

# Cabinet Agenda

**Monday, 7 March 2022 at 6.00 pm**

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

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*(Jane Hartnell, Managing Director)*

*(Cabinet Decision)*

- |     |  |         |
|-----|--|---------|
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Present: Councillors Forward (Chair), Barnett (Vice-Chair), Batsford, Chowney, Evans, Rogers and Webb.

**413. APOLOGIES FOR ABSENCE**

None received.

**414. DECLARATION OF INTERESTS**

None received.

**415. MINUTES OF LAST MEETING**

Minutes of the last meeting not yet circulated.

**416. BUDGET AND CORPORATE PLAN CONSULTATION RESPONSE AND DRAFT CORPORATE PLAN UPDATE 2022/23**

The Continuous Improvement and Democratic Services Manager presented the draft annual update to the Council's Corporate Plan 2020-24. The annual update reflects the changes in the context within which the Council is now working and summarises some of the key activities the Council will undertake in 2022/23.

The report also contains the consultation feedback summary and responses from the exercise to seek local people's views on the draft Corporate Plan annual update and draft budget.

The Leader of the Council thanked the Continuous Improvement and Democratic Services Manager for his work and all those who responded to the consultation.

Councillor Barnett noted that during their meeting with the Council leadership the Hastings Community Network were concerned that the Council hadn't articulated its commitment to working with the local voluntary sector well enough. Councillor Barnett highlighted that the 2021-22 update set out the Council's commitment to recover from the pandemic by 'Supporting close working with the Voluntary and Community Sector to ensure the breadth of our citizens needs underpin joint recovery efforts.'

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

**Under the emergency powers set out in Rule 26.22 of the Council's Constitution the Managing Director is authorised to implement the following decision in consultation with Councillors Forward, Barnett, Batsford, Chowney, Evans, Rogers & Webb.**

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### **RESOLVED (unanimously):**

#### **Cabinet recommends to Full Council:**

- 1. To note and approve the draft annual update to the corporate plan 2020-24.**
- 2. That delegated authority be given to the Managing Director, after consultation with the Leader of the Council to make further revisions as is considered necessary.**
- 3. That all those who submitted views as part of the consultation process be thanked for their contributions.**

#### Reasons:

The council needs to approve the annual update to the corporate plan as its statement of strategic direction for the period 2020 - 2024, mindful of the views received as part of the public consultation.

### **417. TREASURY MANAGEMENT, ANNUAL INVESTMENT STRATEGY AND CAPITAL STRATEGY 2022/23**

Peter Grace, the Chief Finance Officer, presented a report to consider the draft Treasury Management Strategy, Annual Investment Strategy, Minimum Revenue Provision (MRP) Policy and Capital Strategy and make recommendations to full Council as appropriate. This is to ensure that there is an effective framework for the management of the Council's investments, cash flows and borrowing activities prior to the start of the new financial year.

The Council is expected to have some £66.06 million of external debt (as at 31 March 2022), and investments which can fluctuate between £15m and £30m in the year. The level of debt is set to increase to £90m by 2023/24.

The Chief Finance Officer noted that the impact of further interest rate increases on the Council's strategies would require careful scrutiny. In order to avoid borrowing costs schemes will be financed by capital receipts where the Council is able to do so.

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

**Under the emergency powers set out in Rule 26.22 of the Council's Constitution the Managing Director is authorised to implement the following decision in consultation with Councillors Forward, Barnett, Batsford, Chowney, Evans, Rogers & Webb.**

### **RESOLVED (unanimously):**

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**Cabinet recommends to Full Council that:**

**A. The Council approve the Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy, Annual investment Strategy and the Capital Strategy.**

**B. The strategies listed are updated as necessary during 2022/23 in the light of changing and emerging risks and the Council's evolving future expenditure plans.**

**C. The Financial Rules and the Financial Operating Procedures of the Council are reviewed and revised as necessary to meet the requirements of the Code of Practice.**

Reasons:

1. The Council seeks to minimise the costs of borrowing and maximise investment income whilst ensuring the security of its investments. The Council continues to make substantial investments in property, housing and energy generation initiatives, and this will continue to involve the Council in taking on additional borrowing.

2. The sums involved are significant and the assumptions made play an important part in determining the annual budget. The CIPFA Treasury Management Code of Practice (2017 Edition), previously adopted by the Council, was released to take account of the more commercialised approach being adopted by councils and the enhanced levels of transparency required. The Code has represented best practice and helps ensure compliance with statutory requirements.

3. The Council has the ability to diversify its investments and must consider carefully the level of risk against reward against a background of historically very low interest rates. Investments can help to close the gap in the budget in the years ahead and thus help to preserve services, assist in the regeneration of the town, provide additional housing and enhance the long term sustainability of the town. However, over reliance on such income streams would involve taking unnecessary risks with the future of the Council and its ability to deliver statutory services.

### **418. REVENUE BUDGET 2021/22 REVISED AND 2022/23, PLUS CAPITAL PROGRAMME 2022/23-2024/2025**

Peter Grace, the Chief Finance Officer, presented a report to advise Cabinet of the revised revenue budget for 2021/22 and a budget for 2022/23. The revised budget for 2021/22 takes account of the known variations to expenditure and income streams that have occurred since setting the budget in February 2021.

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The report identifies that a balanced budget in 2022/23 can only be achieved by using £2.172 million of reserves, and that further savings will be required given the increases in homelessness costs in particular.

The forecasts for future years show increasing deficits e.g. 2023/24 is £2.654m, in 2024/25 it is estimated at £2.674m, and in 2025/26 it is estimated at £2.665m. The level of grant funding, Council Tax increases and income from fees and charges is insufficient to meet the annual increases in costs such as inflation and pay increases.

The Chief Finance Officer informed the Cabinet that the Council needs to make a strong case over the next year for more funding to come to deprived coastal authorities. The Council has received a new Services Grant and New Homes Bonus from the government. However, costs are increasing, not least homelessness costs which are expected to increase by over £700,000 in the next financial year. Additional one-off costs incurred by the Council include the Buckshole Reservoir repairs and the Battle Road arches.

The Chief Finance Officer provided further updates to the budget. Non-domestic rate figures have now been more accurately assessed and the deficit for 2021/22 is likely to come to down by £344,000. However, in 2022/23 there is likely to be an increase in the deficit of £74,000. The budget report will be updated with these corrections once the final settlement has been received from the government.

The Council is also awaiting precept figures from Sussex Police, East Sussex County Council and East Sussex Fire Authority, which will finalise Appendix M.

The Chief Finance Officer thanked the finance team for their work on the budget.

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

**Under the emergency powers set out in Rule 26.22 of the Council's Constitution the Managing Director is authorised to implement the following decision in consultation with Councillors Forward, Barnett, Batsford, Chowney, Evans, Rogers & Webb.**

**RESOLVED (unanimously):**

Cabinet recommends that Full Council:-

- (i) Approve the revised revenue budget for 2021/22 (Appendix A).
- (ii) Approve the draft 2022/23 revenue budget (Appendix A)
- (iii) Approve a 1.99% increase in the Borough Council's part of the Council Tax.
- (iv) Agree that the absolute minimum level of reserves that shall be retained is £6m

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(plus General Fund Balance) and that if reserves look to fall below this level urgent action be taken to limit this and restore the reserves as soon as possible to recommended levels; and that Full Council be advised of the actions being taken.

(v) Approve the Capital Programme 2021/22 (revised) to 2024/25 (Appendix P).

(vi) Approve the proposed expenditure from the Renewal and Repairs Reserve, and Information Technology Reserve (Appendices J and I respectively) and those items from other reserves shown in Appendix H that can proceed without further reference to Cabinet or Council.

(vii) Approve that the use of the limited monies in the budget and Reserves for "Invest to Save" schemes be determined by the Chief Finance Officer in consultation with the lead member for Finance

(viii) Agree again that the Council does not seek to undertake any capital project/scheme purely for yield that would prevent the Council from borrowing either commercially or from the PWLB to fund its Capital programme.

(ix) Approve the revised Land and Property Disposal Programme (Appendix L) and agree that disposals can be brought forward if market conditions make it sensible to do so.

(x) Agree that where a Capital scheme involves a net increase in overall revenue costs to the Council, or where any guarantee is to be provided which does, or could, incur costs for the Council, such decisions continue to be made by full Council.

(xi) Agree that, no Council properties or land be disposed of, either by sale or lease, at less than market value without further express approval by Full Council - except where the lease is no longer than 5 years and the difference is less than £5,000 p.a. in which case Cabinet will have the authority to determine.

(xii) Agree that schemes marked with an asterisk in the Capital Programme can proceed without further reference to Cabinet or Council.

(xiii) Agree that work on Priority Income and Efficiency Reviews (PIER) through the Strategic Oversight and Planning Board should continue, and where possible identify a sustainable budget for a period in excess of one year. A mid-year review, for members and officers, to be undertaken in the light of the continuing severe financial pressures.

(xiv) Approve the detailed recommendations in Appendix M, which relate to the setting of Council Tax in accordance with Sections 31 to 36 of the Local Government Act

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1992 (Appendix M – to be provided/updated for full Council).

(xv) Approve that the budget be amended as necessary to reflect the final grant figures including Disabled Facility Grants - once received.

(xvi) Full Council adopt the existing Council Tax Support Scheme subject to amendments to allowances in line with national changes. Determination of the allowances to be delegated to the Chief Finance Officer in line with prior year practice.

(xvii) It is recommended that the Council reviews the affordability of the Council Tax Support Scheme during the early part of 2022/23 in order for a consultation exercise to be undertaken.

(xviii) A task force be set up urgently to help identify and make recommendations to Council on alternative options to control, and reduce, spiralling Temporary Accommodation costs.

Reasons:

1. The Council is under severe financial pressure. It is facing increased costs, particularly from inflation and homelessness, it has large Capital projects in the pipeline and must by law set a balanced budget. It has had to use large elements of its reserves to fund the cost pressures and to balance the budgets in each of the last few years and will need to do so again in 2022/23.

2. A major overhaul of the funding mechanism for local authorities has again been postponed and when combined with a Spending Review that continues to underfund disadvantaged councils will leave the Council with little option but to cut services to the barest minimum. The Council is able to increase Council Tax by a maximum of 1.99% without a referendum against a background of inflation currently running at above 5%.

3. Despite identifying Priority Income and Expenditure Review (PIER) savings of £1.36m for 2022/23 these are insufficient to balance the budget without the further use of Reserves. Once again further significant savings need to be found during 2022/23 in order to reduce the call on the Reserves, achieve a balanced budget in future years, and to try and ensure that reserve levels can be maintained at above the minimum recommended level.

4. The Council needs to be in a position to match its available resources to its priorities across the medium term and to maintain sufficient reserves and capacity to deal with potentially large and unexpected events in addition to fluctuations in income and expenditure levels – as highlighted by the Covid-19 crisis and one off expenditure items such as dangerous structures, cliffs and reservoir works. The increased in-year spend on temporary housing accommodation necessitates a much greater degree of



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service reductions elsewhere in the Council.

5. The Council remains exposed to a much greater degree of volatility in terms of its income from Non Domestic Rates and expenditure in terms of Council Tax Support claims – the cost falling directly on the Council and the preceptors.

6. The government provided additional funding for Covid-19 in 2020/21 and 2021/22, which has significantly helped the financial position. However even with this additional assistance the Council's costs have exceeded the income it receives and overall there is less government funding for the Council in 2022/23.

(The Chair declared the meeting closed at 6.31pm)

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# Minute Annex

## Managing Director Decision Notice



In accordance with Rule 26.22 of the Constitution the Managing Director (having carried out a prior risk assessment) made the decision, in consultation with members of the Cabinet, to hold the Cabinet meeting on 7<sup>th</sup> February 2022 virtually.

The following decisions were made in accordance with emergency powers granted to the Managing Director to implement the decisions made at that Cabinet meeting in consultation with Councillors Forward, Barnett, Batsford, Chowney, Evans, Rogers and Webb

The reasons for the decisions are set out in the Cabinet minutes for that date.

### Item 5

**Report:** Budget and Corporate Plan consultation response and draft Corporate Plan update 2022/23

**Report Author:** Jane Hartnell, Managing Director

**Decision Type:** Cabinet recommendation to Full Council

### Decision:

1. That Cabinet recommends to Full Council, to note and approve the draft annual update to the corporate plan 2020-24.
2. That delegated authority be given to the Managing Director, after consultation with the Leader of the Council to make further revisions as is considered necessary.
3. That all those who submitted views as part of the consultation process be thanked for their contributions.

The Councillors present voted unanimously in favour to approve the recommendations in the report.



