition.

These emergency powers require the Managing Director to make a risk assessment as to the holding of all Council, Cabinet or Committee meetings 'in person' in such emergency situations and putting in place the necessary arrangements to be able to conduct those meetings in safety and in compliance with the current government and legal guidance.

The delegation is to cover all Cabinet's, Council's and Committee's powers, duties and functions not currently covered by Part 8 of the Council's Constitution.

In relation to Regulatory Committees, the Managing Director should also consult with the Chair of the relevant Committee and the Council's Monitoring Officer to make a decision as to the conduct of that Committee meeting and the manner in which it is to be held.

In circumstances where the Managing Director's nominee is exercising these emergency powers (in the absence of the Managing Director) he or she must also consult with the Council's Monitoring Officer and Section 151 Officer.

*Emergency circumstances would include the sorts of events covered by our Emergency Plan as well as unprecedented episodes, such as pandemics. "Urgency" would in most cases be confined to essential decision making during such emergency situations. **This change to apply from 14th April 2021 for a period of no more than 6 months.** Any proposed extension or reinstatement of this change must be put to Full Council with full reasons outlined.*

4. The emergency powers granted to the Managing Director have been used only once since April 2021, following consultation with the Cabinet and the Leader of the Opposition, and a record of the decision was published here [MD Decision](#).
5. The Government have not yet brought forward primary legislation to enable councils to hold virtual public meetings, nor have they responded to the consultation which closed on 17th June 2021 to set out the next steps it intends to take with regard to legislating to allow the use of virtual meetings.

Winter 2021/22 planning

6. The Council is preparing, as advised by government and public health professionals, its winter contingency plans for supporting the community and continuity of its services and governance for the next six months. Whilst good progress has been made in vaccinating a significant proportion of the population, there is concern amongst health professionals about what the winter months will bring.
7. Since May 7th 2021, the Council has been able to hold all its public meetings face to face in a covid-secure environment. There is however an expectation that infection rates and hospitalisations will increase over the winter months and the council needs to be prepared for this eventuality.
8. It is in this context that the proposal is presented to Council to extend the delegated authority to the Managing Director for no more than six months on the same basis as was agreed in April 2021 (set out in para 3 above) and amend the sentence in the final paragraph to read as follows: "This change to apply from 13 October 2021 for a period of no more than 6 months."

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
Legal

Y/N
Y/N

Additional Information

Officer to Contact

Officer: Mary Kilner
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Tel: 01424 451730

Report To: Cabinet

Date of Meeting: 4 October 2021

Report Title: 2 - 12 Battle Road - Dangerous Structure

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

Key Decision: Yes

Classification: Public

Purpose of Report

Following a report of a dangerous structure at 2 – 12 Battle Road, this report informs Cabinet of the latest position regarding the ongoing demolition of the structure and urgent safety work to be undertaken to ensure the demolition work can resume to completion.

Recommendation(s)

Cabinet to consider and recommend to Council to approve:

- 1. the additional safety work to the structures above the rear retention wall of Battle Road;**
- 2. the additional increase in the budgeted costs from £325,000 to £525,000 (to include a contingency margin of 20% for inflationary costs of materials and unforeseen minor variations to the agreed safety work) as recommended in this Report. Without this additional work, the demolition of 2-12 Battle Road cannot be completed; and**
- 3. the additional increase in the budgeted costs to be allocated from General Reserves.**

Background Summary and Update

1. An Order under section 77 of the Building Act 1984 was issued by Brighton Magistrate Court on 18 May 2020 against all owners and responsible persons of the structure in Battle Road to take appropriate action. No action was taken by the owners, within the timescale of the Order, either to make the structure safe or to remove or demolish the structure at risk of collapse. Given the risk of collapse and danger to both residents and members of the public, Hasting Borough Council had no alternative but to remove the dangerous structure or to make it safe. The professional view and advice given was to remove the structure.
2. A temporary safety wall was constructed by East Sussex County Council Highways (ESCC), after minor operational delays, to ensure the structure would not collapse and

cause injury, harm, or damage. The temporary safety wall was installed in May 2021 and is required to remain in place until the structure is demolished and removed. This work is continuing to cause disruption to nearby residents and members of the public as Battle Road remains a one-way system northbound only, restricting road users of south bound travel into Hastings and access to nearby businesses and shops. The one-way system and associated diversions onto Paynton Road are causing continued disruption. There is a need for the demolition work to complete at the earliest opportunity to reopen Battle Road and ease ongoing disruption to nearby residents, members of the public and road users.

3. Demolition contractors (BDL) secured the site and commenced clearance on 24 May 2021 with an agreed 12-week contract completion where the site would be handed back to ESCC Highways for the safety wall to be removed and the road to be resurfaced and reopened for normal two-way traffic operations.
4. Initial clearance of the internal elements and utilities in units 2-6 Battle Road made it clear that units 8-12 Battle Road would need to be supported for contracting staff to enter and clear the units and to access roof slab terrace and associated staircases. BDL, noting that the safety wall was positioned close to units 8-12 where the risk of collapse was at its most likely position, evidenced by the movement of the front wall and roof slab, requested permission from ESCC to install supportive scaffolding to units 8-12 Battle Road but were declined due to possible enhanced risks to the safety wall.
5. Due to the denied permission, worked temporarily ceased 14 June with a submitted 4-week delay notice. Enhanced safety assessments on the front wall and roof terrace movement were forwarded to ESCC Highways who then granted permission to 'prop' against the temporary safety wall to enable demolition staff to enter 8-12 Battle Road and clear the internal element. Work resumed on 18 July 2021 and the structure was supported by additional scaffolding for health and safety mitigation allowing contractors to assess the rear retaining wall and roof terrace slab.
6. A structural inspection of the rear retaining wall by core drilling was completed after floors and stud walls and secondary wall brickwork were removed. Apart from a slight brickwork bulge to the wall in numbers 8-12 Battle Road units, the Structural Engineers assessment stated that the rear retaining wall would not be compromised when the structure is removed. A comprehensive assessment of the roof terrace slab was also completed, and highlighted evidence of historic encroachment of the rear garden boundaries of the adjoining properties on Silverlands Road onto the roof terrace between 50cm and 75 cm overhang. Removal of the roof terrace would place the boundary walls of these properties at positive risk of collapse into the demolished structure void.
7. In consequence, urgent additional schedules of work were needed to be planned to enable the structure to be demolished whilst supporting the rear garden boundaries to prevent them from damage and collapsing during the demolition of the roof terrace slab.
8. Demolition works had therefore to be temporarily stopped on 1 September to allow quotations for the support work to be completed at the earliest opportunity.
9. BDL have secured the site and will continue to be a presence but no further demolition works can be completed until the required additional works and resulting increase in budgeted costs have been approved.
10. The overhang encroachment by the rear garden boundaries and the slight bulge in the

retaining wall could not have been evidenced until the demolition work had started to remove the internal secondary walls and ceilings. The overhang was only established after drilling through the roof terrace at the building line into the structure once it had been cleared of all elements and utilities.

11. The additional support works will consist of pillars of either steel or blockwork from concrete foundations at the foot of the rear retaining wall elevating vertically to the garden overhangs. The pillars would then support a series of beams underneath the garden overhangs to keep them in place.
12. The material options are subject to supply chain difficulties, lead in times and additional project costs. Material options would need to consider the availability and completion timelines.
13. The demolition works will, due to delays and supply chain difficulties (outside the control of Hastings Borough Council or the Demolition contractor) have a completion date in spring 2022. The handover of the safety wall and Road to ESCC Highways will be subject to planning for the safety wall to be removed and the road to be resurfaced and road markings to be renewed.

Legal implications

14. The Council continues to engage the services of a Party Wall Surveyor to establish and evidence if, during the demolition works, that damage has been caused to nearby residential properties due to the works.
15. The Council are reviewing legal options for the recovery of the costs of the demolition and associated works.

Financial implications

16. As approved at previous Cabinet meeting, there is currently a budget of £325,000 for the demolition works. However, with the identification of additional safety work and ongoing delays to the demolition work, there will be cost overruns requiring additional budget approval which would include a 20% contingency.
17. Officers have considered the options and are aware of the current supply chain difficulties for brick and blockwork. There is a supply backlog for brick and blockwork with current quotas and supply being allocated to major national housebuilders. The only viable option for the additional support work is to install the steel pillars and associated support beams as it is not experiencing the supply restrictions to other industries. The steel option had an estimated cost of £136k plus VAT and would be completed by early spring 2022. Supply chain difficulties could be exacerbated by any further disruption from fuel supplies and Covid-19 restrictions and further delays would incur additional costs.

