

Charity Committee Agenda

Monday, 18 October 2021 at 6.00 pm

Council Chamber, Muriel Matters House, Breeds Place, Hastings, TN34 3UY.
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CHARITY COMMITTEE

14 JUNE 2021

Present: Councillors Webb (Chair), Batsford (Vice-Chair), Rogers, James Cook (Protector)

91. APOLOGIES FOR ABSENCE

None received.

92. DECLARATIONS OF INTEREST

None received.

93. MINUTES OF PREVIOUS CHARITY COMMITTEE

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

RESOLVED – that the minutes of the meeting held on 29th March 2021 be approved as a true record.

94. NOTIFICATION OF ANY ADDITIONAL URGENT ITEMS

None received.

95. WELCOME BACK FUND

The Marketing and Major Projects Manager presented to advise the Charity Committee on details of the Welcome Back Funding (WBF) and interventions proposed on Foreshore Trust assets. Welcome Back Funding will support the Council to safely welcome back visitors and residents to the town.

An update was given to the committee that the report was written whilst still waiting Government confirmation. Apart from some minor detail variations this funding has now been agreed by Government.

Sea front welcome marshals will be on a seven-day working pattern to help direct visitors to parking spaces. There will also be sea front welcome marshals directing traffic to less busy town centre car parks, keeping the beach clean and ensuring public toilets are working, etc. The marshals will be able to deal with issues on a Saturday which sometimes would wait until the following week.

The Public Wi-Fi network will receive funding for servicing and maintenance so the visitors and business along the sea front will be able to continue to use the free Wi-Fi service.

Funding will also be spent on the 'Beautification' of the high street and sea front. This will include removing graffiti, and temporary planting.

CHARITY COMMITTEE

14 JUNE 2021

The chair and committee gave thanks to Marketing and Major Projects Manager and officers for the report.

The councillors discussed how the sea front marshals will make a positive difference to locals and visitors experience of the town.

The committee noted the details of the report.

96. FORESHORE TRUST FINANCE UPDATE

The Chief Accountant reported to the committee a brief update as the financial statement are still being completed. Covid had a large impact on last year's visitors to Hastings which has reduced income streams. Income from the car parks was impacted greatly. There was a reduction in expenditure last year but that was not able to cover the reduction in income. It is planned to have the full report Statement Accounts complete for the next Charity committee meeting.

The councillors discussed how using the reserves has been able to protect the towns assets and protecting the key charity's in Hastings.

97. FEEDBACK FROM COASTAL USERS GROUP

Coastal Users Group expressed no issues with the reports presented to the Charity Committee.

Concerns from the Coastal Users Group have been raised regarding the fair ground on the sea front. The Marketing and Major Projects Manager will be meeting with the Coastal Users Group to update them.

98. URGENT ITEMS (IF ANY)

None

(Chair closed the meeting at 18:30)

Agenda Item 4



Report To:	Charity Committee
Date of Meeting:	Monday, 18th October 2021
Report Title:	Status Report - Foreshore Trust Business Plan 2020/21 – 2024/25
Report By:	Victoria Conheady, Assistant Director, Regeneration & Culture
Key Decision:	N/A
Classification:	Open

Purpose of Report

To present a review of progress made in 2020/21, and in year COVID-19 related activity.

Recommendation(s)

1. That the update on 2020/2021 Business Plan be noted, as detailed in paragraphs 4-24.
2. That it is agreed that the activity projected in the 2021/22-2024/2025, as agreed in March 2019 for this financial year be followed if affordable given fiscal impacts due to COVID-19.
3. That the deviations to the current business plan for this financial year (21/22) are noted, as detailed in paragraphs 35-54.
4. To note that due to the ongoing impact of COVID-19 on the financial year 20/21 and 21/22 has meant that a business plan for the 5-year period commencing 2021/2022 was unable to be presented in March 2021
5. That a business plan for the 5-year period commencing 2022/2023 will be worked on and presented as soon as practicable once accounts are completed, the COVID-19 impact on the Foreshore Trust assets are understood, and the level of uncertainty surrounding the ongoing pandemic is reduced.

Reasons for Recommendations

1. The Charity Committee requires a business plan to support its decision-making on the use of Foreshore Trust assets and surpluses.
2. Due to the ongoing impact of the COVID-19 pandemic the development of a new 5-year business plan has not occurred. The current agreed business plan runs until March 2025.
3. COVID-19 prevented much of the work needed to refresh the current business plan.

Background

1. The business plan normally is a rolling 5-year plan which is revised every year. It is based upon our current knowledge of maintenance, income, required capital works and proposals for new activities.
2. It normally is subject to review and modification as developing proposals and investigations are completed, most significantly in relation to the Stade facilities and the White Rock Baths area.
3. The plan should be reviewed annually.
4. Due to the impacts detailed below it has not been possible to work on a business plan for this financial year and into next financial year. We are still to understand the loss of income for the trust from the COVID-19 pandemic for this current financial year as lockdown was only fully eased in August 2021. This could impact the ability to deliver some activity, beyond maintenance of our assets.