## **Item 6**

**Report:** Treasury Management, Annual Investment Strategy and Capital Strategy 2022/23

**Report Author:** Peter Grace, Chief Finance Officer

**Decision Type:** Cabinet recommendation to Full Council

### **Decision:**

**Cabinet recommend to Full Council that:**

**A. The Council approve the Treasury Management Strategy, Minimum Revenue Provision (MRP) Policy, Annual investment Strategy and the Capital Strategy.**

**B. The strategies listed are updated as necessary during 2022/23 in the light changing and emerging risks and the Council's evolving future expenditure plans.**

**C. The Financial Rules and the Financial Operating Procedures of the Council are reviewed and revised as necessary to meet the requirements of the Code of Practice.**

**The Councillors present voted unanimously in favour to approve the recommendations in the report.**

## **Item 7**

**Report:** Revenue Budget 2021/22 Revised and 2022/23, plus Capital Programme 2022/23-2024/2025

**Report Author:** Peter Grace, Chief Finance Officer

**Decision Type:** Cabinet recommendation to Full Council

### **Decision:**

**Cabinet recommends that Full Council:-**

**(i) Approve the revised revenue budget for 2021/22 (Appendix A).**

**(ii) Approve the draft 2022/23 revenue budget (Appendix A)**

**(iii) Approve a 1.99% increase in the Borough Council's part of the Council Tax.**

**(iv) Agree that the absolute minimum level of reserves that shall be retained is £6m (plus General Fund Balance) and that if reserves look to fall below this level urgent action be taken to limit this and restore the reserves as soon as possible to recommended levels; and that Full Council be advised of the actions being taken.**

**(v) Approve the Capital Programme 2021/22 (revised) to 2024/25 (Appendix P).**

**(vi) Approve the proposed expenditure from the Renewal and Repairs Reserve, and Information Technology Reserve (Appendices J and I respectively) and those items from other reserves shown in Appendix H that can proceed without further reference to Cabinet or Council.**

**(vii) Approve that the use of the limited monies in the budget and Reserves for "Invest to Save" schemes be determined by the Chief Finance Officer in consultation with the lead member for Finance**

**(viii) Agree again that the Council does not seek to undertake any capital project/scheme purely for yield that would prevent the Council from borrowing either commercially or from the PWLB to fund its Capital programme.**

**(ix) Approve the revised Land and Property Disposal Programme (Appendix L) and agree that disposals can be brought forward if market conditions make it sensible to do so.**

**(x) Agree that where a Capital scheme involves a net increase in overall revenue costs to the Council, or where any guarantee is to be provided which does, or could, incur costs for the Council, such decisions continue to be made by full Council.**

**(xi) Agree that, no Council properties or land be disposed of, either by sale or lease, at less than market value without further express approval by Full Council - except where the lease is no longer than 5 years and the difference is less than £5,000 p.a. in which case Cabinet will have the authority to determine.**

**(xii) Agree that schemes marked with an asterisk in the Capital Programme can proceed without further reference to Cabinet or Council.**

**(xiii) Agree that work on Priority Income and Efficiency Reviews (PIER) through the**

**Strategic Oversight and Planning Board should continue, and where possible identify a sustainable budget for a period in excess of one year. A mid-year review, for members and officers, to be undertaken in the light of the continuing severe financial pressures.**

**(xiv) Approve the detailed recommendations in Appendix M, which relate to the setting of Council Tax in accordance with Sections 31 to 36 of the Local Government Act 1992 (Appendix M – to be provided/updated for full Council).**

**(xv) Approve that the budget be amended as necessary to reflect the final grant figures including Disabled Facility Grants - once received.**

**(xvi) Full Council adopt the existing Council Tax Support Scheme subject to amendments to allowances in line with national changes. Determination of the allowances to be delegated to the Chief Finance Officer in line with prior year practice.**

**(xvii) It is recommended that the Council reviews the affordability of the Council Tax Support Scheme during the early part of 2022/23 in order for a consultation exercise to be undertaken.**

**(xviii) A task force be set up urgently to help identify and make recommendations to Council on alternative options to control, and reduce, spiralling Temporary Accommodation costs.**

**The Councillors present voted unanimously in favour to approve the recommendations in the report.**

Signed



Jane Hartnell  
Managing Director  
Hastings Borough Council

# Agenda Item 4



**Report To:** Cabinet

**Date of Meeting:** 7 March 2022

**Report Title:** Cornwallis Street Car Park

**Report By:** Peter Grace, Assistant Director Financial Services and Revenues

**Key Decision:** Y

**Classification:** Open

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## Purpose of Report

For the Council to use the existing car park for an alternative use it has to formally appropriate the land - which it already owns.

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## Recommendations

- 1. Resolve that Cornwallis Street Car Park, as shown edged red on the attached plan, is no longer required for the purposes for which it is currently held (i.e. as a car park).**
- 2. Approve the appropriation of the land pursuant to section 122 of the Local Government Act 1972 for the planning purposes of facilitating redevelopment for residential and other uses pursuant to section 226 of the Town and Country Planning Act 1990.**
- 3. Approves the use of powers to override any easements and other rights in respect of the land pursuant to section 203 of the Housing and Planning Act 2016.**
- 4. Agrees the approach of notifying, engaging with, and negotiating with affected third parties.**

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## Reasons for Recommendations

1. The appropriation of the car park is necessary in order to secure the benefits from the redevelopment of the site to provide a new hotel.
2. Appropriation of the site will enable the development to proceed without the risk of an injunction from adjoining landowners.

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## Introduction

1. On 4 January 2021 Cabinet resolved to proceed with redevelopment of Cornwallis Street Car Park as a hotel and furthermore delegated authority for revised terms to be agreed with the proposed operator. An agreement with Premier Inn was completed on 20 January 2021.
2. A planning application to construct an 84 bedroomed hotel with ancillary ground floor restaurant, car parking, landscaping and all associated works was submitted on 3 September 2021. This was considered at Planning Committee on 23 February 2022.
3. For a Council to use its land for a different purpose it needs to formally appropriate the site for planning purposes. The redevelopment will potentially override third party rights, e.g. right to light.

## Legal Process

4. Section 122 of the Local Government Act 1972 provides a power to the Council to appropriate land from one purpose to another where the land “is no longer required for the purpose for which it is held immediately before the appropriation”. The key procedural points are as follows:
  - a) The land must already belong to the Council.
  - b) The land must no longer be required for the purpose for which it is currently appropriated.
  - c) The purpose for which the council is appropriating must be authorised by statute.
5. By sections 226 and 227 of the Town and Country Planning Act 1990 the Council is authorised to acquire by agreement any land which they require to facilitate the carrying out of development, re-development or improvement on or in relation to the land, where they think that this will contribute towards the promotion or improvement of the economic, social or environmental well-being of their area.
6. The appropriation of land pursuant to this provision does not result in the overriding of third-party rights; this is facilitated by the powers set out in Section 203 of the 2016 Act (Section 203) and provides that building or maintenance work/use which interferes with rights or breaches restrictions as to user is authorised if:
  - a. planning consent exists for the building works or use.
  - b. the work is carried out on land that has been appropriated by the Council for planning purposes after 13 July 2016.
  - c. the land could be compulsorily acquired by the Council for the purposes of the building works or maintenance/use of buildings or works constructed.
  - d. the building work or maintenance/use is for purposes related to the purposes for which the land was acquired or appropriated.



## Justification for Use of Section 203

7. The redevelopment of the site supports several priorities in the Corporate Plan and the Town Deal Investment Plan. As well as providing much needed visitor accommodation, constructing a hotel will provide substantial economic benefits both in terms of visitor spend, new jobs created and sustainability of the town centre and night-time economy.
8. In terms of the impact of parking in the surrounding area, the planning application acknowledged that the proposed development will result in the loss of a parking area currently in public use and would also create an additional parking demand in the surrounding area. However, the submitted information and the proposed parking strategy demonstrated that any overspill parking is only likely to occur overnight and this can be sufficiently accommodated in the nearby area. With this in mind, it was considered that the development will not have an unacceptable impact on the existing parking pressures in the area.
9. Certain properties have been identified which may benefit from a right to light over the site. Engaging Section 203 means that any beneficiaries of third-party rights, such as a right to light, that are interfered with because of the carrying out of the development cannot prevent the development from proceeding by seeking an injunction from the courts, and as a result the development proposed can proceed. So, the potential existence of these rights means that unless the provisions of Section 203 are engaged the development could be prevented from proceeding by the owners of the affected properties.
10. Section 203 provides that those with the benefit of such rights (that are interfered with) will be entitled to compensation which will be calculated based on the diminution in value of their land. If it is agreed to appropriate the site, we would look to implement a proactive approach of notifying, engaging with and negotiating with affected third parties on this basis through our Right to Light advisers.

## Economic/Financial Implications

11. An assessment of the compensation payable has been provided by our Rights of Light advisers and is included within the costings for the scheme. In addition to compensation, the Council will also be responsible for payment of advisor's fees for affected parties.
12. The Council will look to ensure that the car park is retained for its existing use for as long as possible, whilst the contractor is mobilising for the construction works.

## Local People's Views

13. No objections were received when the proposed Revocation of the Parking Order was advertised in the Hastings & St Leonards Observer, at the car park and on the Council's website from 26 November 2021 to 24 December 2021.
14. Parties who the Council consider to be affected by the proposed development will be notified that the Council has appropriated the car park and invited to appoint advisors and commence discussions/negotiations with the Council's advisers.

## Risk Management

15. Officers have considered the associated risks at all stages of the project. As part of the due diligence an initial Rights of Light report was commissioned from external experts and a

further report has been received now that the design of the hotel to be built has been finalised.

16. It is considered that appropriating the site for planning is the best course of action from a risk management perspective.

### Conclusion

17. In conclusion it is recommended that the Council use their powers to appropriate the land for planning purposes. The significant public benefit from the proposed redevelopment of the car park are of sufficient magnitude to justify the appropriation.

### Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Cabinet agrees to appropriate the site	Site is appropriated	7 March	Estates Manager
Discussions commenced with affected parties	Letter is sent	8 March	Estates Manager
Compensation claims are settled	Agreements documented and payments made to affected parties	tbd	Rights of Light advisers/Estates Manager/Legal

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### Wards Affected

Castle;

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### Policy Implications

Have you used relevant project tools?: Y/~~N~~

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

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

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**Additional Information**

Attached plan showing the extent of the site edged red.

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**Officer to Contact**

Officer: Amy Terry  
Email: [aterry@hastings.gov.uk](mailto:aterry@hastings.gov.uk)

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# Agenda Item 5



**Report To:** Cabinet

**Date of Meeting:** Monday 7<sup>th</sup> March 2022

**Report Title:** Climate Change Strategy update and plans for 2022

**Report By:** Victoria Conheady, Assistant Director Regeneration and Culture

**Key Decision:** Y

**Classification:** Open

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## Purpose of Report

To report to cabinet the progress against the agreed priority actions on the climate emergency action plan since October 21

To acknowledge that the Climate Change Strategy and action plan will be updated and presented to cabinet in October 2022 to reflect changes in international, national and regional policy advances

To review the latest data available relating to carbon emissions (borough wide and from council operations)

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## Recommendation(s)

- 1. To acknowledge the progress made against the actions of the climate emergency action plan since the last report to Cabinet in October 2021**
- 2. To recognise the breadth and scale of the challenge of our net-zero ambitions, and that these can only be delivered by collaborating and working together across all sectors from national and local government to local business and organisations and individuals through their lifestyle choices.**
- 3. To acknowledge the need to continue to lobby for additional finances, and to encourage others to do so the same, to meet the scale and pace of investment required to meet the ambitions of the strategy**

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## Reasons for Recommendations

1. To recognise the achievements to date since adoption of the action plan in March 2020.
2. This report covers the period October 2021 to March 2022 building on the annual report that was presented to [Cabinet October 2021](#)

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## Introduction

1. Since declaring a climate emergency in 2019 and publishing the climate emergency strategy and action plan in March 2020, the Council has made good progress towards the prioritised

actions in the action plan and delivered the majority of the actions. Some of course have not been completed due to the impacts of COVID-19 on staff resources and will be taken forward into the next iteration of the strategy action plan. For example, the development of the Strategic Asset Management Plan. However, new projects and programmes have also been developed that were not included in the original plan

2. Much of the climate emergency ambition has become embedded in our service provision, and we will continue to build on this in the coming months to help deliver the 2030 target and beyond. However, to meet the target it is essential the whole community takes part, that every organisation, business, and resident takes action however small to reduce their carbon footprint. In turn, we will continue to lobby for resources and policy amendments. We have continued to integrate the climate emergency into the Councils decisions making process and will continue to support services to include climate change in their projects and plans. To continue to ensure the Council holds itself accountable and that it embraces the climate emergency, we have continued to deploy the environmental and climate change impact assessment section for all executive decisions making and as part of the Corporate Management Centre for new plans and projects. This has helped report authors to understand how their decisions impact on climate change, and how climate change will impact in their decisions.