Risk assessment

18. Due to the busy nature of the adjacent road and sidewalk and the construction of the building being such that a collapse is likely to be of a catastrophic nature the risk of harm is considered very high. Hence the early and urgent intervention by the Council to ensure the safety of local residents and members of the public.
19. The demolition work has revealed additional works and safety issues to the structure and associated retaining walls. The roof terrace slab has come away from the rear retaining wall

with evidence that the existing internal support steel beams are corroded and unable to offer meaningful safety support, demolition of the structure is now the only option to make the site safe.

20. The existing road and traffic restrictions on Battle Road will remain until the structure has been demolished and removed. Officers are working closely with County Council to look at any possible options to ease these restrictions.

Conclusion

21. The demolition work has identified additional safety work that is necessary to complete the demolition and requires an increase in funding to include a contingency margin of 20% for inflationary costs of materials and unforeseen minor variations to the agreed safety work.
22. The additional work will extend the contract completion date to early Spring 2022. The preferred material option (Steel) has a shorter installation timeframe, is more readily available in the current supply chain market and is cost effective.

Wards Affected

Silverhill

Policy Implications

Reading Ease Score:

Have you used relevant project tools?: Yes

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

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

Additional Information

Officer to Contact

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AUDIT COMMITTEE

29 JULY 2021

Present: Councillors Rankin (Chair), Battley (Vice-Chair), Beaney and Sinden

116. APOLOGIES FOR ABSENCE

Apologies received for Councillor Chowney.

117. DECLARATIONS OF INTEREST

None received.

118. MINUTES OF THE LAST MEETING

RESOLVED – that the minutes of the meeting held on 2nd June 2021 be approved as a true record.

119. NOTIFICATION OF ANY ADDITIONAL URGENT ITEMS (IF ANY)

None.

120. GRANT THORNTON AUDIT COMPLETION REPORT

The Chief Finance Officer reported to the Audit Committee that the report from the external auditors on the final accounts 2019/20 is not ready. The external auditors are planning to have the report ready in the next few weeks.

The councillors discussed if another meeting of the Audit committee would be needed once the reports are completed. The Chief Finance Officer explained another meeting would not be needed if the chair was happy with the external auditor's report.

The Councillors discussed if the delay in the 2019/20 audit will influence the following year's reports being delayed from Grant Thornton. The Chief Finance Officer explained that all councils have had delays with their external audits, but the 2020/21 audit report though delayed from September should be available by the end of this year.

121. AUDIT COMMITTEE REPORT TO COUNCIL 2021

The Chief Auditor presented the report to the Audit Committee for it to be agreed.

Area's highlighted were that It is not possible to state a supported statement that all control systems are 'satisfactory'. However, based on the limited audit work carried out where controls were 'satisfactory' or better, the fact that 100% of staff were able to work from home in a secure way within less than a week of the first

AUDIT COMMITTEE

29 JULY 2021

lock down being announced (apart from a handful whose home internet had problems) enquiries made with service managers, for example, that we are not facing any significant litigation and that controls against cyber-attacks are being continually improved, in his opinion, there was not any reason to believe that overall, controls might be unsatisfactory or worse. The Chief Auditor also informed the committee that a temp member of staff is being planned to be brought in to assist with the back log of audits.

The councillors discussed how many audits should be completed a year as in 2017-18 and 2018-9 seven and eight audits were completed. The Chief Auditor explained that there had been an agreement with the Audit Commission that 3 core audits are completed a year.

The councillors discussed was how major project risks are accounted for. The Chief Finance officer explained that if projects are looking like they will exceed their budget then there are the Constitution and Financial rules and the Financial Operating Procedure to follow.

The councillors asked about any areas that in the future maybe needing auditing. The Chief Auditor informed the committee that cyber attacks have affected other council's and is always being reviewed. The Chief Finance Officer informed the committee that treasury management and the Environmental Protection Act which may implement each household having 7 bins each.

RESOLVED (unanimously)

That the Audit Committee Report to Council 2020/21 is approved for presentation to Council

Reasons for recommendations

Regulation 6 of the Accounts and Audit Regulations (England) 2015 requires relevant bodies to conduct an annual review of the effectiveness of its system of internal audit and for a committee of the body to consider the findings

122. ANNUAL GOVERNANCE STATEMENT

The Chief Auditor reported to the Audit Committee the Annual Governance Statement provides an assurance on the adequacy of the Council's control and governance mechanisms and includes actions to improve the governance framework.

The Chief Auditor highlighted to the committee the areas on the report Decision-making and the effects of Covid19. Also highlighted was the Town Deal as this is likely to affect the deployment of council resources. The next area is 'Significant

AUDIT COMMITTEE

29 JULY 2021

Governance Issues' which reviews what was done on issues highlighted in last years report and any new ones to have emerged.

The councillors discussed Climate change emergency and agreed it needs to be kept in the report this year and going forward.

The councillors highlighted the council being a conduit for government money paying housing benefit, covid grant money as well as the Town Deal. The Chief Finance officer explained with such large sums of money being dealt with lots of time is spent on treasury management and that's why it's a core audit.

RESOLVED (unanimously)

That the Audit Committee considers the draft statement for providing comments to the Leader and the Managing Director before they sign the Annual Governance Statement 2020/21.

Reasons for recommendations

To comply with our statutory duty to produce an annual statement on the Council's governance arrangements.

(The Chair declared the meeting closed at. 7.13 pm)

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Report to: Audit Committee

Date of Meeting: 29 July 2021

Report Title: Audit Committee Report to Council 2020/21

Report By: Tom Davies
Chief Auditor

Purpose of Report

To agree the report from the Audit Committee to Council on its annual review of the effectiveness of Internal Audit.

Recommendation(s)

- 1. That the Audit Committee Report to Council 2020/21 is approved for presentation to Council**

Reasons for Recommendations

Regulation 6 of the Accounts and Audit Regulations (England) 2015 requires relevant bodies to conduct an annual review of the effectiveness of its system of internal audit and for a committee of the body to consider the findings.

Background

1. Regulation 6 of the Accounts and Audit Regulations (England) 2015 requires Local Authorities to conduct a review at least once a year of the effectiveness of its system of internal control and publish a statement on internal control each year with the authority's financial statements.
2. This report, which follows the format recommended by the Chartered Institute of Public Finance and Accountancy, sets out the review of internal control and the assurance gathering process as required by the statute and accompanying guidance.
3. In addition, Regulation 6 of the Regulations requires relevant bodies to conduct an annual review of the effectiveness of its system of internal audit and for a committee of the body to consider the findings. Proper practices in relation to internal audit for relevant bodies may be found in the "Public Sector Internal Audit Standards". We have carried out a self-assessment and believe we are generally compliant.

Principal statutory obligations and organisational objectives

Responsibility for Statutory Obligations

4. The Council has formally established responsibilities for its statutory obligations through the Constitution that sets out individual officer and member responsibilities, delegations to officers and committees, and committee terms of reference. These records are accessible on the Council's website and through the Monitoring Officer.
5. Detailed officer responsibilities are set out in job descriptions and structure charts.
6. Assistant Directors are accountable for ensuring that responsibilities, authorities and any limits to authorities are appropriately and clearly established within their Service Areas. The Audit Committee receives internal and external audit reports and ensures that any non-compliance is remedied through appropriate recommendations, and where necessary, requires assurance that recommendations have been implemented.

Organisational objectives and priorities

7. The multi-functional nature of the Council means that there are a large number of mandatory and discretionary requirements and powers. Hastings Borough Council took action to identify its priority objectives resulting in a list of principles and priorities underpinning the Corporate Plan. The priority areas were then devolved through Assistant Directors to Service Managers.
8. There is a Local Code of Corporate Governance which is undergoing review and will be presented in due course to the Audit Committee for comment and then Cabinet for approval. Audit Committee Terms of Reference clearly assign responsibility for the scrutiny of corporate governance arrangements to the Audit Committee.

Performance against planned outcomes

9. The Authority knows how well it is performing against its planned outcomes through a comprehensive and effective performance management system. This system monitors performance against plans, targets, and financial budgets, with quarterly reports to the Overview and Scrutiny Committee.