### **Next steps to develop the strategy 2022 onwards and action plan**

3. Since its publication in March 2020, there has been a range of international and national policy announcements which will be reflected in the refresh of the climate change strategy and action plan. It is widely acknowledged that to reach net zero, will require a shift in international and national policy and associated financing arrangements as well as a change in all of our behaviours in work and at home. Advancements in technology will support this along with recognising the value of nature-based solutions, all assisted by the recent international focus at COP26
4. Engaging local partnerships, key stakeholders, local businesses and the community in the next iteration of the climate change strategy action plan will be essential. This will help us to understand what others are doing to tackle climate change and well as sharing stories to inspire others to take action too. We will continue to show leadership in our climate change work and demonstrate that we are serious in tackling climate change.
5. The Council is planning to use a digital platform to engage the local community in understanding their ambitions for the town with regard to climate change and the actions they are already taking.
6. We will review the current themes of the action plan and update these in line with current guidance and new policy drivers. Areas to be considered in the next iteration of the strategy include resources consumption, waste and the circular economy and climate adaptation

### **Key activities for the Council will include**

- Continue to ensure that climate change is integrated into the Council decision making and
- Continue to lobby for resources for the town.
- Develop a strategic Assessment management plan for the Councils own assets
- Integrate Climate adaptation into the climate strategy and action plan using Local Partnerships [Climate Adaptation](#) tool kit.
- Continue the work to refresh the new Local Plan including the development of a Topic Paper on Climate Change

- Continue to lobby and work with partners, local organisations and community groups to deliver actions to tackle climate change
- Lobby key partners and the private sector to invest in Hastings to support the delivery of the carbon neutral ambition
- Continue to embed the climate emergency into all of the Councils work and work to ensure that all service areas are contributing to the net zero ambitions through our policies, projects and programmes
- Develop the climate web pages, providing advice and information about how to take action at home and in your business
- Launch the digital platform to engage the local community in the development of the next iteration of the climate change strategy and action plan
- Continue to secure funding to retrofit the existing housing stock and tackle fuel poverty
- Work with project leads delivering Towns Fund projects to ensure they contribute to the delivery of the towns net zero ambitions as well as climate resilience
- Work with partners and the local community to increase local biodiversity and through the management of our parks and open spaces

## Background

7. Within the borough boundary, the Council is directly responsible for less than 2% of local emissions, however, through our influence and own policy developments we can continue to help to shape and support local action to reduce greenhouse gas emissions and engage local stakeholders and partners in taking action. However, as a council operating at a district level it is not within our power to directly enact all of the measures required to reach carbon neutrality.
8. In June 2021, Committee on Climate Change published their annual assessment of UK progress in reducing emissions and biennial assessment of progress in adapting to climate change. They reported that “reducing emissions and adapting to climate change will require a whole-of-society endeavour. Success will require the public to be engaged in the challenge, building public consent for the changes with a broader understanding of what is required and why”
9. In August 2021, the International Panel on Climate Change released its 6<sup>th</sup> report [Sixth Assessment Report - IPCC](#) which states human influence has unequivocally warmed the planet locking humanity into 30 years of changes. Climate changes are happening more rapidly. Impacts are being felt in every region of the world. However, the report also highlighted the actions we all need to take to reduce greenhouse gas emissions which could limit warming beyond 2050.
10. In November 2021, the global ‘conference of the parties’ ([COP26](#)) took place, this had significant implications for global action on climate change. The global pacts made also have national implications. The council will seek to respond to policies and programmes developed because of this international process factoring these policy changes into planning our route map to 2030 to be developed this year.
11. The Council recognises that our residents, businesses and local organisations and our communities have a critical role to play in building resilience and reducing emissions in their own homes and businesses and through work and lifestyle choices, or as communities taking local action together. However, we are also very clear that without additional national grant funding and investment from the private sector it will take longer to reach our climate ambitions. Investment is needed across all aspects of our economy to accelerate the decarbonisation that is required to achieve carbon neutrality. In addition, innovative green

finance mechanisms will also help to deliver the strategy in the longer term e.g. community share offers and green bonds.

## **Key achievements since October 2021 – March 2022 to complete the delivery of the 2 year action plan**

12. This report celebrates the achievements that have been made during the last 2 years to deliver the climate change action plan. A detailed list of the achievements for the previous 18 months can be found in the report presented to Cabinet in [October 2021](#). This report provides an overview of work that has been undertaken in the last 6 months and completes the reporting on the delivery of the 2 year action plan

## **Theme 1 Communication, lobbying, building awareness and stakeholder engagement**

13. Partnership working remains a key to the success to the delivery of the strategy and action plan, and we will continue to build on the work that has been developed. These include:
  - Sussex Local Nature Partnership
  - East Sussex Energy Partnership
  - The Clean Growth Working Group of SELEP
  - The Town Deal Board
  - Hydrogen Sussex
  - The East Sussex Waste Partnership
  - East Sussex Climate Change Working Group
- Set up a dedicated form to submit your ideas on the regularly updated webpage [climate change ideas](#) . The web pages include ideas for what you can do as a resident and a local business to reduce your carbon footprint.
- We are developing an on line engagement platform which will be launched in the first quarter of 22/23 this will allow the Council to further connect with the whole community, hear their voices and make, more inclusive decisions about the future actions for the climate change strategy.
- Officers are taking part in Behaviour Change training in partnership with UCL and colleagues across the county; this will increase the council's awareness and understanding of the science behind behaviour change and support the development of future communication campaigns.
- Promoted the climate change focused 'crowdfunder' hosted and match funded by ESCC ([PTM: East Sussex | Crowdfunder UK](#)) and supported the approval of the projects including two in Hastings (Eco Heat the Y centre and the Crisp Packet project)



- The Council with its partners has continued to lobby regional and national government for resources to support the delivery of the climate emergency and other key priorities. For example, through the Partnerships for People and Place and Sustainable Warmth Funding.

## Theme 2 Grid Decarbonisation – supporting the transition to zero carbon electricity

14. Grid decarbonisation is one of the most important factors affecting whether the UK's net-zero target is achieved; emissions reductions to date have been largely achieved through national policy to phase out coal for electricity production, although gas still has a large part to play. This has reduced the carbon intensity of the national grid. As such officers regularly engage with UKPN and have provided input to help shape the development of their Business Plan, the outcome of which has created a dedicated team at UKPN to support local authorities reach their net zero ambitions.
- Continued to liaise with UKPN and inputted into the development of their new [Business Plan](#) to make sure the town's net zero ambitions are reflected.
  - Took part in Southern gas networks webinars to understand their local ambition for 'greening the gas network' ( [Gas goes green](#) )
  - The Council has procured 100% renewable energy for its electricity contracts for the last financial year and have begun the process to procure the Council's electricity supplies for 2022/23 and beyond.
  - The review of the Local Plan is still ongoing and will include new policies to support the climate emergency, including renewable energy policies that will support the decarbonisation of the grid at a local level.
  - In support of the Local Plan a Topic Paper on climate change and green infrastructure has begun to be researched; this will form part of the evidence base for the final plan submission at the end of 2022.

## Theme 3 Reduce Energy demand from existing buildings

15. The existing building stock accounts for 73% of greenhouse gas emissions in the borough arising from the gas and electricity used in our buildings. Improving the energy efficiency of the existing building stock and the way in which we use energy and emission intensity of the existing building stock. Since we reported to Cabinet in October, much of our work has been a continuation of our existing programmes with the exception of the MEES and Town Deal projects described below:
- We have continued to promote the East Sussex Warm Home Check Service hosting the East Sussex fuel poverty coordinator
  - Working in partnership with East Sussex Energy partnership the Council led the successful application for [Sustainable Warmth](#) funding to support low income households with energy saving upgrades and low carbon heating installations.
  - The Minimum Energy Efficiency Standard (MEES) [pilot project](#) working in partnership with Trading Standards have supported landlords to improve the energy efficiency of their properties to meet their legal obligations and ensure their tenants live in warmer homes. The project is targeting properties that have an Energy Performance Certificate

(EPC) rating below Band D. The Council will investigate and take appropriate enforcement action on private landlords who do not meet the Minimum Energy Efficiency Standards (MEES) regulations.

- The Council delivered two training workshops for local landlords, letting and managing agents in partnership with Trading Standards and East Sussex Fire and Rescue Services to highlight fuel poverty, MEES and EPC rating requirements as well as local grant funding opportunities.
- We have commissioned a Housing Stock Condition Survey which will collate information about people's housing circumstances and the condition and energy efficiency of the housing in Hastings. This will inform future policy developments and funding bids to retrofit the existing housing stock.
- Worked in partnership with ESCC to develop a bid to the '[Partnerships for People and Place](#)' programme looking at integrating action on health inequalities and climate change – the project will focus on new and innovative ways to tackle fuel poverty and energy efficiency in private rented accommodation. The outcome of the bid will be known by April 2022.
- The Town Deal programme has got underway
  - a BREAM excellent new commercial building is being developed at Churchfields Industrial estate to provide local employment and business incubator units.
  - The Business Case for the Town Centre Living project is underway with concept designs commissioned for a building in the town centre which will create high quality, affordable and energy efficient homes.
  - The college has submitted the Business Case for the Green Construction Centre of Excellence for the Ore campus which will create a regional training centre for green skills including low carbon technology and retrofitting skills for domestic and commercial buildings.

#### **Theme 4 generating renewable and low carbon energy**

16. Generating renewable and low carbon energy reduces greenhouse gas emissions by reducing our reliance on fossil fuels, whilst increasing local energy security.
- In November the council 'soft launched' its [Solar for Businesses](#) project and to date has received interest from 15 local businesses. Of the 15 sites we have initially spoken to, two are being progressed forward as the first tranche. These two sites total 90kWp of Solar Panels which is estimated to offset 19.5 Tonnes of CO<sub>2</sub>e emissions in the first year
  - The Council supported the development of the partnership 'Solar Together Sussex' project and encouraged local homeowners to take up Solar PV and battery storage. The project brings together homeowners and small to medium sized enterprises together, to install high quality solar panels at a competitive price. Across east and west Sussex over 7000 households registered an interest including over 300 in Hastings. For every kw of solar PV installed approximately one tonne of carbon will be saved.

## Theme 5 Low Carbon and sustainable transport

17. Transport accounts for 29% of all emissions in the borough. The transition to low carbon vehicles and fuels will help to reduce carbon emissions from transport significantly. In addition to reducing the use of fossil fuel vehicle, active travel such as walking and cycling, and the use of public transport has an important role to play in reducing emissions from transport. The impact of climate change also places additional pressure on the maintenance and resilience of the transport network so will require to adapt as well as mitigation measures to avoid more frequent and severe disruption to the movement of people and goods.
  - The specification for greening the council's vehicle fleet has been finalised with service areas, quotes for vehicles have been received and a 3 year lease option has been approved. It may take up to 12 months for the full fleet of vehicles to be received. The services included are as follows Parking and warden services, Environmental Health, Active Hastings and the Building Cleaning Services.
  - Identified the EV charging infrastructure needed to support the transition to a green fleet and procurement is underway to install electric vehicle charging points at for the Carlisle Base, the Depot and Muriel Matter House.
  - Taking part in the Task and Finish working group of 'Strategic Property Asset Collaboration in East Sussex' (SPACES) to map and plan for future EV charging infrastructure needs across East Sussex using public sector estate and assets, as well as on-street parking which ESCC lead on. By working together partners will aim to develop a co-ordinated strategic plan for future investment in EV infrastructure
  - We are also working with our partners in the East Sussex Joint Waste Partnership to assess current, and potential future options to decarbonise the waste collection fleet.
  - Commissioning a Car parking study for Hastings Town Centre to understand the future needs of car parking in the town centre to inform the development of the new Local Plan – this will take account of national policy, ESCC on street parking strategy and the Councils plans for regeneration of some of the existing car park sites.

## Theme 6 natural climate solutions

18. The land (soil and plants) within the borough currently captures 23.9 kt CO<sub>2</sub>e per year. Biological diversity is essential and intrinsically linked to every part of our health, livelihoods and our future wellbeing providing the air, water and food ad materials we need to survive. Healthy and resilient societies depend on giving nature the space it needs yet nationally wildlife populations have reduced by 50% since the 1970's as reported in the [State of Nature Report 2019](#)
19. Substantial work in this area has commenced since October, as part of our work plans which includes:
  - We have been working with the [Sussex Local Nature Partnership](#) (SLNP) to share knowledge and ensure that any schemes designed to utilise natural capital to sequester carbon are appropriate. The SLNP will help to monitor and advise on nature related carbon offsetting activities.

- Commissioned Surrey Wildlife Trust to develop a Green Blue Infrastructure and Biodiversity Net Gain Strategy for the borough to inform the development of the Local Plan refresh.
- The Council repaired/ renewed and replaced the timber groynes between Hastings Pier and West St Leonards and will be undertaking ‘beach recycling’ to maintain the level of shingle on the beach to the level required for our sea defences. The beach between the harbour arm and pier provides one of our main sea defences, as well as spaces for recreation and habitats for wildlife.
- commissioned research to consider the options for the future management of the borough parks and open spaces.
- Supported the [Greener Futures](#) project that engages local people in getting involved in green space projects in the towns local parks, Hastings Country Park and the Combe Valley Countryside park, providing opportunities to learn about horticulture, foraging and practical conservation skills.
- Town Deal Projects in development phase:
  - In November the Council and the Garden Town Team visited Sheffield to learn about their ‘[Grey to Green](#)’ scheme to help inform the development of the green connections and public realm towns fund project
  - Supported the delivery of the Towns Fund project ‘Broadening Futures Together’ a partnership between the Education Future Trust and Plumpton College business case for approval. Once open the project will be able to deliver training for land-based skills and outdoor courses.

## Annual Emissions Reporting – how can we tell how we are doing?

### Borough wide emissions

1. Details of the borough’s greenhouse gas emissions for 2019 (the most recent data for the town), can be found in Appendix ‘1’. Since the action plan was published there has been a slight decrease in the town-wide emissions.

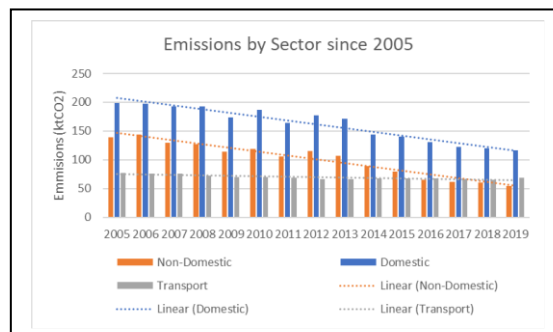
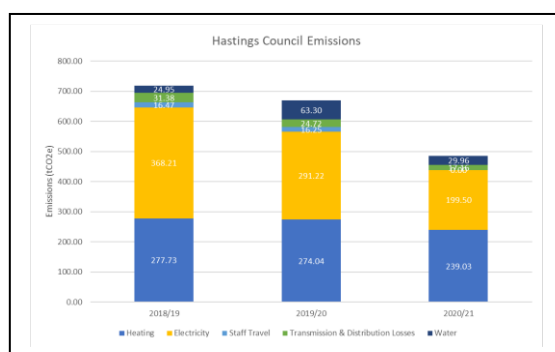


Figure 1 Emissions by sector since 2005 to 2019 (source: BEIS)

- Emissions from housing remained the largest source of CO2 emissions for the borough accounting for 49% of total emissions. Transport emissions accounted for 29% of emissions and non-domestic buildings 22%.

## Council Emissions

- We have used the [Green House Gas Accounting Tool](#) to calculate and report on the Councils GHG emissions.
- We have baselined the councils carbon emissions using data from 2018/19 and assessed 2019/20 and 2020/21 against this baseline year. The majority of the Councils emissions arise from the use of energy (electricity and gas) in our buildings and assets such as lighting in car parks. The results are shown in Appendix 1 and provide a detailed description of the councils' emissions. We will calculate emissions for the year 2021/22 by the summer 2022.
- In October 2020, we switched our electricity supplies to a renewable sources only supply, which will significantly reduce our electricity emissions for the lifetime of the contract. In 2019/20 the Councils emissions had decreased by 48% when compared to the 2018/19 baseline. (Scope 1 and 2 emissions only).



**Figure 2 Hastings Borough Council carbon emissions for 2018/19, 2019/20 and 2020/21**

## Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Launch of Citizen Lab climate change conversations	Develop pages during March	Spring 2020	Chantal Lass
Revised strategy and action plan to be developed by October 2022		October 2022	Chantal Lass

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## Wards Affected

(All Wards);

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## Policy Implications

### Equalities and Community Cohesiveness

Residents on low incomes can directly benefit from energy bill savings through the fuel poverty programme and energy and water efficiency schemes. Individual schemes brought forward as part of the Climate Emergency will be subject to their own more detailed Equalities Impact Assessments as required and as and when they are brought forward,

### Crime and Fear of Crime (Section 17)

There are no crime and fear of crime implications arising directly from the recommendations in this report

### Risk Management

By tackling climate change now reduces the risks of more intense impacts in the future.

### Environmental Issues & Climate Change

The strategy and action plan is focused on climate change, environmental protection and enhancement. The action plan will have a range of significant environmental benefits in terms of reducing carbon emissions, and increasing green infrastructure, boosting biodiversity and nature recovery, and increasing resilience to the local impacts of a changing climate

### Economic/Financial Implications

Creating a more sustainable place to live and work contributes to creating a more prosperous place, attracting business and investment. Responding to the climate emergency presents economic challenges but also an opportunity to stimulate the economy and to develop green skills and jobs.

### Human Rights Act

The impacts of climate change are predicted to impact on all communities, with the greatest impact predicted to be impacting the most vulnerable communities locally, and internationally.

### Organisational Consequences

Delivering the climate emergency will require the Council to continue to embed the implications across all of its service areas, projects, programmes and policies.

### Local People's Views

Local communities are engaged in climate change and their views will be actively sought for the next iteration of the strategy and action plan.

### Anti-Poverty

Taking climate action will benefit local residents and those on low incomes providing costs savings from energy and water costs for example.

### Legal

There are no legal implications arising directly from the recommendations in this report

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## Additional Information

Appendix 1 Annual emissions monitoring

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### Officer to Contact

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Tel 01424 451483

**Officer:** Sam Phyll

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## Appendix 1 Annual emissions monitoring

### Borough wide emissions update

1. The UK annual greenhouse gas emissions statistics are published 18 months following the end of year to which they relate (Jan-Dec), and reflect policies and actions implemented prior to that. The local authority area emissions data for Jan – Dec 2019 has been published and is presented below. The data for January – December 2020 will be published in summer 2022.
2. BEIS regularly update the data calculation methodology and since the strategy and action plan was published the emissions data for 2005 - 2017 has been revised; this report provides an update on emissions and includes data for 2018 and 2019.

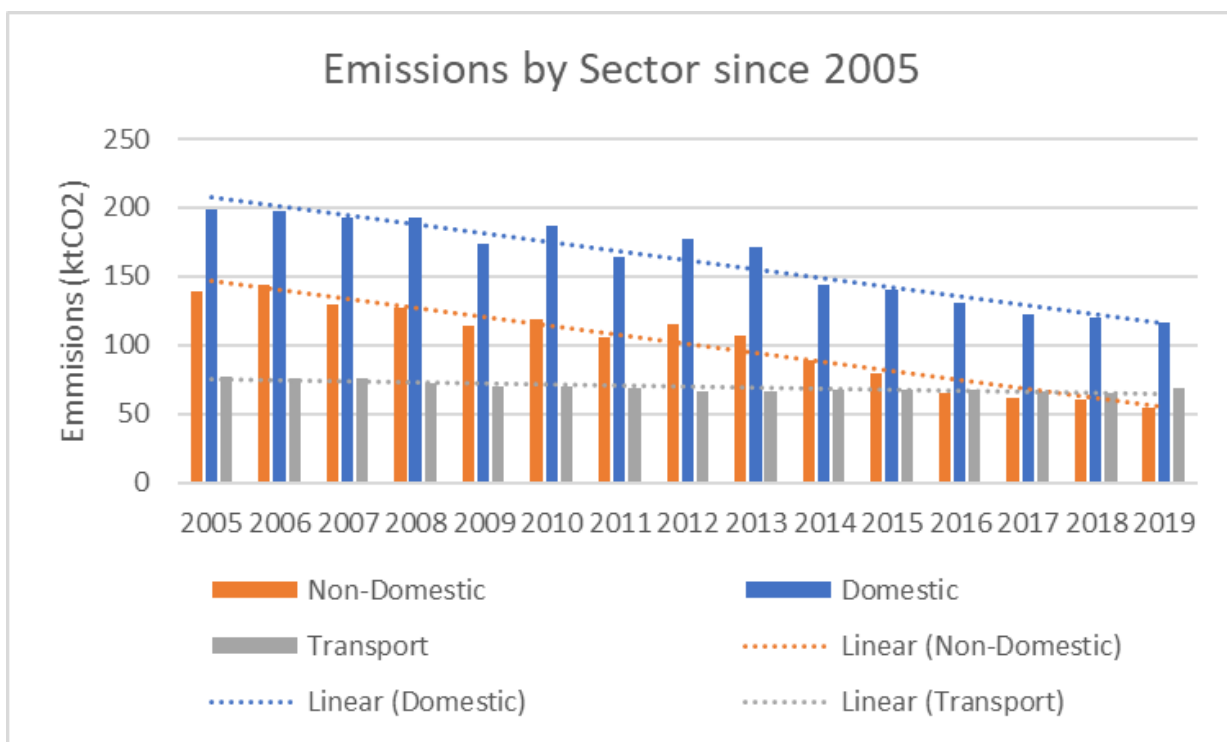


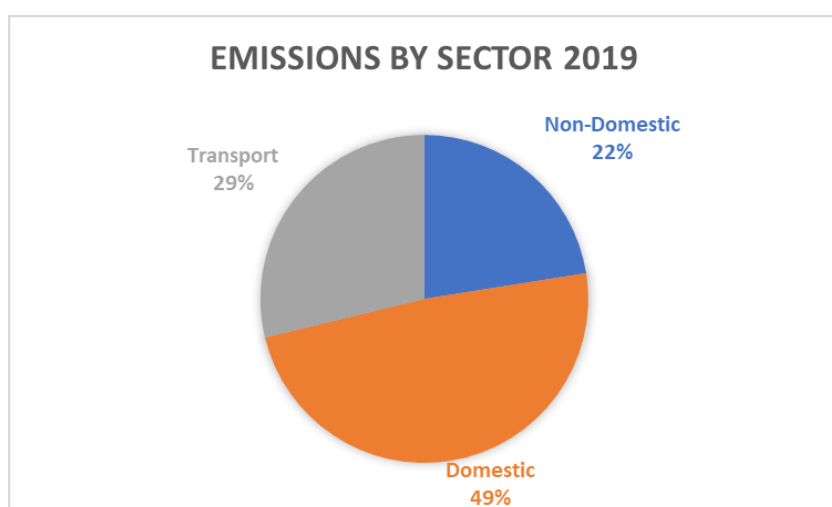
Figure 1 Emissions by sector since 2005 to 2019

3. In 2019, the data calculation methodology was again updated to now include separate data for the public sector (representing emissions from schools, hospitals, police, fire and local authorities etc).
4. There has been a very minor reduction in town wide emissions between 2017 and 2019. ([UK local authority and regional carbon dioxide emissions national statistics](#))
5. Net CO2 emissions for Hastings Borough in 2019 were 237.5 ktCO2, a decrease of 7 ktCO2 (2.9%) from 244.5 ktCO2 in 2017. This accounts for land use, land use change, and forestry (LULUCF) emissions, which continues to be a useful net sink of

carbon for the borough. Overall, emissions for Hastings have declined by 42.5% (175.8 ktCO<sub>2</sub>) from 2005 levels and this continues to be in line with national and regional trends (-34.86% nationally and -34.59% in East Sussex). Figure 1 shows changes in CO<sub>2</sub> emissions from 2005 to 2019 with and without the impact of LULUCF

- In 2019, housing remained the largest source of CO<sub>2</sub> emissions for the borough, accounting for 49% (117 ktCO<sub>2</sub>) of total emissions. Emissions from transport represent 29% (69 ktCO<sub>2</sub>), while non-domestic emissions (industrial and commercial ) sources account for 22% (54 ktCO<sub>2</sub>) including 10.3 ktCO<sub>2</sub>, 4.3%, from public sector . LULUCF activity reduced the total emissions across all sectors of the borough by 1.3% (3.1ktCO<sub>2</sub>) in 2019. (see figure 2)

Figure 2 Emissions by sector 2019



- At the rates of decline in carbon emissions seen since 2005, the Borough is estimated to emit 144.7 kT CO<sub>2</sub> in 2030 (61.5 kT CO<sub>2</sub> in 2050). From these figures it is clear to see an increase in wider carbon reduction programmes at a national level is required, as well as local action, to meet our net zero ambitions.

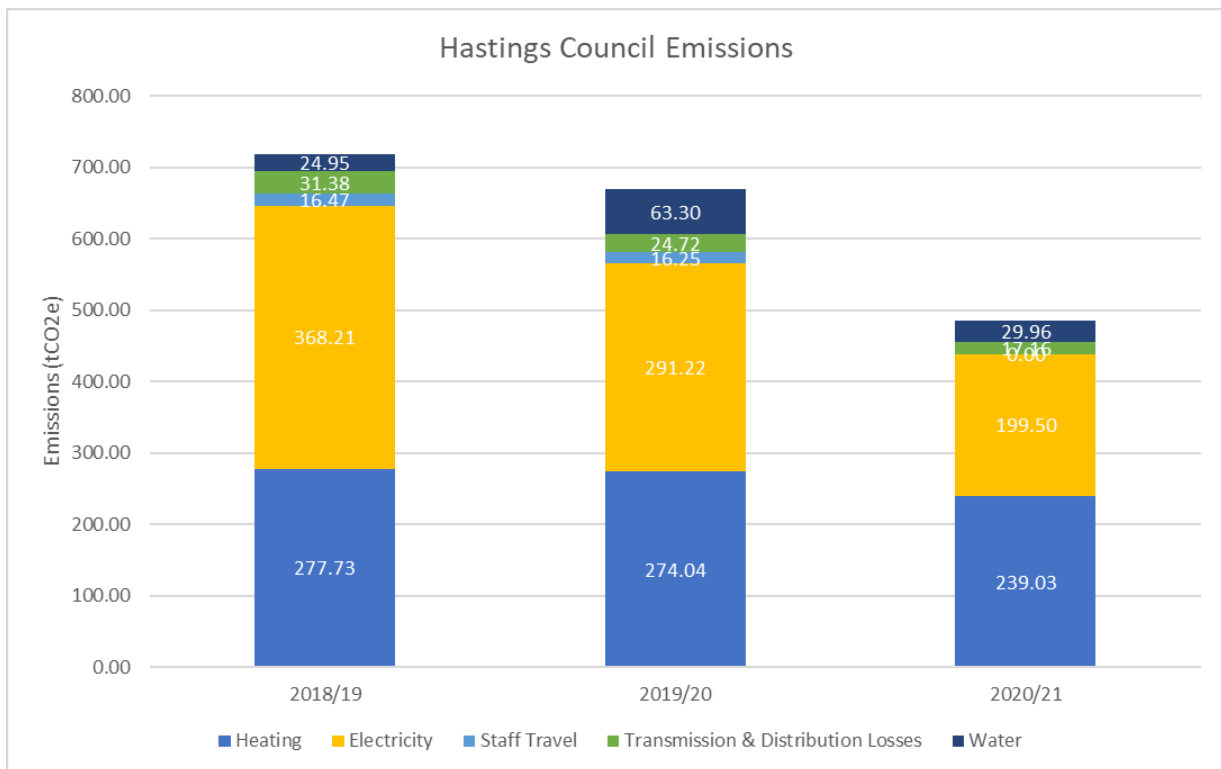
### Council Emissions

- We have used the 'Greenhouse Accounting Tool' to develop and report on the Council greenhouse emissions. The Greenhouse Gas Accounting Tool has been developed by Local Partnerships, working with the LGA, to provide a straightforward and consistent approach for councils seeking to calculate their own carbon baseline. The tool is free to use and has been reviewed by the Carbon Disclosure Project for compliance, and can be used to disclose council emissions data to the CDP-ICLEI Unified Reporting System in the Local Government Emissions section
- We have baselined the councils carbon emissions using data from 2018/19 and assessed 2019/20 and 2020/21 against this baseline year. In accordance with the Greenhouse Protocol and for the purpose of green house gas reporting, emissions are divided into three categories referred to as Scope 1 2 and 3. (see appendix 2 for a

definition of these terms and the data that has been used in establishing the Councils carbon emissions)