Identifying principal risks to achieving the objectives

10. 'Risk' is any obstacle, or potential obstacle, to the achievement of the Council's priority objectives or statutory duties. The purpose of risk management is to ensure the achievement of the Council's objectives with efficient use of resources.
11. By identifying high-risk groups or areas, corporate policies and service resources can be targeted on those groups or areas.
12. The Council has a formal Risk Management Framework that was approved by Cabinet. The Framework is designed to encourage managers to 'own' the risks associated with their areas of responsibility. Managers use a corporately agreed matrix for identifying and assessing risks and controls.
13. The council continues to ensure the identification of key risks from both a strategic and operational perspective. Using a process of self-assessment, senior management re-assessed the strategic risks (those to service provision, statutory compliance, and reputation) and services assessed operational risks (financial, physical and contractual risks).
14. During 2020/21 both the Strategic Risk Register and Operational Risk Registers were kept under review and started to be migrate to Dashboard towards the end of the period. This is still a work in progress but the new format has many advantages including efficiency and control.
15. Council has approved Terms of Reference for the Audit Committee giving it a clear remit to,

"Review, evaluate and approve: The effectiveness of the Council's process for assessing significant risk exposures and the measures taken by management to mitigate risks to an acceptable level".
16. A large part of the internal audit plan is risk-driven.

Key controls for managing principal risks

17. To ensure that its controls are fully up to date with the current operating environment, Financial Operating Procedures provide the framework within which Councillors and Officers must operate and compliance is routinely checked through audit reports to the Audit Committee.
18. In addition, the Council has these controls in place:
 - a. The Council has adopted the CIPFA Code on Treasury Management to ensure compliance with the Prudential Code.

- b. An Anti-Fraud and Anti-Corruption Strategy (Fighting Fraud Locally).
- c. A Whistle-blowing Policy.
- d. Codes of Conduct for Councillors and Officers.
- e. Registers of Interests for Councillors and Officers.
- f. Risk Registers (reviewed by Audit Committee) are updated on an ongoing basis.
- g. Performance is monitored through quarterly Performance Reviews.
- h. A Corporate Health and Safety system of monitoring and review is in place.
- i. A Corporate compliments and complaints procedure operates.

Sources of assurance

19. Sources of assurance on the adequacy and effectiveness of the Council's controls over key risks include:
20. a. An Audit Committee that is a fully constituted Committee of the Council.
- b. An Internal Audit and Investigations service that is independent in planning, operating, and reporting, and that reports to the Audit Committee.
 - c. A Chief Finance Officer with responsibility for ensuring the proper administration of the Council's financial affairs.
 - d. Processes for maintaining internal control include a framework of regular management information, Financial Rules and Finance Operating Procedures, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability.
 - e. A performance management system that includes commentary on service-level risk, the setting of targets for service delivery and monitoring of performance against targets and plans.
 - f. A strategic Corporate Plan setting out the Council's priorities, which cascades to operational plans at service and project level, including consideration of risks.
 - g. An annual budget and quarterly reviews of actual expenditure to budget.
 - h. A Local Code of Corporate Governance agreed by Cabinet.
 - i. A project management methodology for major projects.
 - j. A Risk Management Framework.
 - k. Declaration of related party transactions forms for Councillors.
 - l. Codes of Conduct for Councillors and Officers.

- m. A Staff Health & Safety Group that monitors insurable and public liability risks.
- n. A Corporate Risk Management Group that meets periodically.
- o. Risk management processes designed to ensure that Assistant Directors and Managers retain ownership of the risks and internal controls associated with their areas of responsibility. Assistant Directors and Managers are therefore an important source of assurance on the effectiveness of controls for managing risks.
- p. The Internal Audit service carries out audit and risk reviews of high-risk areas to provide assurance that major risks have been identified and are being actively managed, and that the internal control environment is adequate.
- q. The Assistant Director Financial Services and Revenues (Chief Finance Officer) in his role provides a source of assurance that the requirements of the Local Government Act 1972 Section 151 are being met.
- r. The Monitoring Officer, undertakes the relevant statutory duties and provides a source of assurance that the Council's affairs are conducted in compliance with relevant legislation and Codes of Conduct.
- s. External audit provides a source of assurance on the operation of internal controls in that Grant Thornton LLP inspects internal audit work at each annual external audit.

Evaluation of assurances and identification of gaps

Internal Audit

21. It is not possible to state a supported statement that all control systems are 'satisfactory'. However, based on the:

limited audit work carried out where controls were 'satisfactory' or better

fact that 100% of staff were able to work from home in a secure way within less than a week of the first lock down being announced (apart from a handful whose home internet had problems)

enquiries made with service managers, for example, that we are not facing any significant litigation and that controls against cyber attacks are being continually improved.

review of the risk registers

22. There is not any reason to believe that controls are unsatisfactory or worse.
23. There In financial systems, the audit aims to evaluate the strength of controls for ensuring the proper administration of financial resources. In the audit of non-financial areas, the audit aims to evaluate the strength of controls for ensuring that

external obligations are met and that the success criteria of the activity under review are achieved. The following table shows the audit conclusion for the audits that were published as a final report in 2020/21.

24.

Audit Conclusion	No of Audits
A: Good More than the key controls are in place and work effectively. While improvement may be possible, there are no significant audit concerns	1
B: Satisfactory The key controls are in place and work effectively. Improvement is possible but there are no significant audit concerns	2
C: Adequate but with reservations in some areas Some controls in place are adequate but there are audit concerns in some areas	0
D: Poor Controls are not adequate or not present or not adequately complied with. Improvement is essential	0
Total audits	3

25. This compares with previous years as follows:

Audit Conclusion	2017-18	2018-19	2019-20	2020-2021
	No of audits	No of audits	No of audits	No of audits
A, B: Good / Satisfactory	7	8	1	3
C, D: Adequate / Poor	0	0	0	0

26. The Internal Audit Service was able to complete only a small portion of the audit plan before 31 March 2021 partly due to:

1 member of staff working on secondment to the 'Income Manager' project

the effect of Covid19, for example, staff needing to self-isolate

unexpected long term absence and

the need for audit to perform pre-assurance checks and post assurance checks on business grants payments

27. It has been recognised that there is a need to take remedial action and catch-up with the core work not discharged from the audit plan. This is captured on both the Strategic and Operational Risk Registers.
28. Further resource has been allocated and enquiries made for support.
29. The audit conclusions are defined in the service's own Internal Audit Manual.
30. Based on the audit work, observations and enquiries undertaken by Internal Audit, it is still not possible to give a supported audit opinion but there is no reason to believe it is unsatisfactory or worse.

External Audit

31. External audit is carried out by Grant Thornton LLP and is an important source of assurance on the adequacy of the Council's arrangements for ensuring proper arrangements for its financial affairs. During 2020/21 the Audit Committee received the following reports:

32. Report Title	Date Issued
External Audit Plan Update - Year Ending 31 March 2020 *	January 2021
External Audit Completion Report - Audit for the Year Ended 31 March 2020 *	February 2021

33. * Both of the above reports were 'situation reports' explaining what the impact of covid19 had on completion of their work.
34. Grant Thornton said it needed to reserve its final opinion in the report above issued in February 2021, but it stated that on the Financial Statements:

"Our anticipated audit report opinion will be unqualified but will include an 'Emphasis of Matter' paragraph highlighting the 'valuation material uncertainties' in relation to property, plant and equipment valuation and property investments held by the pension fund".

And on its value for money opinion stated:

"We therefore anticipate issuing an unqualified value for money conclusion".

Areas of audit concern arising from internally conducted audits

35. There were no major concerns arising from internally conducted audits.

Risk Management

36. This report has referred to the way that the council manages its risks.

Wards Affected

None

Policy Implications

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

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

Additional Information

External Audit Plan Update - Year Ending 31 March 2020

External Audit Completion Report - Audit for the Year Ended 31 March 2020 (not final)

Officer to Contact

Officer Name: Tom Davies
Email Address: tdavies@hastings.gov.uk
Telephone Number: 01424 451524

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CABINET

6 SEPTEMBER 2021

Present: Councillors Forward (Chair), Batsford, Chowney, Evans, Rogers and Webb.

359. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillor Barnett.

360. DECLARATION OF INTERESTS

None received.

361. MINUTES OF LAST MEETING

RESOLVED (unanimously) that the minutes of the meeting held on 5th July 2021 be approved as a true record.

The Managing Director gave an update on the Covid-19 situation in Hastings. Cases per 100,000 have increased since the cabinet meeting in July, fluctuating at around 400 cases per 100,000. Whilst there is comfort in the large number of people who have now been vaccinated, there remains a significant number of people who have not been vaccinated, particularly in younger age groups.

The Council continues to deliver a significant response to the pandemic, with the environmental health and covid support team now identifying and supporting individuals who need to self-isolate. The Council is also supporting workplaces and other locations where outbreaks have occurred in order to improve working practices and reduce further incidents.

Officers and councillors continue to play an important role in highlighting the availability of pop-up vaccine clinics in Hastings. The roll out of the third phase of the vaccine programme will begin shortly, with the community contact centre being utilised as a vaccine hub for the winter period. This is in addition to the Kings Church site and the regular pop-up vaccine clinics

The local testing site has now moved from the Ore College campus with a new location to be confirmed soon. However, there is a walk-in and drive-through mobile testing unit operating in Falaise Road car park.

RESOLVED: the Chair called over the items on the agenda, under rule 13.3 of the Council's Constitution the recommendations set out in minute number 362 are agreed without being called for discussion.

362. ANNUAL TREASURY MANAGEMENT OUTTURN REPORT - 2020-21

The Chief Finance Officer submitted a report to provide an opportunity for the cabinet to scrutinise the Treasury Management activities and performance of the last financial year.

CABINET

6 SEPTEMBER 2021

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

RESOLVED:

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

Reasons:

To ensure that members are fully aware of the activities undertaken in the last financial year, that Codes of Practice have been complied with and that the Council's strategy has been effective in 2020-21.

Under the Code adopted the Full Council are required to consider the report and any recommendations made. There will be a further report forthcoming on Treasury Management covering a review of the current financial year i.e. the Mid-year review.

363. AMENDMENT TO FINANCIAL ASSISTANCE POLICY

The Assistant Director, Housing and Built Environment, presented a report to request cabinet agree an amendment to the current Financial Assistance Policy (2019-2023), to increase the discretionary disabled facilities grant assistance for internal stair lift only applications from £5000 to £10,000.

The current discretionary policy has an option for internal stairlift only applications to be non-means tested provided the total cost of the stairlift and installation is under £5000. The rationale for this was to speed up the process when people are waiting to be discharged from hospital and/or would be struggling in their current home due to not being able to safely access bedroom and bathroom facilities.

The costs for curved stair lifts have increased resulting in some applications no longer meeting the discretionary £5000 funding limit. This means applicants must submit information on their financial circumstances and wait for a means test to be carried out.

It is therefore proposed that the current £5000 limit is raised to £10,000 to cover situations where internal curved stair lifts are required or more than one internal straight stairlift is required.

The cost of the amendment can be met from the existing budget and it is expected the total additional grant assistance going forward to be in the region of £70,000 a year.

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

RESOLVED (unanimously):

That the discretionary disabled facilities grant assistance for internal stair lift only applications is raised from £5000 to £10,000.

CABINET

6 SEPTEMBER 2021

364. EXCLUSION OF THE PUBLIC

RESOLVED (unanimously): 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 ended, and the meeting proceeded in the private session.

365. 4 STANIER ROAD

The Assistant Director, Financial Services and Revenues, presented a report to seek approval for a rent review.

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

RESOLVED (unanimously):

To agree to settle the rent review.

Reasons:

This will be increased revenue income for the Council.

(The Chair declared the meeting closed at 6.28pm)

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Report to: Cabinet

Date of Meeting: 6 September 2021

Report Title: Treasury Management Outturn Report for 2020-21

Report By: Peter Grace (Chief Finance Officer)

Purpose of Report

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

Recommendation(s)

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

Reasons for Recommendations

To ensure that members are fully aware of the activities undertaken in the last financial year, that Codes of Practice have been complied with and that the Council's strategy has been effective in 2020-21.

Under the Code adopted the Full Council are required to consider the report and any recommendations made. There will be a further report forthcoming on Treasury Management covering a review of the current financial year i.e. the Mid-year review.

Introduction

1. This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2020/21. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).
2. The primary requirements of the Code are as follows:
 - a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
 - c. Receipt by the Full Council of an annual treasury management strategy report - including the annual investment strategy report for the year ahead, a mid-year review report (as a minimum) and an annual review report of the previous year.
 - d. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - e. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Audit Committee.
3. Treasury management in this context is defined as:

"The management of the organisation's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".
4. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.
5. Member training on treasury management issues was last undertaken on 2 February 2021 and prior to that on 15 January 2020 in order to support members' scrutiny role.
6. The figures provided in this report for 2020/21 are as yet unaudited and still subject to change.

7. This annual Treasury report covers
 - a. capital expenditure and financing 2020-21
 - b. overall borrowing need (the Capital Financing Requirement)
 - c. treasury position as at 31 March 2021
 - d. performance for 2020-21
 - e. the strategy for 2020-21
 - f. the economy and interest rates in 2020-21
 - g. borrowing rates in 2020-21
 - h. the borrowing outturn for 2020-21
 - i. debt rescheduling
 - j. compliance with treasury limits and Prudential Indicators
 - k. investment rates in 2020-21
 - l. investment outturn for 2020-21

Capital Expenditure and Financing 2020/21

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

Capital Programme Financing 2020/21	Outturn 2020/21	
	£'000's	£'000's
Expenditure:		10,104
Financed By:		
Borrowing		7,855
Grants:		
Disabled Facilities Grant	1,109	
Lower Bexhill Road Housing Site	693	
Country Park Interpretive Centre	337	
Harbour Arm and New Groynes	30	
Other Grants and Contributions	76	2,246
Reserves		0
Capital Receipts		3
Total		10,104

Overall Borrowing Need (Capital Financing Requirement (CFR))

10. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend.
11. Part of the Council's treasury activities is to address the funding requirements for the Council's borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure enough cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies, such as the Government, through the Public Works Loan Board (PWLB), the money markets, or by using temporary cash resources from within the Council.
12. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.
13. The total CFR can also be reduced by:
 - the application of additional capital financing resources (such as unapplied capital receipts); or
 - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).
14. The Council's 2020/21 MRP Policy was approved as part of the Treasury Management Strategy Report for 2020/21 by Council in February 2020.
15. The Council's CFR for the year is shown below and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the Council's borrowing need (albeit no borrowing of cash is required).

Table 2 CFR: General Fund	2019/20 Actual £000's	2020/21 Revised Estimate £000's	2020/21 Actual £000's
Opening balance	58,094	66,373	66,373
Add unfinanced capital expenditure	9,455	9,268	7,855
Less MRP	(1,176)	(1,499)	(1,499)
Closing balance	66,373	74,142	72,729

Note: Lease arrangements are excluded from the above table

16. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.
17. The Council's long term borrowing must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 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.
18. The table below highlights the Council's gross borrowing position (External Borrowing) against the CFR, which provides an indication of affordability for the Council. The Council has complied with this prudential indicator.

Table 3 CFR vs Borrowing Level	2019/20 Actual	2020/21 Revised Estimate	2020/21 Actual
	£000's	£000's	£000's
Capital Financing Requirement	66,373	74,142	72,729
External Borrowing	65,301	64,689	64,690
Net Internal/(External) Borrowing	1,072	9,453	8,039

Treasury Position as at 31 March 2021

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

Table 4	31 March 2020 Principal	31 March 2021 Principal
Investments		
Managed In-House	£17.683m	£23.318m
CCLA Managed Externally	£4.515m	£4.752m
Total Investments	£22.198m	£28.07m

Table 5	1 April 2020	Start Date	Maturity Date	31-Mar 2021	Rate
Debt	Principal			Principal	
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	£156,196	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	£6,889,020	2.53%
PWLB (Annuity)	£8,111,852	22/11/2017	22/11/2057	£7,987,864	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	£3,881,544	2.55%
PWLB (Annuity)	£2,463,534	31/01/2019	31/01/2059	£2,426,128	2.56%
PWLB (Annuity)	£4,365,748	31/01/2019	31/01/2059	£4,320,356	2.56%
PWLB (Annuity)	£9,262,267	20/03/2019	20/03/2059	£9,121,014	2.54%
PWLB (Annuity)	£4,770,452	02/09/2019	02/09/2069	£4,710,543	1.83%
Total Debt	£65,301,339			£64,689,926	2.82%