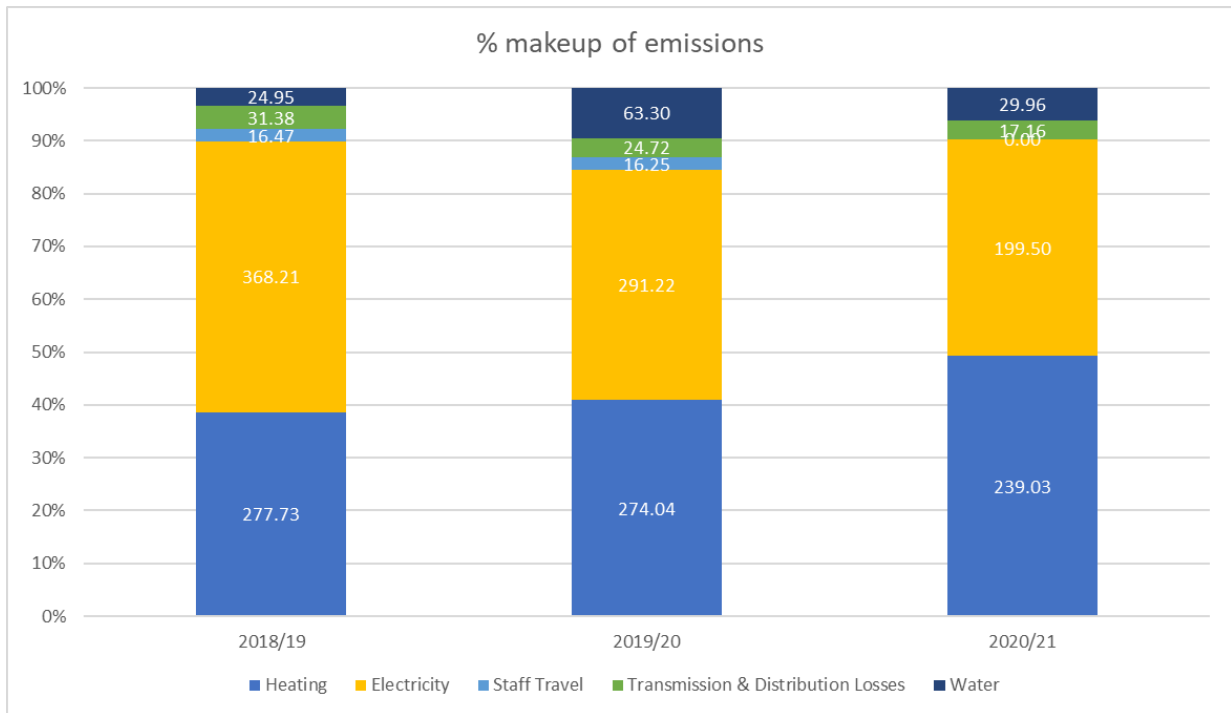
- To date we have collated where possible direct emissions generated from the councils own operations ( scope 1 and 2) and indirect emissions (scope 3) generated by council activities through the provision of outsourced services e.g. the white rock theatre, leisure and waste collection services. This has included an assessment of electricity and gas usage, travel and water usage.

Figure 3 Hastings Council carbon emissions for 2018/19, 2019/20 and 2020/21



- The majority of the Councils emissions arise from the use of energy (electricity and gas) in our operational buildings and assets such as lighting in our car parks. The electricity reductions can be attributed to the decarbonisation of the national grid during this time and accounts for the reduction on electrical emissions below (as well as electric lighting upgrades the Council carried out in 2019/20 and 2020/21)

Figure 4 % make up of the Councils emissions



6. The Councils scope 1 and 2 emission for 2019/20 were 599 tCO<sub>2</sub>e. A decrease of 11% (73 tCO<sub>2</sub>e) from the 2018/19 baseline. In October 2020 we switched electricity supplier to a renewable sources only supply, this will reduce our electricity emissions significantly during the lifetime of the contract. The Councils scope 1 and 2 emissions for 2020/21 were 350 tCO<sub>2</sub>e, a decrease of 42% (249 tCO<sub>2</sub>e) compared to 2019/20 and a decrease of 48% (322 tCO<sub>2</sub>e) from the 2018/19 baseline. As the UK further decarbonises the national grid, it will continue to reduce the greenhouse gas emissions associated to using electricity.

7. The emission data will be used to inform the refresh of the Asset Management Plan and to take targeted action where financially and practically viable in the worst energy performing buildings.

# Agenda Item 6



**Report To:** Cabinet

**Date of Meeting:** Monday, 7 March 2022

**Report Title:** Energy Procurement - Electricity

**Report By:** Peter Grace – Chief Finance Officer, and Victoria Conheady – Assistant Director Regeneration and Culture

**Key Decision:** N/A

**Classification:**

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## Purpose of Report

To agree the procurement route for the electricity supplied to the Council's owned and operated buildings.

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## Recommendation(s)

- 1. Agree to purchase electricity through the Laser Fixed Term Fixed Price Framework 2019-2023 Ecotricity option, to continue the Council's Green Electricity purchase plans.**
- 2. To delegate authority to the Chief Finance Officer in consultation with the Finance Portfolio Lead Member, to finalise the agreements.**

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## Reasons for Recommendations

1. The Council's Constitution, Part 9 Financial Rules Section 3, requires Cabinet approval for expenditure exceeding £200,000.
2. The Council's electricity contract with the Laser purchasing group ends October 2022. A decision needs to be made about procurement options by March 2022 to ensure a new supplier can secure the Council's energy needs from the energy market, six months in advance of the new supplier commencing.
3. Officers have engaged with the Procurement Hub and investigated three procurement options to buy the Council's electricity from October 2022 and met with three alternative providers.
4. All three suppliers offer a slightly different approach to procuring the energy, the Laser Framework is the lower risk option offering a fully green electricity supplier (rather than a REGO backed supply).

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## Introduction

1. The period for purchasing electricity through Laser is coming to an end. Due to the volatility in the energy market a full examination has been carried out with other potential suppliers who offer energy procurement services to the public sector. Working with the Procurement Hub, officers have met and reviewed the service and process on offer from Laser, CCS, and Beond Group. A summary of each company and their proposal is provided below.
2. The current procurement route through Laser is the Fixed Term Fixed Price Framework that runs until December 2023. A full review of our procured electricity will need to be implemented following any announcement from Laser on their Framework from 2023 onwards. This review is likely to take place during Q4 of financial year 2022/23.
3. Our requirement has changed slightly from previous years' energy procurement due to the introduction of 24 domestic premises into our assets. We also currently have 62 non-domestic assets.

## Current Situation

4. In Financial Year 2020-2021 the Council used 855,702 kWh of electricity in the non-domestic assets, which cost £213,885, with a further £16,515 being added from Social Lettings. Our total electricity bill was £230,400.
5. The non-domestic assets recorded a 25% drop in electricity used compared to the financial year 2019-2020, however part of this is attributed to the COVID pandemic and reduced usage of our operational buildings. For reference, 2019-2020 saw a drop of 11% compared to our baseline year of 2018-2019.
6. The Council is undertaking an asset review that will identify areas where the energy efficiency of the buildings can be improved, which will result in lower energy usage and therefore lower emissions from existing buildings, however any buildings added to the asset register will increase overall energy usage and emissions.
7. At the end of 2021 there was an energy price crisis which significantly raised both wholesale gas and electricity prices and caused a significant number of energy supply companies to cease trading.
8. This fuel price crisis has also caused uncertainty over energy supply company resilience, especially those outside of the 'big six' energy firms.
9. Wholesale energy costs have risen sharply from mid-2021, for example the wholesale cost of electricity in February 2020 was £40/MWh, in February 2022 the wholesale cost of electricity is £236/MWh. This is predicted to drop to £172/MWh across the summer of 2022, so the p/kWh rate we pay has the potential to increase by around 60%, which could increase our annual bills by 50%.
10. Due to this significant price rise, comparisons of energy prices previously available from the three procurement companies are not a reliable tool at present, however each company has offered similar prices per kWh over the last year.
11. Each company charges a fee for using their procurement service, whilst these fees do vary, they make up a small portion of the overall spend on electricity.

12. The Council also has several Unmetered Supplies that are mostly with British Gas and on varying contracts. We will aim to bring these in line with the metered supplies as and when their existing terms come to an end.

## **Energy Procurement Companies and their Procurement Routes**

13. Below is a summary of each company and their proposal.

### **Laser**

14. Established in 1989 and wholly owned by Kent County Council. Laser have been our energy procurement provider for a number of years and continue to hold the gas procurement contract until September 2024. They currently manage contracts for over 200 public sector bodies.
15. Currently we purchase 100% renewable energy through Ecotricity on a fixed term price contract, this fixed term price is set between three and six months prior to contract start. This price is based on wholesale market rates at the time of the tender.
16. Ecotricity are the only 100% renewable provider on the Laser framework.
17. Currently ourselves and Rother District Council use Laser.

### **Crown Commercial Services (CCS)**

18. CCS have been trading since 2001 and are the 7<sup>th</sup> largest energy procurer in the UK and with 7% of the entire Industrial & Commercial market they are the biggest buyer outside the industry itself (they buy more than every other Public Buying Organisation combined). To put this into context, CCS buy enough gas to heat more than 2 million homes and enough power for almost 8 million homes for an entire year.
19. With CCS the total volumes from all their customers are aggregated together, allowing more buying opportunities and for customers to benefit from being part of an aggregated portfolio.
20. The procurement of the energy takes place over 6 months prior to the contract start date, it is done in tranches and therefore smooths out the peaks and troughs of the wholesale price market.
21. CCS Currently only procure electricity from EDF. EDF do offer a green tariff which is based on the provision of Renewable Energy Guarantee of Origin (REGO) certificate for the total amount of electricity used by the Council.
22. Whilst these REGO certificates do guarantee the energy used has been matched by generation from renewable sources, they can be traded outside of the supply of electricity and so therefore could not ensure that the charges will go into providing new renewable energy (which is more transparent when using a supplier like Ecotricity).
23. Currently East Sussex County Council use CCS.

### **Beond Group**

24. Established in 1999 to offer an alternative approach to energy procurement.
25. Beond use a reverse auction approach for tendering energy where the full amount of energy required is tendered in one day and needs signing off on the same day. The exact day the auction is carried out can be set by us.
26. A reverse auction works by the volume of energy required by a customer (us) is presented to the market and energy supply companies have the opportunity to bid for the contract, with the lowest supply offer winning the tender.
27. The wholesale price market has peaks and troughs daily in wholesale prices; therefore, this approach requires fast initiating when the price market is in a trough. This requires the market to be constantly monitored to ensure best point of entry. Without consistent viewing of the market the risk of tendering at a high wholesale price is considerably increased.
28. Currently Wealden District Council use Beond.

### **Public Exemption**

29. None.

### **Risk Management**

30. The risk associated with procuring energy include wholesale price volatility and energy supply company stability. By using an expert procurement service, we will reduce these risks as the procurement is carried over a six-month window so the stability should be ensured. The use of Beond and a reverse auction could leave the Council exposed to having to buy energy on a day when the prices are higher than the average obtainable.

### **Environmental Issues & Climate Change**

31. By continuing our approach to only using green electricity we ensure our Scope 2 emissions for electricity use remains zero (however Transmission and Distribution emissions still apply), and therefore continue to support the Climate Emergency.
32. Likewise, it is vital that the use of energy continues to be decreased in all Council properties, wherever practical in order to meet the Council's commitments but also to reduce the increasing costs the Council is now facing.

### **Economic/Financial Implications**

33. Whilst the Council has been protected from recent price increases, and will continue to be partially protected until October 2022, energy procurement costs are expected to increase significantly for the Council.
34. Whilst it is impossible to predict the wholesale market rates at the time of tendering, the fact that it is procured flexibly and potentially bundled together with other local authorities should ensure a lower potential cost compared to procuring individually.

### **Organisation Consequences**

35. As the recommendation is to maintain with our current supplier for another year there should be minimal disruption or extra work required in the set up and ongoing paperwork.



## Legal

The legal department will need to review the contract with Laser.