Performance Measurement (2020-21)

20. Table 6 below compares the Estimated Interest Payable and Received and associated fees for the year 2020-21.

Table 6 Interest	2019 -20 Actual Outturn £000's	2020-21 Revised Budget £000's	2020-21 Actual Outturn (Unaudited) £000's
Gross Interest Payable	1,810	1,854	1,848
Gross Interest Received	(596)	(551)	(521)
Fees	10	10	10
Other (e.g. PWLB Discount)	(0)	(0)	(0)
Net Cost	1,224	1,313	1,337

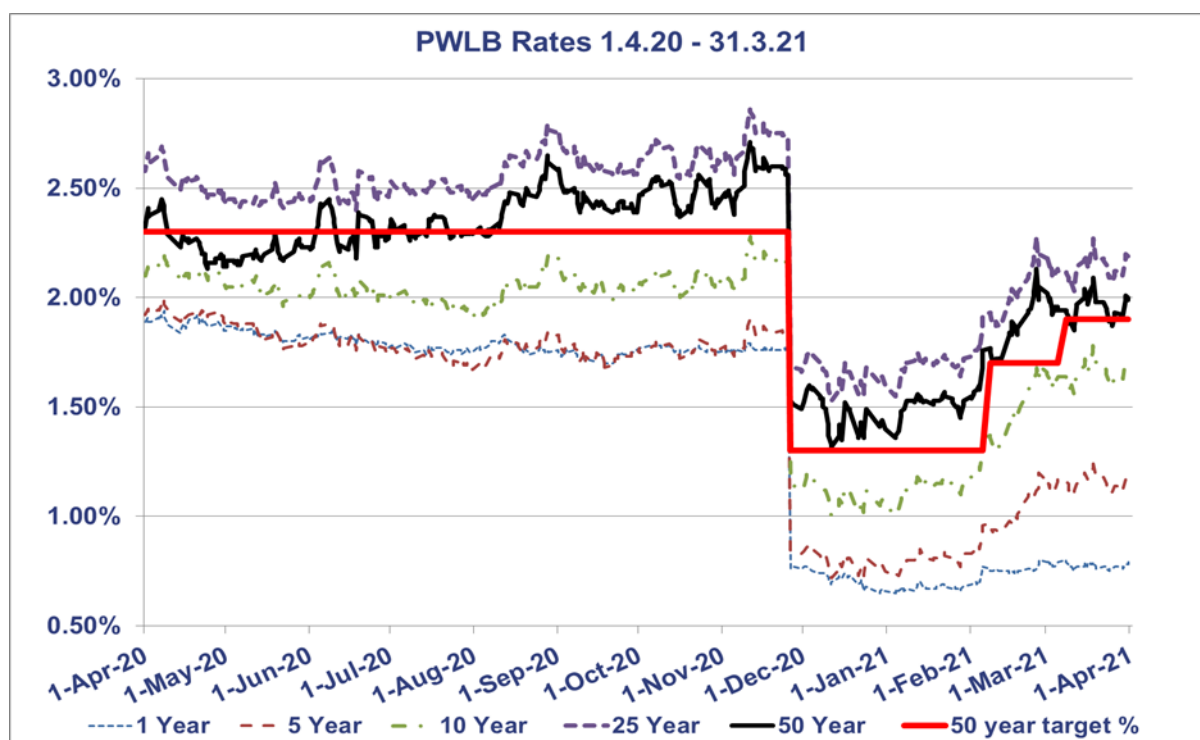
21. The Council's longer term cash balances comprise, primarily, revenue and capital resources, although these will be influenced by cash flow considerations. The Council's core cash resources are detailed below and were in line with budget expectations.

The Strategy for 2020-21

22. The general aim of the 2020-21 treasury management strategy was to minimise the costs of borrowing in both the short and longer term. In the short term it would consider avoiding new borrowing and using cash balances to finance new borrowing. However, to minimise longer term costs the Council needs to borrow when rates are at historically low levels. The timing of new borrowing is therefore important to minimise the overall costs to the Council.
23. Given that rates did not look set to increase it was recommended that new borrowing was only taken when necessary and internal balances were used to temporarily finance long life assets. If rates decreased, then opportunities to borrow may be taken. Given that the Council is increasingly using its reserves these need to be readily available and not subjected to unnecessary risk or exposure.
24. The strategy proved very effective for 2020/21 in that the Council had borrowed successfully in past years and had cash backed reserves in place with little internal borrowing as at March 2020 when the Covid-19 pandemic struck. This enabled the Council to avoid having to borrow at high rates of interest to cover day to day expenses and avoided any cash flow difficulties. It also enabled the Council to avoid borrowing for the whole of 2020/21. The Council can not avoid borrowing for long and will need to take advantage of the historically low interest rates currently in place.

Borrowing Rates in 2020-21

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



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	0.65%	0.72%	1.00%	1.53%	1.32%
Date	04/01/2021	11/12/2020	11/12/2020	11/12/2020	11/12/2020
High	1.94%	1.99%	2.28%	2.86%	2.71%
Date	08/04/2020	08/04/2020	11/11/2020	11/11/2020	11/11/2020
Average	1.43%	1.50%	1.81%	2.33%	2.14%
Spread	1.29%	1.27%	1.28%	1.33%	1.39%

26. HM Treasury imposed two changes of margins over gilt yields for PWLB rates in 2019/20 without any prior warning. The first took place on 9th October 2019, adding an additional 1% margin over gilts to all PWLB period rates. That increase was then, at least partially, reversed for some forms of borrowing on 11th March 2020, but not for mainstream non-HRA capital schemes.
27. A consultation was then held with local authorities and on 25th November 2020, the Chancellor announced the conclusion to the review of margins over gilt yields for PWLB rates; the standard and certainty margins were reduced by 1% but a prohibition was introduced to deny access to borrowing from the PWLB for any local authority which had purchase of assets for yield in its three year capital

programme.

The new margins over gilt yields are as follows: -.

PWLB Standard Rate is gilt plus 100 basis points (G+100bps)

PWLB Certainty Rate is gilt plus 80 basis points (G+80bps)

28. There is likely to be only a gentle rise in gilt yields and PWLB rates over the next three years as Bank Rate is not forecast to rise from 0.10% by March 2024 as the Bank of England has clearly stated that it will not raise rates until inflation is sustainably above its target of 2%; this sets a high bar for Bank Rate to start rising.

Borrowing Outturn for 2020/21

29. No new long term borrowing was taken during the year, given the expectation of continuing low rates of interest. The Council has effectively used its reserves and balances to fund the Capital programme in 20/21 but will need to borrow in the near future. The investment rate achievable during the year was low, and whilst the borrowing rates are still low historically, they are high compared to the investment rates. The policy of “internal borrowing has saved the Council considerable monies in 2020-21 (every 1% difference on £7.855m is worth £78,550).
30. During 2020/21 there were debt repayments of £611,413 resulting in a total balance outstanding with the PWLB of £64,689,926 as at 31 March 2021.

Borrowing in advance of need

31. The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.
32. The Council had a lower level of borrowing than its Capital Financing Requirement (CFR) at the 31 March 2021.

Debt Rescheduling

33. The Council has examined in the past the potential for making premature debt repayments in order to reduce borrowing costs as well as reducing counterparty risk by reducing investment balances. No rescheduling was undertaken during the year as the differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable. When last reviewed on the 27 September 2017 the early repayment cost of the £7.5m PWLB loan, maturing in 2033, would have amounted to £3,177,343.

Compliance with Treasury Limits

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

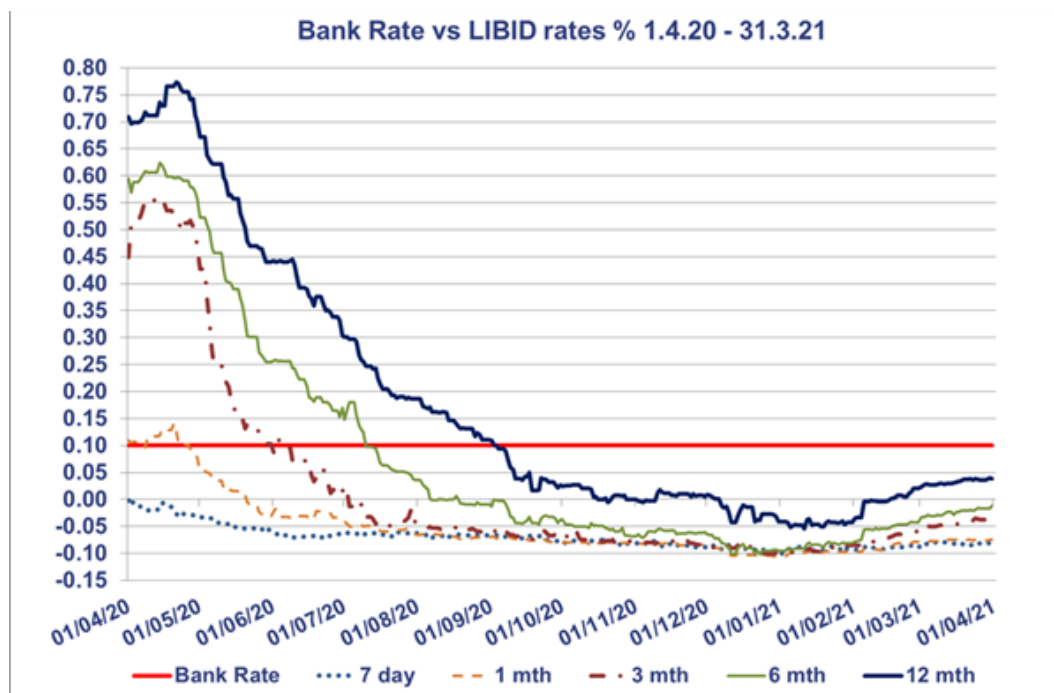
Investment Rates in 2020-21

35. Investment rates for 3 months and longer were stable throughout most of the year with Bank Rate staying the same throughout 2020-21.
36. The Bank Rate was last reduced to 0.25% on 11 March 2020 and then to 0.1% on 19 March 2020.
37. The funds invested during the year were often available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

Investment Strategy

38. The strategy for 2020/21 was agreed at the Council meeting in February 2020. The Investment strategy did not change during the year given the already low interest rates, other than investing money for shorter periods to ensure there was sufficient monies available for cash flow purposes.
39. Investment returns which had been low during 2019/20, plunged during 2020/21 to near zero or even into negative territory. Most local authority lending managed to avoid negative rates and one feature of the year was the growth of inter local authority lending. The expectation for interest rates within the treasury management strategy for 2020/2,1 was that Bank Rate would continue at the start of the year at 0.75 % before rising to end 2022/23 at 1.25%.
40. This forecast was invalidated by the Covid-19 pandemic bursting onto the scene in March 2020 which caused the Monetary Policy Committee to cut Bank Rate in March, first to 0.25% and then to 0.10%, in order to counter the hugely negative impact of the national lockdown on large swathes of the economy. The Bank of England and the Government also introduced new programmes of supplying the banking system and the economy with massive amounts of cheap credit so that banks could help cash-starved businesses to survive the lockdown.
41. The Government also supplied huge amounts of finance to local authorities to pass on to businesses. This meant that for most of the year there was much

more liquidity in financial markets than there was demand to borrow, with the consequent effect that investment earnings rates plummeted.



	Bank Rate	7 day	1 mth	3 mth	6 mth	12 mth
High	0.10	0.00	0.14	0.56	0.62	0.77
High Date	01/04/2020	02/04/2020	20/04/2020	08/04/2020	14/04/2020	21/04/2020
Low	0.10	-0.10	-0.11	-0.10	-0.10	-0.05
Low Date	01/04/2020	31/12/2020	29/12/2020	23/12/2020	21/12/2020	11/01/2021
Average	0.10	-0.07	-0.05	0.01	0.07	0.17
Spread	0.00	0.10	0.25	0.66	0.73	0.83

42. While the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the financial crisis. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.
43. Investment balances have been kept to a minimum through the agreed strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates as illustrated in the charts shown above and below. Such an approach has also provided benefits in terms of reducing the counterparty risk exposure, by having fewer investments placed in the financial markets.

44. The revised budget in February 2021 forecast investment returns (including loans) of £551,000 whilst the actual outturn was £521,000. This is considered to be a very good outcome given the impact of Covid-19 and the reduction in the base rate to 0.1%.
45. The impact of Covid-19 has been significant on all investments and particularly the stock markets around the world. Hastings BC has not been immune, but the strategy of limiting the level of investments with different institutions, with different countries, and the amounts invested in property and other funds has stood the Council in a good position. Losses have been limited and the Council has had no issues in managing its cash flow.
46. **Investments: Property Fund & Diversified Income Fund (DIF)**

The return on the Property Fund investment (£2m with CCLA) was 11.73% net of fees to the end of June 2021 i.e. Capital gains and dividends. This compares to negative returns in the previous year. The net dividends received amounted to £84,002 in the financial year. The table below highlights the overall performance compared to previous years.

Long-term performance

Total return performance (net) 12 months to 30 June

	2021	2020	2019	2018	2017
The Local Authorities' Property Fund	+11.73%	-3.47%	+5.46%	+9.36%	+7.24%
Comparator Benchmark	+8.49%	-2.48%	+4.05%	+10.23%	+5.67%

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

Performance shown after management fees and other expenses. Past performance is not a reliable indicator of future results and future returns are not guaranteed.

Source: CCLA & MSCI/AREF

47. In addition to the £2m invested in the CCLA Property Fund the Council invested £3m in the CCLA Diversified Income Fund (DIF) during 2019/20. The net dividends received amounted to £90,138 in 2020-21.
48. At the 31st March 2021 the Property Fund had a capital value (Mid-Market price) of £1.911m and the DIF £2.84m. The yields have continued to be high, with the DIF yielding some 2.86% (July 2021) and the Property Fund 4.12% (July 2021).
49. The Property Fund and DIF are both longer term investments (5 years plus) and it has always been well understood that the capital values can go up as well as down. The impact of Covid-19 on the values and the subsequent recovery has been reported previously. Since March 2021 the Capital value of the DIF has recovered even further to £2.997m (a gain of £156,764 since March). The Property Fund capital value has also recovered further since March 2021 from £1.911m to £2.03m (a gain of £92,060).

Investment Outturn for 2020-21

50. Cash balances fluctuated widely during the year. The Council, at times received considerable additional monies from the government to distribute to businesses and this was held in readily accessible bank accounts but gained little or no

interest. Whilst much of the money was distributed, the Council still has some balances to distribute e.g. Test and Trace and, at the time of writing, the Additional Restrictions Grant, whilst some balances have been returned to the government.

51. The average rate of return for the year on the investments made was 0.53% (excluding CCLA investments). The higher return reflecting investments made prior to Covid-19 and reductions in base rates. The total interest earned for the year was £26,086 (excluding the CCLA monies). The comparable performance indicator is the un compounded 7-day LIBID rate which was – 0.0706% (Minus). These returns also exclude the interest received on loans e.g. Hastings Housing company, Optivo, Foreshore Trust.
52. The table below provides a snapshot of the investments/deposits held at 31 March 2021 (excluding those with CCLA).

Counterparty	Rate/ Return (%)	Start Date	End Date	Principal (£)	Term
NatWest	0.05			6,147	Call
Australia and NZ BCG Ltd	0.05	14/01/2021	14/04/2021	5,000,000	Fixed
DBS Bank Ltd , London	.04	14/01/2021	14/04/2021	5,000,000	Fixed
Flintshire County Council	0.15	23/03/2021	23/06/2021	5,000,000	Fixed
Barclays				4,999,995	Call
Lloyds Gen				3,311,947	Call
			Total	23,318,089	

53. In addition to the investments the Council has a few loans in place, namely as at 31 March 2021: -

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	13,253	Fixed
Foreshore Trust	1.66	21/03/2016	20/03/2026	156,196	Annuity

*Note: these are the balances outstanding – assuming all repayments are made

Loans to Hastings Housing Company Ltd

54. Hastings Housing Company, wholly owned by the Council, has two loan facilities with the Council, a revenue loan, and a capital loan. The rate chargeable on the

revenue loan is calculated monthly and stood at 4.69% at the end of March 2020 – this loan has now been repaid to the Council.