## Timetable of Next Steps

36. The next steps are as follows:

Action	Key milestone	Due date (provisional)	Responsible
Instigate procurement route	Inform Laser of our desire to join their framework	17 March 2022	Chief Finance Officer
Sign Agreements	Complete all contracts with Laser	30 September 2022 (latest)	Chief Finance Officer in Consultation with lead Councillor

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## Wards Affected - None

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## Policy Implications

Reading Ease Score:

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

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

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## Additional Information

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## Officer to Contact

Officer: Sam Phyll  
Email: sam.phyll@hastings.gov.uk



# Agenda Item 7



**Report To:** Cabinet

**Date of Meeting:** 7 March 2022

**Report Title:** Management Response to the Overview and Scrutiny Recommendations on reviewing the process and procedure of motions submitted at Full Council

**Report By:** Jane Hartnell, Managing Director

**Key Decision:** N

**Classification:** Open

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## Purpose of Report

To respond to the recommendations made by the Overview and Scrutiny review team on the process and procedure of motions submitted to Full Council

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## Recommendation(s)

1. That Cabinet thank the Scrutiny review team for their report
2. That Cabinet approve this management response to the review team recommendations

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## Reasons for Recommendations

1. To respond to recommendations agreed by the Overview and Scrutiny at their Committee meeting on the 9<sup>th</sup> of December 2021.

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## Introduction

1. As part of the 2021/22 overview and scrutiny [annual work programme](#) a review was undertaken into the process and procedure of motions submitted to Full Council.
2. The Overview and Scrutiny Committee approved recommendations of the review team led by Councillor Andrew Battley at its meeting on the 9<sup>th</sup> December 2021.
3. The associated report is available here:  
  
[https://hastings.moderngov.co.uk/documents/s45121/Agenda%20Final%20Work%20programme%20Council%20Motions%20002\\_AB%20amends.pdf](https://hastings.moderngov.co.uk/documents/s45121/Agenda%20Final%20Work%20programme%20Council%20Motions%20002_AB%20amends.pdf)
4. The review arrived at 4 recommendations and this report considers a response to each, subject to Cabinet approval.

## Overview and Scrutiny Review Recommendations

5. The following 4 recommendations were made:
  - I. Agreed motions requiring actions should name a relevant person who will be responsible for completing and reporting on the outcome. Where longer term-based motions are agreed, this may mean being made part of the day-to-day work of the council across multiple areas.
  - II. A motion tracker should be created and maintained by Democratic Services showing the progress of actions passed.
  - III. A public tracker should be viewable on the council's website. This will need developing and scoping for best format.
  - IV. A report should be made to Full Council every 6 months to review the motions passed during that period and the actions undertaken. This will require a constitutional change that will first need to go to Working Arrangements Group (WAG) for approval.
6. The reasons for each of the recommendations were as follows:
  - Motions are a key contribution to local democracy that highlights issues of public concern.
  - Actions from motions need a relevant person to take responsibility for their outcome to see their completion.
  - A motion tracker will help with the effectiveness of this and if a public one can be developed it will allow residents to view the progress of this.
  - A biannual review will prove useful in seeing how well the council's procedures for motion implication are.
  - Working Arrangements Group (WAG) need to review constitutional changes before they are recommended to seek approval of Full Council.

## Management response

7. The recommendations I-IV are supported, and it is understood that work has been scheduled by the Democratic Services team and is already underway to bring forward the motions and public tracker as proposed.
8. The Council's senior management team will regularly review the motions tracker as it develops, to ensure that appropriate tasks or resources are delegated to follow up associated actions relating to each motion.
9. Given the financial and capacity challenges facing the Council documented in the recent report to Budget Council, it is anticipated that there will be occasions where there is not the available staff resource to pick up on associated actions with regards to a motion immediately.
10. Where this is the case, the Managing Director will liaise with the political leadership and determine the priority level of the work compared to other existing work streams and timetable work appropriately.
11. The above recommendations of the Overview and Scrutiny Committee prompt the need for a 'relevant person' to pick up associated actions. It will be important that the developing trackers identify the relevant person to ensure associated work is progressed in a timely manner.
12. It is also anticipated that some more wide-ranging motions may require more in-depth analysis in order to identify how best to achieve the outcome desired by council. Where appropriate, the council's internal review 'Project Assessment Group' may be asked to review the motion and determine how best to proceed.
13. This response is also mindful that Councillors on Overview and Scrutiny have also been reflecting on the quality and purpose of motions, considering the extent to which these are Specific, Measurable, Realistic and Time orientated/targeted (SMART).
14. Such reflection is welcome, and this response would encourage political leaders to work with their respective groups to reflect carefully on their potential motions in SMART terms, which in turn should assist in actioning the motions and tracking their progress.
15. It is understood that further work will be required to arrive at the right format and layout for the public tracker proposed and this will involve joint working between Communications, Web and the Democratic Services team to develop further.

## Conclusion

16. The next steps below set out an indicative timetable for associated work, assuming Cabinet approval of the recommendations and management response set out above.

## Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible

Internal motion tracker to be signed off	Motion tracker tested/ reviewed monthly	From April 2022	Democratic Services
Development of public motion tracker	Tracker tested, refined and made available on the council's website,	May 2022	Democratic Services
Internal Motion tracker operational	Tracker reviewed at regular senior management meeting and associated tasks allocated.	May 2022	Democratic Services
Public motion tracker operational	Tracker available and regularly updated on HBC website.	June 2022	Democratic Services
Constitutional change to enable 6 monthly reports to Cabinet/Council taken to WAG	WAG meeting organised and item reviewed. Constitutional changes approved if/as required.	April- Aug 2022	Monitoring Officer and Democratic Services
6 monthly Report to Cabinet/Council summarising motions progress.	Report timetabled and included on the Forward Plan.	From September 2022	Democratic Services

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## Wards Affected

(All Wards);

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## Policy Implications

Reading Ease Score:

Have you used relevant project tools?: Y/N

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

Equalities and Community Cohesiveness	Y/N
Crime and Fear of Crime (Section 17)	Y/N
Risk Management	Y/N
Environmental Issues & Climate Change	Y/N
Economic/Financial Implications	Y/N
Human Rights Act	Y/N

Organisational Consequences	Y/N
Local People's Views	Y/N
Anti-Poverty	Y/N
Legal	Y/N

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### Additional Information

Relevant links inserted into the introduction section of this report.

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### Officer to Contact

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# Agenda Item 8



<b>Report To:</b>	<b>Cabinet</b>
<b>Date of Meeting:</b>	<b>Monday, 7 March 2022</b>
<b>Report Title:</b>	<b>Leisure Services Externally Funded Projects update 2022-23</b>
<b>Report By:</b>	<b>Victoria Conheady, Assistant Director Regeneration and Culture</b>
<b>Key Decision:</b>	<b>Y</b>
<b>Classification:</b>	<b>Open</b>

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## **Purpose of Report**

To update regarding the Active Hastings externally funded programme.  
To update regarding the additional external funding applications for leisure related revenue and capital proposals. And to seek approval to progress if application is successful.

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## **Recommendation(s)**

- 1. To be advised of the Active Hastings team's current externally funded programme**
- 2. Delegate authority to Assistant Director Regeneration and Culture, or her nominee, in consultation with the Lead Member for Regeneration to enter into contract and utilise approx. £220,000 of funding to deliver the activity outlined in paragraphs 13-18**
- 3. To be advised of the capital funding application for the enhancement of Alexandra Park tennis courts and to delegate authority to Assistant Director Regeneration and Culture, or her nominee, in consultation with the Lead Member for Regeneration, to enter into contract and progress the project if the grant is successfully awarded.**

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## **Reasons for Recommendations**

1. The size of Council's Active Hastings team and the level of service is dependent upon the amount of external funding raised each year. This report outlines the current position.
2. Alexandra Park hosts the only public tennis courts in the town. A funding application has been submitted to enhance these facilities. We are seeking approval to progress if the application is successful.

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## Introduction

1. The 2021 Chief medical officers report, (<https://www.gov.uk/government/publications/chief-medical-officers-annual-report-2021-health-in-coastal-communities>) which focused on coastal deprivation highlighted Hastings as a case study. The case study shone a light on the need to work strategically across partners and sectors of the economy, to combat our town's health inequalities. It is understood that health inequalities, long lasting covid impacts and the animation of leisure services, are key interrelated areas. The initiative outlined below involves cross stakeholder engagement, commissioning and delivery.
2. The contribution of physical activity towards the health and wellbeing of the nation is well documented. The Covid-19 pandemic has shown us that being active, healthy, maintaining a healthy weight and reducing your chance of other lifestyle related illnesses is even more important than before. Obesity and poor health have been directly linked to the mortality rate of those who have contracted Covid-19. Local authority leisure services and the facilities that serve the communities must be now considered a serious contributor to the health and economic recovery of our country.<sup>1</sup>
3. The Active Hastings programme is managed by Hastings Borough Council, in partnership with East Sussex County Council (ESCC) Public Health.
4. Places to play sport and be physically active play a vital role to the health and wellbeing of our communities. This report includes an outline of a proposal to enhance our public tennis courts in Alexandra Park, with the key objective of increasing participation whilst introducing a sustainable operating model.

## Active Hastings revenue programme

5. The principle aims of the Active Hastings programme are to:
  - improve health and wellbeing, and to reduce health inequalities in Hastings by increasing access to, and participation in, physical activity interventions
  - utilise physical activity as a driver for community development and building social capital in Hastings
  - develop the physical activity sector in Hastings through effective communication, networking, and capacity building
  - build the physical activity evidence base at a local level
6. The Active Hastings team primarily focus on the areas of the town with the worst health and wellbeing outcomes. Levels of inactivity, alongside other risk factors, are important drivers of health outcomes and have a strong correlation with deprivation. Our ability to be active is impacted by several socio-economic factors, such as income, housing, education and access to space, therefore the Active Hastings service has a significant focus on the most deprived areas of Hastings, although not exclusively so.

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<sup>1</sup> Continuum Sport and Leisure April 2021

7. The Active Hastings programme commenced in 2006 and continues to rely on significant partnership funding and support. ESCC Public Health are our principal partner, supporting both the strategic direction of the programme and contributing towards the cost.
8. £142k of external funding has been committed to Active Hastings for this current year 2021/22.
9. Recent discussions with ESCC Public Health indicate that their financial contribution, including the Healthy Weight Management grant, will continue into 2022/23.
10. A breakdown of the external funding for Active Hastings 2021/22 is shown here:
  - £50k ESCC Public Health
  - £25k ESSC Public Health, Adult Weight Management
  - £25k ESSC for youth activities
  - £6k Active Sussex for youth activities
  - £3k Orbit Housing covid recovery fund
  - £3k Sport England – This Girl Can Hastings initiative
  - £30k Small grants and income generated from delivering on behalf of other organisations.
11. Since April 2021, over 500 residents have attended an activity delivered by the Active Hastings team, with over 3100 visits to sessions. 40% of these participants live within the 5% most deprived areas nationally<sup>2</sup>. The project has impacted on the lives of many additional residents, through upskilling external instructors to enable them to deliver targeted activities, and through promotion of physical activity messages and opportunities through the Active Hastings social media pages (Active Hastings currently has 9700 followers on social media).
12. The 2021/22 Active Hastings programme, is summarised in greater detail in the mid-year report, available here:  
[https://www.hastings.gov.uk/content/sport\\_play\\_recreation/pdfs/Active\\_Hastings\\_Mid\\_Year\\_Highlights\\_21-22.pdf](https://www.hastings.gov.uk/content/sport_play_recreation/pdfs/Active_Hastings_Mid_Year_Highlights_21-22.pdf)
13. A Primary Care Network funding application for a total of £220k has been submitted.  
  
The aim of this proposal is to increase the physical activity levels of young people and adults who are not achieving the recommended level of physical activity, in particular those who are considered inactive. The service will also have a focus on people with long term health conditions.
14. The service has been designed to:
  - Increase the range of suitable, accessible, affordable physical activity opportunities and reduce the barriers to accessing these

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<sup>2</sup> 49% of participants live within the 10% most deprived  
55% of participants live within the 20% most deprived

- Provide support for patients around behaviour change and motivation with regards to increasing physical activity levels
  - Improve the connectivity between local health organisations, general practitioners (GPs), practice staff and physical activity providers
  - Improve the connectivity between schools, youth organisations and physical activity providers
  - Increase awareness amongst residents and referral organisations of the physical activity opportunities available locally, through a number of measures such as: delivery of effective social marketing campaigns; development of the Active Hastings website as a one-stop shop for physical activity; creation of new networks and the development of existing networks
  - Create clear referral pathways for GPs and other organisations to appropriately trained physical activity professionals
  - Provide robust evaluation of the effectiveness of the service delivery
15. This project will impact on our own priorities and those of the emerging Sussex Health and Care System priorities. The project will also contribute to the ambitions of the East Sussex Healthy Weight Action Plan and local plans to improve population health and reducing health inequalities. If successful, this income will be received during 2021/22 for expenditure in 2022/23 and 2023/24.
16. If successful the award will resource a fulltime GP link worker and a full-time youth link worker, responsible for developing strategic links between a range of practitioners, partners and providers to ensure that resources and activity are directed to where it is most needed. The project will also include a part time social marketing and communications officer responsible for using marketing techniques to design and implement programmes to promote behaviour change, specifically increasing physical activity levels.
17. This programme will endeavour to link with other funded activity both within the Active Hastings service area, but also funded programmes delivered by other HBC service areas, and other stakeholders within the town (for example Hastings Opportunity Area, Museum and Schools Programme, Towns Fund Schemes etc).

## **Lawn Tennis Association funding application**

18. A funding application has been submitted to the Lawn Tennis Association (LTA) to enhance the 5 tennis courts at Alexandra Park and to bring an adjacent sixth court area back into operation. If successful, the LTA's grant of £92.5k will cover 100% of the costs (at no cost to HBC).
19. The aim of the proposal is to get more people playing tennis, more often, whilst introducing a sustainable operating model. The enhanced facilities will have a broader appeal and greater potential to attract new users.
20. The tennis courts at Alexandra Park are the only publicly accessible courts in Hastings. The 8 courts previously at White Rock Gardens were decommissioned in 2010.