55. The Capital loan rate is based on the rate prevailing at the time of the advance and is fixed for the period of the loan. The value of the capital loan was £5,489,398 at the end of March 2021. The interest rates are determined in accordance with EU rules.
56. The debt costs (principal and interest) incurred by the Council in making advances to the housing company are covered by the interest repayments from the housing company. The interest receivable by the Council amounted to £249,581 in 2020-21 (unaudited).

Other Issues

Local Authority Capital Finance Framework & CIPFA Codes

57. The government published a policy paper on 28 July 2021 entitled “Local Authority Capital Finance Framework; planned improvements”. This paper outlines the ways in which government will look to increase scrutiny and also the control over the capital system.
58. The Chartered Institute of Public Finance and Accountancy, (CIPFA), issued a revised Treasury Management Code and Cross Sectoral Guidance Notes, and a revised Prudential Code in 2017. A new Financial Management Code has been issued which applies to all authorities. There is a requirement that Council’s comply with the Code from 1 April 2021; much of the Code relates to proper financial management arrangements being in place across the authority. The adherence to the various codes relating to Treasury Management form an important aspect of complying with the Financial Management Code.
59. A new Capital Strategy was considered and agreed by full council in February 2021. High value projects, such as the Town Deal and development on the lower tier site on Bexhill Road are likely to necessitate wholesale changes to the Council’s Capital Strategy and the Treasury Management Strategy, this will be at the same time as the government are looking to increase controls and potentially set limits on what levels authorities can prudently borrow up to.

Minimum Revenue Provision (MRP) guidance

60. The last government (MHCLG) MRP guidance was issued on 2 February 2018. This focused particularly on expenditure relating to purchasing non-financial asset investments and the periods over which debt was required to be repaid.
61. The government have advised that they will be reviewing the legislation to ensure that adequate provisions are made to repay all debt incurred. Consultation is expected in the early autumn of 2021.

Public Work Loans Board (PWLB) – Changes to Lending criteria

62. The government announced changes to lending criteria in November 2020. In brief it resulted in the prevention of borrowing purely for monetary gain/yield. This has arisen as a number of authorities have been viewed as taking to high a level of borrowing and risk and therefore acting imprudently given their size and responsibilities.
63. Further announcements have been made this summer by both the Government and Cipfa in terms of further legislation and guidance with regard to the Prudential Code, and potential caps on borrowing. The information supplied to the government is increasing and from September 2021 there will be increased complexity and a longer application process to secure loans from the PWLB.

Financial Implications

64. The security of the Council's monies remains the top priority within the strategy, along with liquidity – being able to access sufficient money as and when required. Investment rates available in the market have continued to be at historically low levels during the last year.
65. No new borrowing was undertaken in the year, albeit that the Capital expenditure incurred will need to be funded through borrowing shortly. The use of the Council's reserves and balances to temporarily fund the Capital expenditure has resulted in significant savings to the Council.
66. The Council has acquired some property assets in the year that will result in ongoing financing costs, but these will be offset by increased income or reductions in costs that the Council would otherwise incur e.g. by reducing temporary accommodation costs by more than the costs of borrowing.
67. The Council has carefully considered the overall levels of borrowing being undertaken against the size of the Council's budget and its unencumbered assets, along with the affordability of the debt commitments as and when income streams potentially reduce – as unfortunately tested by the recent Covid-19 crisis. At no time during the year has cash flow been an issue for the Council.
68. The effective management of the Council's cash flow, reserves, and investments remains of critical importance. The increasing governance in this area, as well as the increasing sums involved will necessitate more staff resources being required to manage and report on this critical area.
69. The forthcoming changes to the Prudential Code (Cipfa), and potentially new borrowing limits as well as further changes to Treasury Management will increase the controls and reporting requirements. Any limits on borrowing could potentially impact significantly on the Council's plans.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Audit Committee	Report	18 November 2021	Chief Finance Officer
Cabinet	Report	6 September 2021	Chief Finance Officer
Full Council	Report	13 October 2021	Chief Finance Officer

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Implications

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

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

Additional Information

Treasury Management and Annual Investment Strategy 2020/21
CIPFA - Treasury Management Code of Practice
CIPFA - The Prudential Code
Appendix 1 – Prudential Indicators
Appendix 2 – Capital Expenditure 2020-21 (and amounts financed by borrowing)

Officer to Contact

Officer Name: Peter Grace
Officer Email Address; pgrace@hastings.gov.uk

APPENDIX 1 Prudential Indicators

The Council's Capital expenditure plans are the key driver of treasury management activity. The output of the Capital expenditure plans (detailed in the budget) is reflected in the prudential indicators below.

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2019/20	2020/21	2021/22	2022/23	2023/24
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt					
borrowing	95,000	110,000	110,000	110,000	110,000
other long term liabilities	5,000	5,000	5,000	5,000	5,000
TOTAL	100,000	115,000	115,000	115,000	115,000
Operational Boundary for external debt					
borrowing	85,000	105,000	105,000	105,000	105,000
other long term liabilities	5,000	5,000	5,000	5,000	5,000
TOTAL	90,000	110,000	110,000	110,000	110,000

The Council's external borrowing at 31 March 2020 amounted to £64,689,926 which is well within approved borrowing limits.

Interest Rate Exposures	2020/21	2021/22	2022/23
	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 2020/21			
	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 2020/21			
	lower	Upper	
Under 12 Months	0%	30%	
12 months to 2 years	0%	30%	
2 years to 5 years	0%	30%	
5 years to 10 years	0%	30%	
10 years to 20 years	0%	10%	
20 years to 30 years	0%	10%	
30 years to 40 years	0%	10%	
40 years to 50 years	0%	10%	

Affordability prudential indicator - Ratio of financing costs to net revenue stream

This indicator assesses the affordability of the capital investment plans. It provides an indication of the impact of the capital investment plans on the Council's overall finances. This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) against the net revenue stream.

Prudential Indicator: Financing Cost to Net Revenue Stream	2019/20 Actual	2020/21 Rev.Est	2020/21 Outturn	2021/22 Estimate	2022/23 Estimate	2023/24 Estimate
Financing Costs	£'000	£'000	£'000	£'000	£'000	£'000
1. Interest Charged to General Fund	1,810	1,854	1,848	2,115	2,326	2,414
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	0
4. Interest and Investment Income	-580	-551	-521	-608	-671	-660
5. Amounts payable or receivable in respect of financial derivatives	-	-	-	-	-	-
6. MRP, VRP	1,176	1,499	1,499	1,723	1,873	2,533
7. Depreciation/Impairment that are charged to the amount to be met from government grants and local taxpayers	-	-	-	-	-	-
Total	2,406	2,802	2,826	3,230	3,528	4,287
Net Revenue Stream						
Amount to be met from government grants and local taxpayers	13,329	13,063	14,845	14,018	13,156	13,372
Ratio						
Financing Cost to Net Revenue Stream	18%	21%	19%	23%	27%	32%

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.

Appendix 2

Capital Expenditure financed by borrowing in 2020-21

Capital Expenditure 2020-21	2020-21 Actual	Financed By Borrowing
	£	£
Private Sector Renewal Support	4,973	
Disabled Facilities Grant	1,109,385	
Restoration of Pelham Crescent/ Pelham Arcade	8,693	1,586
Work on Harbour Arm and New Groynes	29,924	
Public Realm	14,914	
Country Park - Interpretive Centre	562,306	224,923
Playgrounds Upgrade Programme	43,943	31,943
Conversion of 12/13 York Buildings	418,616	418,616
Buckshole and Shornden Reservoirs	113,935	113,935
Development of 311-323 Bexhill Rd (Aldi & Others)	5,063,796	5,063,796
Priory Street Multi Storey Car Park	145,049	145,049
Temporary Homelessness Accommodation	1,691,544	1,691,544
DSO Waste and Cleansing service - Depot Works & Equipment	2,870	2,870
Lower Bexhill Road	692,822	
Churchfields Business Centre	40,612	
Development / Furbishment of Lacuna Place	32,825	32,825
Cornwallis Street Development	30,000	30,000
Harold Place Restaurant Devt	5,250	5,250
Electric Vehicle Infrastructure	42,043	42,043
Priory Street Works (LED lighting/Gates/rewiring)	50,365	50,365
Totals	10,103,864	7,854,744

Report to: Cabinet

Date of Meeting: 4 October 2021

Report Title: Land at Harold Place

Report By: Peter Grace
Chief Finance Officer

Purpose of Report

To seek approval for additional funding to redevelop this important site in the town centre.

Recommendation(s)

- 1. To recommend to full Council that the project proceeds and the budget earmarked for this scheme be increased from £1.2m to £1.7m.**

Reasons for Recommendations

This is a significant regeneration project to construct a new restaurant in a highly visible location in the Town centre which will provide employment opportunities both during construction and ongoing. The agreed operator is a relatively well known and quality restaurant company.

Introduction

1. On 18 December 2019 Cabinet agreed to redevelop the site for a restaurant operation (excluding fit out) for a cost of up to £1.2m, subject to planning permission and an agreement to take the finished property on a long lease, from the preferred bidder on the terms outlined. The £1.2m figure was included within the Capital programme and agreed by full Council.
2. Following the Cabinet approval, the proposed operator advised they were putting the deal on hold. However, in October 2020 they confirmed they wanted to proceed, and Heads of Terms were subsequently negotiated for an Agreement for lease.
3. Kendall Kingscott were appointed in February 2021 to act as Project Lead in taking forward planning and then construction of the restaurant. Following a positive pre-planning application consultation final detailed designs have been produced. These will produce a good quality/iconic building in this prominent site. The design has been informed by sub consultants e.g. structural, mechanical and electrical engineers.
4. In addition all the drawings, reports etc. that are required in order to submit a planning application have been obtained from various consultants. A planning application is being submitted subject to final design approval from the agreed operator.
5. The project Quantity Surveyor has prepared a Budget Cost Plan based on the detailed designs. The cost is estimated at £1,394,560 including overheads and profits and a 10% contingency but excludes fees and inflation. Within this there is an element of risk due to volatile prices and unknowns (ground conditions, services, planning conditions).
6. The estimate for the construction in 2019 was £1.052m. Some of the main reasons for the increase in construction costs are: we now have more detail both on the design (note any development here will have a significant impact on the setting of the Conservation Area) and structure (the development is on top of a basement and the structural engineer has provided a designed and costed solution for the foundations which we didn't have before) implications of COVID (increase in cost of materials etc.), and inflation within the construction sector since initial estimates.
7. There are opportunities for value engineering (e.g., changing the design from glass reinforced plastic to render) but it is recommended that instead we increase the budget as this would ensure quality design and better longevity in an exposed position. An increase of the budget to £1.7m is considered to be prudent to cover the increase in costs i.e. inflation and fees and ensuring it meets the latest building regulation requirements in respect.

External Funding Opportunities

8. In the past, the Council has sought external grant funding for the scheme, but as it did not have planning permission was not at a sufficiently advanced stage to qualify for the grants on offer at the time.
9. The Assistant Director (Regeneration) advises that there are a number of grant opportunities that the Council may be able apply for, but that there is no certainty, and that the Council should plan for no grant being available should the Council wish to secure the restaurant operator at this stage. Currently there are no live grant calls which would be suitable for this initiative. However, officers believe calls are imminent and require further work undertaken on this project, as outlined in this report, to enable this scheme to be considered for 'shovel ready' funding.

Risk Management

10. The proposed operator is keen for us to progress with the development as soon as possible. There is a risk that if we don't agree to an increase in the budget they could withdraw. We are unable to contract with them (complete the Agreement for lease) at this stage as this would commit us to building the currently designed restaurant which we don't have budget for.
11. The £1.7m cost is an estimate and until tendered prices are actually received there will be considerable uncertainty on the costs of the project.
12. The lease with the operator is for a period of 15 years with a break clause at year 10. There is a risk at this point that the operator could leave and no other operator identified. The risk is considered low at this time given the location of the development and that it will still be a relatively new building and one that could be used for a variety of purposes.

Climate Change

13. Embodied Carbon
 - a. The scheme proposals have been designed with Carbon reduction methods at the forefront of the structural strategy. The structure of the buildings has been designed to be light weight, limiting the use of concrete and steel where practical. Calculations of the buildings main structure by engineers has estimated that that the buildings Embodied Carbon could achieve SCORS Rating A. (A++ having low embodied carbon and G having high embodied carbon)
14. Operational Energy
 - a. The M&E consultants have proposed that the buildings energy efficiency measures should target LETI Guidance measures which would achieve a well-insulated building fabric, high levels of airtightness and attention to thermal bridging details. These measures will help to reduce the buildings heating requirements in winter and cooling requirements in summer. Implementation of these high standards have been calculated, and show the building could meet

Part L requirements with BER providing a 7.5% improvement over Approved Document Part L (2013)

- b. Due to the large expanse of glazing which has been incorporated into buildings design (to make the most of the sea views) and high internal gains due to the nature of the buildings use (Cafe / Restaurant), Air Condition systems will be required to cool the building on the hottest days during the summer. However, the likely use of the Air Conditioning system has been reduced by incorporating the following measures into the buildings design:
 - i. Brise Soleil to the first-floor southern windows to reduce heat gains.
 - ii. Opening Louvres at first floor which work in conjunction with opening roof lights to provide natural cross ventilation during the day and purging heat at night.
 - iii. High number of Bi-fold doors allowing the management of cross ventilation by occupants.
 - iv. Glazing with low G values, to reduce solar gains
- c. Calculations have shown that the building meets CIBSE TM52 Overheating requirements for the main occupied spaces for the current (DSY1 2020) & future (DSY1 2050) weather file). (Assuming both Air Conditioning and passive ventilation system are used).

15. Transport

- a. The site is in a highly sustainable location in Hastings Town Centre. The site is well served by local bus routes and train lines located at Hastings Train Station, a 5 minutes' walk away. The proposals do not include any additional parking spaces, whilst in comparison cycle spaces are located directly next to the site.
- b. The site is easily accessed on foot by residents living within Hastings town centre. By virtue of site location, private vehicle use is discouraged due to lack of car parking provision, whilst customers and staff using the building have good opportunities to use sustainable modes of transport.

16. The restaurant operator has policies and strategies in place on sustainability e.g. no food waste to landfill, recycling, reuse of materials and sustainable sourcing when fitting out a property.

Financial Implications

17. Project costs are expected to amount to up to £1.7m. This would represent an increase of up to some £500,000 on the Capital programme.

18. The Council would currently need to borrow monies to finance the new development. In 2019 it was assessed that an overall programme cost of £1.2m, borrowing the money at an interest rate of some 3.2% (annuity loan) over 40 years would result in a surplus of some £6,600 p.a. (i.e. rental exceeding borrowing costs).

19. As at the 10 September 2021 the cost of borrowing £1.7m at the current interest rate of 1.9% (Annuity loan) over 40 years would result in a net cost to the Council of some £868 p.a. This excludes the revenue that would be receivable in respect of business rates (estimated to be in excess of £10k p.a. – the Council’s share) and this would make this project financially viable. If the scheme were to be financed over 50 years, it would generate a surplus of £7,180 p.a. at current interest rates (before consideration of business rate income).
20. In terms of sensitivity analysis if interest rates were to increase to 2.5% in respect of a 40-year annuity loan there would be a funding deficit of £7,478 p.a. – which would still be below the anticipated income generated from business rates. Likewise, if the cost of the project were to increase, then at current interest rates, and taking into account business rate income, costs would need to increase beyond £1.955m for the scheme to start costing the Council money.

Conclusion

21. While the costs have increased since this was last considered at Cabinet in 2019 it is concluded that determining a revised budget would produce a quality building and enable us to contract with the proposed operator.
22. As previously reported this property development would fit well with the regeneration and economic development aspirations for the town and generate additional employment opportunities.
23. There will be costs incurred in the first year of operation, as a rent-free period and assistance with fitout costs are incurred. These proposals would however save the Council from significant additional expenditure and additional landscaping work from implementing an alternative solution and does produce an additional income stream in respect of business rates.

Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible
Submit planning application	Planning application submitted	September 2021	Kendall Kingscott
Report to Cabinet	Cabinet consider report and make recommendation to Full Council	4 October 2021	Chief Finance Officer
Full Council approval for	Report to Full Council meeting	13 October 2021	Chief Finance Officer

increased budget			
Instruct Legal to complete the Agreement for lease	Agreement for lease completed	ASAP after Full Council	Legal

Wards Affected

Castle

Implications

Relevant project tools applied? Yes/No

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

Climate change implications considered? Yes/No

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

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

Additional Information

Reports to Cabinet 5 March 2018 and 18 December 2019

Officer to Contact

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