21. HBC officers have been liaising with the LTA to develop a model which increases participation. The proposal includes new court surfaces, new access gates and repairs to the fencing.
22. The model aims to ensure genuine accessibility of the courts by pro-actively programming community initiatives and tailoring the pricing concessions.
23. Aligned to this initiative, we have recently embarked on a new joint Playing Pitch Strategy and Leisure Facilities Strategy with Rother Council and in partnership with all relevant sporting national governing bodies. The approach is in line with Sport England methodology. The strategies assess local leisure facility 'supply and demand' and give a basis of information and recommendations which will help to inform future decisions regarding leisure facility development.
24. HBC has also been successful with a recent application to the Football Foundation's Local Authority Grass Pitch Programme Pilot. This work will strengthen the case for external investment into our local pitches. <https://footballfoundation.org.uk/sites/default/files/2021-03/Grass%20Pitch%20Webinars.pdf>

## Options

25. If the bid to the Primary Care Network is successful, then officers recommend entering into contract to utilise £220,000 of funding to deliver the activity outlined in paragraphs 13-18.
26. This funding will help to bolster and sustain the existing Active Hastings team, enhancing the team's overall impact and potentially enabling further opportunities to be explored. A do-nothing scenario will not achieve this impact.
27. The application to enhance the courts has been submitted to the Lawn Tennis Association and will be assessed during March with the aim of a 2022/23 delivery.
28. Alternatively, if we do not decide to go ahead with the tennis courts proposal (do-nothing scenario) then the Council will eventually be tasked with resurfacing the ageing courts as they deteriorate within the next 5 years (estimated).
29. Enhanced courts and improved customer journey will be a driver for increased use. Leaving the courts in their current uninspiring and below satisfactory condition coupled with a poor customer journey is not conducive to encouraging participation. The LTA have advised that a typical tennis court surface last for 10 years, however, three of the Alexandra Park courts were last resurfaced in 1990 and two in 2006.
30. The do-nothing scenario does not offer the same potential to generate income.
31. If the application to the LTA is successful, then this report seeks approval to progress the project. Our preferred operating model (in-house or outsourced), has yet to be decided.

## Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible
PCN Application	If successful, the income will be	March 2022	Cath Donovan

	transferred during 2021/22 for expenditure in 2022/23 and 2023/24		
LTA Application	Funding award decision by LTA Investment Board	March 2022	Keith Duly

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## Wards Affected

(All Wards)

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## Policy Implications

Reading Ease Score: 26.8

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

Equalities and Community Cohesiveness	Y
Increase the range of suitable, accessible, affordable physical activity opportunities and reduce the barriers to accessing these.	
Crime and Fear of Crime (Section 17)	Y
The enhancement of the courts will help bring additional positive activities to the location	
Risk Management	Y
Increase in physical activity rates will help reduce impact of unhealthy lifestyles	
Environmental Issues & Climate Change	Y
Promoting physical activity will encourage active lifestyles and travel	
Economic/Financial Implications	Y
Improving the sustainability of the tennis courts and preventing cost being a barrier to participants	
Human Rights Act	Y
Aim to help impact on all local communities, with greatest impact on the most vulnerable	
Organisational Consequences	Y
The operating model is yet to be decided	
Local People's Views	Y
Local stakeholders, including community groups have been engaged, with further engagement to follow	
Anti-Poverty	Y
Initiatives will benefit people on low income	
Legal	Y
Funding contracts	

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## Additional Information

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### Officer to Contact

Officer Keith Duly  
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# Agenda Item 9



**Report To:** Cabinet

**Date of Meeting:** Monday, 7 March 2022

**Report Title:** Affordable Housing Development

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

**Key Decision:** Y

**Classification:** Open

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## Purpose of Report

To seek Cabinet and Council approval to progress the first phase of sites, Bexhill Road (south) and Mayfield E, within the 500 Affordable Rented Homes pipeline.

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## Recommendations

- 1. To bring 6 units of accommodation at 12/13 York Buildings into use as affordable housing**
- 2. That Cabinet recommends to Full Council that a detailed business case and initial surveys are commissioned to facilitate this for the development of land to the rear of 419 – 447 Bexhill Road at a cost of up to £75,000.**
- 3. That Cabinet recommends to Full Council that a detailed business case and initial surveys are commissioned to facilitate this for the development of land at Mayfield E at a cost of up to £75,000.**
- 4. That Cabinet recommends to Full Council that delegated authority is given to the Assistant Director, Housing and Built Environment, in consultation with the Lead Member for Housing to finalise the specification for the business case and procure these services**

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## Reasons for Recommendations

1. Delivery of new affordable housing in Hastings has failed to keep pace with rising demand. A shortage of affordable housing is creating additional pressures and costs to the council, particularly the rising use of temporary accommodation. The council has agreed a commitment to increase the supply of new affordable rented homes by 500 units over the next 5 years.

## Introduction

1. In November 2021, Cabinet agreed a strategic commitment to increasing the supply of affordable rented accommodation by an additional 500 units over the next 5 years. This target will be achieved through a combination of direct delivery by the council and partnership working with registered providers and developers.
2. This report sets out the next steps for progressing the first phase of developments in the pipeline. The approach includes bringing existing empty properties back into use, as well as new developments on council-owned land. Full Council, at its budget meeting on 16 February 2022 agreed the inclusion of the council-owned sites at Bexhill Road and Mayfield E as two development projects in the capital programme. Before any capital project can commence the authorisation by Full Council is required.

## 12/13 York Buildings

3. The council has completed the development of 6 self-contained 1-bedroom flats at 12/13 York Buildings. The property is a grade II listed building where the upper floors had been empty for many years, and the building was in a very poor state, prior to the redevelopment. The flats are located above a retail unit in Hastings town centre.
4. The council has secured grant funding of £303,910 from Homes England, which will enable the units to be brought into use as affordable housing (with rents capped at local housing allowance).

## Development of Council Land

5. There are numerous options available to the Council when looking to develop and/or dispose of its own land for housing. These are summarised in the table below.

Option	Advantages	Disadvantages
Disposal on the open market	<ul style="list-style-type: none"> <li>• Capital receipt for the council</li> <li>• No ongoing cost liability to the council for development or management</li> </ul>	<ul style="list-style-type: none"> <li>• No control over timescales for development</li> <li>• Lack of control over development e.g. in terms of environmental performance, social value, governance</li> <li>• Affordable housing contribution likely to be challenged on viability grounds</li> <li>• Loss of potential grant funding to support the development</li> </ul>
Disposal to a Registered Provider	<ul style="list-style-type: none"> <li>• Would contribute to 500 Affordable Rented Homes Target</li> <li>• Capital receipt to the council</li> <li>• Nomination rights for 75% of schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Reduced control over timescales for development</li> <li>• Lack of interest from Registered Providers in small scale sites</li> <li>• Unlikely to deliver an entirely affordable rent scheme</li> <li>• Lack of control over development</li> </ul>



		e.g. in terms of environmental performance, social value, governance
Market development by council-owned company	<ul style="list-style-type: none"> <li>• Council receives capital receipt for the sale of units, plus any development profit</li> <li>• Contribution towards the 500 Affordable Rented Homes Target (in line with planning requirements)</li> <li>• Housing company already established</li> <li>• Removes risk of right-to buy on affordable units</li> </ul>	<ul style="list-style-type: none"> <li>• Additional borrowing costs to the company and council to fund the development</li> <li>• Additional risks associated with development and market sales</li> </ul>
Direct development by the council	<ul style="list-style-type: none"> <li>• Maximises number of affordable units on the site, by delivering an entirely affordable rent scheme</li> <li>• Maximises temporary accommodation savings</li> <li>• Opportunities to secure additional funding through Homes England's affordable housing schemes</li> <li>• Provides a model for ongoing development of council sites</li> <li>• Opportunities to improve the energy performance of the development and reduce energy costs for residents</li> <li>• Council will retain asset post development</li> <li>• Expands council's residential portfolio</li> <li>• Opportunities to enhance social value through appointment of local SME contractor &amp; Employment &amp; Skills Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Forego capital receipt from the sale of the land</li> <li>• Additional borrowing costs to fund the development of the site</li> </ul>

### Governance and sign off

6. Full Council is required to authorise new capital schemes and significant variations to projects or where additional costs will result in a net increase to the council's ongoing costs e.g. additional borrowing. Where a scheme is included in the capital programme as an un-asterisked item, they require a Cabinet report to Full Council to commence. In the case of the development of council land for housing the proposed process is:

## Stage 1 (this report)

7. Cabinet recommends to Full Council new projects /sites for which further due diligence work is required before a decision on how best to proceed can be made e.g., business case/procurement options produced, initial surveys, architect. Full Council agree the proposal can proceed and an initial budget allocation is made (revenue monies funded from the General Reserve). If the scheme does proceed to completion these initial costs can be capitalised (not feasibility studies) – and money borrowed to finance the scheme or capital receipts used (if there are any). If it does not proceed these costs fall on the council's revenue account or must be permanently funded from the council's limited reserves

## Stage 2

8. The outcome of this due diligence is reported back to Cabinet before a recommendation is made to Full Council on whether to proceed and on what basis. At this time the full project documentation should have been completed and risks assessed, and there will be a more informed view of the total costs. At this point Full Council determine whether the scheme proceeds further and determine a revised budget as necessary.

## Land to rear of 419 - 447 Bexhill Road

9. This is a small council owned site for which the estates team has already gained outline planning permission for 16 units and the regeneration / upgrading of the car park. Development staff at Eastbourne and Lewes Council have modelled a scheme based upon a cost plan produced by a local modular housing company who has successfully delivered schemes nearby. This has been done at no cost to the council. The models demonstrate not just site viability, but also takes account of the cost of borrowing and impact of this on the council's overall debt and resourcing. The initial modelling estimates the cost of the development at £3,500,000. The council has allocated £3,575,000 in its capital programme to develop the site directly, with potential completion by the of March 2024.
10. The council will now commission the development of a more detailed business case and initial surveys to facilitate this, up to a total cost of £75,000, which will be reported back to Cabinet.
11. The council has secured funding of £142,000 through the brownfield land release fund (One Public Estate) to help remediate the site and will update the funding model to reflect this. To meet the funding requirements, the development must have begun by 31 March 2024. It is intended that the council will also apply to Homes England's affordable homes programme for further grant funding to offset the cost of the development.

## Mayfield E

12. This council's estates team has obtained outline planning for up to 38 units. The council recently acquired specialist viability software Podplan via a grant from the Local Government Association. Initial modelling has been undertaken and the estimated cost of an all-affordable rent housing development is £8,785,000. The council has allocated £8,000,000 within the capital programme to complete the development. The project is earmarked for completion by the end of March 2025 in the capital programme.
13. The council will now commission the development of a more detailed business case and initial surveys to facilitate this, up to a total cost of £75,000 which will be reported back to Cabinet.

- Again, the council will also explore funding opportunities with Homes England to bridge the funding gap and offset the cost of the development.

### Financial Implications

- The growing demand for emergency accommodation is creating an unsustainable financial pressure on the council. Increasing the supply of affordable accommodation in the town is key to addressing this trend and reducing costs in the longer term.
- The development of York Buildings is now to be financed by borrowing from the Public Works Loans Board (PWLB) and from the grant funding from Homes England. This grant reduces the borrowing requirement for the project and the lower borrowing costs will be capable of being funded by rental income (capped at LHA rates).
- The council included the potential to develop sites at Bexhill Road (South) and Mayfield E in its Capital programme in February 2022. The development to be funded through borrowing from the PWLB. The Council will need to consider the various options available e.g., to retain the properties and manage them, sell them and use the receipts to develop further sites, etc.
- The council needs to be able to fund the projects through the feasibility and development stages and will need to have sufficient resources to do.
- The council faces the potential for significant calls on its limited reserves and resources given the potential Towns Deal projects in the pipeline and its existing capital programme commitments. The council’s Treasury Management Policy and capital strategy will need to be updated and approved by Full Council if existing limits on borrowing and affordability look set to be breached.
- Alongside investment by the council, the council is exploring a range of grant funding opportunities to support the 500 Affordable Homes Programme. This includes Homes England funding streams and the Town Deal. The council is also able to invest Section 106 affordable housing receipts in the projects and will look to do wherever possible.

### Risk Management

- Some of the key risks associated with the project are set out below:

Risk	Mitigation	Residual Impact
Insufficient capacity in-house to carry out further due diligence	The council is outsourcing the due diligence for the project and will be working with East Sussex Procurement Hub to commission suitable services.	Medium
Insufficient capital funding	The council has provisionally earmarked sums within its capital programme. The further due diligence will establish if this is sufficient and if it viable for the council to proceed with the development. Additional borrowing costs will be offset by rental income if the council retains the	Medium

	completed units.	
Insufficient grant funding	The council is already a Homes England Investment Partner and is having ongoing discussions regarding links with the affordable homes programme. We have also successfully secured additional grant funding from other sources.	Low
Loss of grant funding	The grant funding the council has secured so far is time limited, there is a risk that this will be lost if the council is unable to meet the timescales for completing due diligence and then delivery.	Medium
Planning approval not granted	The sites at Mayfield E and Bexhill Road (South) have outline planning approval for residential development. The due diligence will explore planning matters in more detail.	Medium

## Climate Change

22. Residential accommodation is the biggest source of carbon emissions in the town. The council is committed to achieving a high standard of energy performance from new developments in the town. The council will model design features to reduce carbon emissions from the development as part of the design process, alongside the viability assessment, to meet the zero carbon commitments.

## Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible
Homes England bid in respect of 12/13 York Buildings	Outcome of funding bid	February 2022	Strategic Housing and Projects Manager
Progress development of land to the rear of 419-447 Bexhill Road	Due diligence completed	September 2022	Housing Development Manager
Progress the development of Mayfield E	Due diligence completed	September 2022	Housing Development Manager

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## Wards Affected

(All Wards);

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## Policy Implications

Reading Ease Score: 38.4

Have you used relevant project tools? Y

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

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

---

## Additional Information

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

---

## Officer to Contact

Officer Michael Courts / Susan Hanson

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# Agenda Item 12



**Report to:** Cabinet

**Date of Meeting:** 7 March 2022

**Report Title:** Hastings Contemporary

**Report By:** Chief Finance Officer

and

**Assistant Director Regeneration and Culture**

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## **Purpose of Report**

The report recommends that the Council accepts of the surrender of the existing lease and agree terms for a new lease with the Hastings Contemporary Gallery.

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## **Recommendation(s)**

- 1. To recommend to Full Council that delegated authority be granted to the Chief Finance Officer in consultation with the Assistant Director Regeneration and Culture and the Leader of the Council to agree terms to accept a surrender of the lease to Gallerium Establishment Ltd (GEL)**
- 2. To recommend to Full Council to delegate authority to the Chief Finance Officer in consultation with the Assistant Director Regeneration and Culture, and the Leader of the Council to agree terms to grant a lease to Hastings Contemporary (HC)**

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## **Reasons for Recommendations**

The existing lessee has offered the building to the Council as a public benefit for the people of Hastings on the basis that it is retained for its current use. This presents an opportunity for the Council to secure the future of the site.

Delegated authority is sought in order to negotiate and complete the respective agreements in a short period.

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## Introduction

1. GEL have indicated that they would be prepared to surrender their lease of the Hastings Contemporary Gallery site as shown edged red on the attached plan (the site) and effectively gift this to the Council as a public benefit for the people of Hastings.

## Background

2. The Council owns the freehold of the site (Hastings Contemporary/Jerwood gallery). The existing lessee, who constructed the building at some considerable costs has offered the building to the Council on the basis that it is retained for its current use.
3. Should the Council accept the surrender of the lease it would be in a position to grant a new long-term lease to an organisation that would be well placed to attract grant funding; this would in turn help to ensure the longer-term sustainability of the gallery and its associated activities.
4. The Council in accepting the lease back would thereafter be responsible for the building and its associated costs, but these costs would be met by Hastings Contemporary.

## Legal Agreements

5. The site is let to GEL on a full repairing and insuring lease (the head lease) for a term of 99 years from 1 September 2010 at a rent of a peppercorn per annum.
6. GEL sublet the site to HC. The contractual term of this agreement has expired but HC continue in occupation holding over under the Landlord & Tenant Act 1954. HC require a long-term lease so that they can ensure sustainability of the site by securing necessary external funding.

## Proposal

7. GEL's legal advisers have prepared draft Heads of Terms for a lease surrender, and these are summarised below:
  - a. The surrender to be for nil consideration
  - b. The Council will not dispose of the site without the prior written consent of GEL except for granting a renewal of the HC lease
  - c. The Council will not change the use of the site without the prior written consent of GEL
  - d. If the Council disposes of the site or changes the use during a defined period, then an uplift payment will be made to GEL on an agreed basis



8. Once the head lease has been surrendered the Council would be able to grant a renewed lease to HC.
9. Initial discussions have taken place with HC and in principle Heads of Terms for a new lease have been agreed. This would be for a term of 30 years on a full repairing and insuring basis at a rent of £1 per annum if demanded.

## Financial Implications

10. Due diligence will need to be undertaken which will include considering the condition of the Gallery building and obtaining an external valuation report.
11. The position in terms of income and liability remains the same as the Council currently receives no rent but has no repairs liability and this will continue.
12. The Council could be left with financial liabilities should the Hastings Contemporary not be sustainable in the future. The site is a very prominent one and could potentially be used for a similar purpose or a variety of other purposes should it ever prove necessary to do so. Any change of use would be subject to the terms negotiated within the surrender agreement as outlined above.

## Conclusion

13. It is considered in the best interests of the Council to accept a surrender of the head lease. This will enable us to grant a new long-term lease to help secure the ongoing operation of Hastings Contemporary.

## Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Finalise Heads of Terms for deed of surrender and lease	Legal instructed	TBC	Estates Manager/Legal
Consideration by Full Council	Authority to complete agreements	TBC	Estates Manager
Complete	Deed of surrender and lease signed	TBC	Estates Manager/Legal

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**Wards Affected**

Old Hastings

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

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**Additional Information**

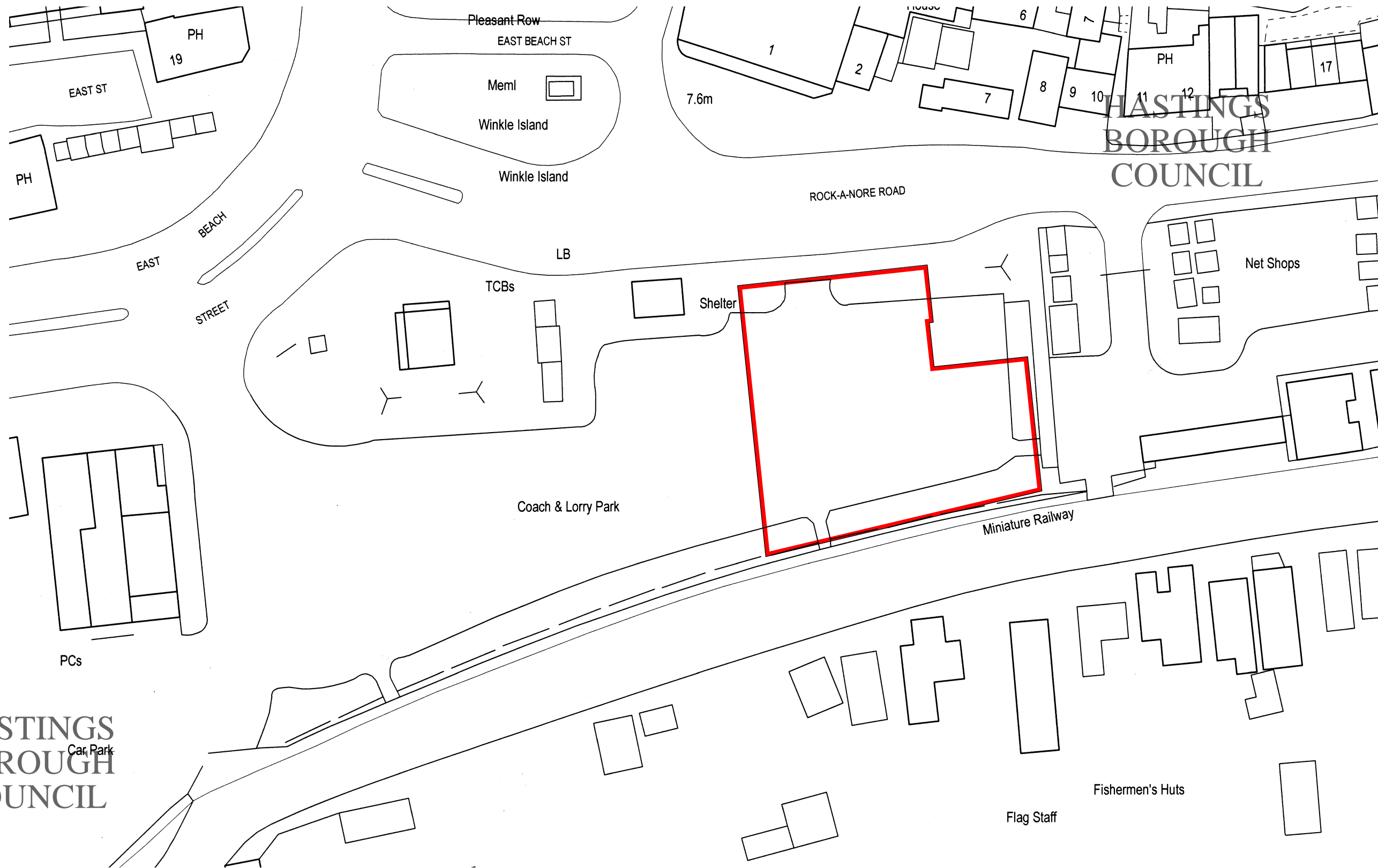
Red line plan of the site.

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**Officer to Contact**

Amy Terry, Estates Manager  
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HASTINGS  
BOROUGH  
COUNCIL

**Jerwood Gallery,  
The Stade,  
Rock-a-Nore Road,  
Hastings**



Estates Manager:  
Amy Terry, M.R.I.C.S.  
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Date: April 2010

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# Agenda Item 13



**Report To:** Cabinet

**Date of Meeting:** Monday, 7 March 2022

**Report Title:** East Sussex Rough Sleeping Initiative – Commissioning Update

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

**Key Decision:** Y

**Classification:** Open

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## Purpose of Report

To update Cabinet on the development of the Rough Sleeping Initiative (RSI) programme for 2022/25 and to seek approval for interim arrangements.

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## Recommendation(s)

1. To grant an exemption under rule 21c of the council's financial operating procedures to commission services for an interim extension to the Rough Sleeping Initiative services from 1 April 2022 to 30 June 2022 to avoid gaps in provision
2. To grant an exemption under rule 21c of the council's financial operating procedures to commission services funded by Public Health by the end of March 2022, for delivery in 2022/23

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## Reasons for Recommendations

1. The application process for the Rough Sleeping Initiative has been delayed by the pandemic. Extending existing contracts will prevent any gaps in provision.

## Introduction

1. The East Sussex Rough Sleeping Initiative (RSI) is a local response to the national rough sleeping strategy which is seeking to end rough sleeping in the next 3 years.
2. The services commissioned through the current programme come to an end in March 2022. The council is currently developing a bid to continue services until 2025.

## East Sussex Rough Sleeping Initiative

3. The council is currently working with partners to develop a bid to continue the East Sussex Rough Sleeping Initiative from April 2022 until March 2025. The bid will focus on 4 key areas:
  - Prevention - Activities to stop people sleeping rough for the first time
  - Intervention - Support for those currently sleeping rough to move off the street
  - Recovery - Support for those who have slept rough to ensure they do not return to the streets
  - Systems Support - Systems and structures to embed change and monitor progress
4. We have been working closely with the cross-sector East Sussex Homeless Forum, facilitated by Homeless Link, to explore opportunities for future service development.
5. A legacy of the pandemic is a high number of former rough sleepers living in temporary accommodation. Providing move on accommodation, both through the RSI and future capital funding, will be a priority for the service.

## Public Health

6. Additional funding of £514,266 has been secured through Public Health's Containing Outbreak Management Fund. The funding will provide enhanced substance dependency, mental health, clinical psychology and trauma informed care support. The public health initiatives must be mobilised in this financial year to continue delivery in 2022/23.

## Timescales

7. The bidding process for the RSI was delayed by the pandemic. Bids are to be submitted by the end of February and funding allocations will be announced in April.
8. The Department for Levelling Up, Housing and Communities has confirmed that local authorities will receive at least 75% of the funding they received in quarter 1 2021/22 in quarter 1 2022/23 to avoid gaps in provision while the funding bids are reviewed.
9. Once funding has been confirmed, the council will undertake a procurement exercise, in partnership with East Sussex Procurement Hub, to commission ongoing services.
10. An update report will be presented back to Cabinet once the funding award has been confirmed.

## Financial Implications

11. The funding which will be allocated to East Sussex in quarter 1 2022/23 (based on our 2021/22 allocation) will be £393,750. It is intended that the council will extend the existing contractual arrangements from 1 April to 30 June, this will include:
- Project Co-Ordinator
  - Multi-Disciplinary Team
  - Assessment Centre
  - Hastings and Rother Outreach and Housing First Service
  - Eastbourne, Lewes and Wealden Outreach and Housing First Service
  - Rapid Rehousing Pathway
  - In-Form caseload management system
12. The total value of the contract extensions will be £354,000. The remaining funding will be used for temporary accommodation and landlord incentives,

## Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible
Funding bid for 2022/25 submitted	Bid submitted	February 2022	Strategic Housing and Projects Manager / RSI Project Co-Ordinator
Mobilise Public Health funded activities	Staff in post	March 2022	Strategic Housing and Projects Manager / RSI Project Co-Ordinator
Interim extensions agreed to existing contracts	Extensions agreed with providers	March 2022	Strategic Housing and Projects Manager
Funding for 2022/25 confirmed	Funding allocations announced by government	April 2022	Department for Levelling Up, Housing and Communities
Services commissioned for quarter 2 2022/23	Tender exercise completed	June 2022	Assistant Director, Housing and Built Environment

onwards			
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## Wards Affected

(All Wards);

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## Policy Implications

Reading Ease Score: 32.9

Have you used relevant project tools?: Y

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

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

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## Additional Information

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

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## Officer to Contact

Officer Michael Courts

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