Overview of impact during Financial Year 20/21

5. The impact of the COVID-19 pandemic has had an unprecedented effect on all sectors and changed everyday life here and across the world. At the end of March 2020, as a council we had to quickly refocus our priorities and the way we operate. We had to work at an incredible pace on a huge range of issues to protect our community and staff to reduce transmission of the infection, as well as continuing to deliver essential services. It has been an extraordinarily demanding period for the council, but staff have worked above and beyond coming together as one team to serve our community.
6. Councillors and officers worked in collaboration with key local partners including East Sussex County Council (ESCC), the Voluntary and Community Sector (VCS), the Local Strategic Partnership (LSP), other Boroughs and Districts, the Sussex Resilience Forum, East Sussex Housing and Homelessness Cells, and participated in national networks such as the Local Government Association, District Councils Network, liaising with relevant central Government departments and briefing the local MP.
7. This work was initially focussed on keeping people safe and well and supporting those in our community who had to shield or isolate, and needed support to access food and prescriptions. We also have been focused on delivering a grants process to support closed and impacted businesses, the payment of additional furlough schemes and support for those needing to self-isolate. Latterly we are focused on the safe reopening of our economy and society whilst also supporting the COVID vaccination programme.
8. The majority of staff across HBC during 20/21 were diverted from 'business as usual' duties to support the pandemic and as such much of the work needed to inform the business plan hasn't been able to take place since March 2020.
9. The levels of uncertainty regarding reopening the economy, especially for the trust's assets, has led to significant financial concern relevant to our income generation from car parks and rented assets. However, maintenance, street cleaning and sea defences has continued.

10. The below paragraphs report on the work undertaken during 20/21.

Significant impacts for 20/21 Financial Year

Financial Implications

11. The negative impact financially on the Foreshore Trust as a result of the COVID-19 pandemic has been significant in the 2020/21 financial year and will continue to be in the following financial year (2021/22), albeit not as substantial than the previous financial reporting period.
12. The Foreshore Trust saw reduced income compared to expected budgeted income for 2020/21 of £466k at the end of the financial year in total. This was despite better-than-expected results from rental and investment income for the same period. The majority of this loss was centred around the Trusts primary source of income which is derived from car parking, which suffered the heaviest of losses overall at £527k for the reporting period.
13. Current forecasts for the 2021/22 financial year are that there are still likely to be significant losses of income, mainly in relation to car parking revenue, with expectations this particular income stream could see losses in the region of £181k compared to budget.

2020/21 Business plan achievements and additions/deviations to the business plan:

14. Below provides and overview of the main achievements of the business plan across the last financial year, in addition to the main additional activities and any deviations to the business plan.

Foreshore Trust Car Parks

15. In the FY 20/21 the FST car parks saw a fiscal loss on the previous year of £527k.
16. Free parking was offered to key workers, in addition to COVID testing units utilising Pelham car several times during the year. We saw the busiest August in 2020, though significantly lower usages during the shoulder seasons and school holidays where lockdowns were in place.

Stade open space

17. All bookings were cancelled during 20/21.

Fish Fairs

18. COVID-19 prevented all 2020 fish fairs from taking place.

RNLI lifeguard service – Summer 2020

19. The RNLI lifeguard service had been due to commence on the last weekend of May, the late Spring bank holiday weekend, as has been traditional in recent years. However due to staffing availability (a number of their seasonal staff work in New Zealand/Australia, in

our winter and with COVID-19 travel restrictions were unable to return to the UK; the RNLI were unable to recruit and train staff in the UK during the lockdown), the RNLI service started on 20th June 2020, two weeks earlier than had been expected, at Pelham, the busiest station, and later at St Leonards Marina; the pier station was not staffed at all during 2020.

Foreshore Trust Combined Small & Events Grant Programme (responding to COVID-19 pandemic crisis) Round 3.

20. The chair of the charity in consultation with the protector and the chair of the grant advisory panel agreed to alter the scheduled (round 3) combined grant call to focus on the COVID-19 response. It was agreed that the grant call would primarily fund organisations to help our communities respond to the COVID-19 pandemic crisis.
21. This COVID focussed round had a quicker turnaround to award grant funding to local organisations that were responding to the challenges within our community presented by the current health pandemic. Applications were also considered from organisations which had been indirectly disadvantaged by the pandemic or which brought proposals to enhance social cohesion.
22. The main aim of this programme was to support smaller voluntary and community groups in carrying out activities and services supporting the immediate demands and needs of local residents to provide relief and support.
23. The fund also has ambitions to help with capacity building of smaller voluntary and community groups to strengthen their ability to carry out their work. Grants of up to £6,000 were awarded to voluntary and community groups providing support within Hastings. To release the funding as quickly as possible the call was open for less time than normal.
24. The awarded organisations and projects were:

Applicant	Project	Grant Awarded
Hastings Furniture Service	Small Necessities Crockery, cutlery, kitchen utensils and personal hygiene necessities to previously homeless, resettled, families or individuals.	£5,200
Counselling Plus Community	Supporting the Front Line: Therapy for Social Care Workers	£6,000
Xtrax	A Space To Be - refurbish two rooms at Xtrax	£3,660
Ore Community Land Trust	The Bridges steps pathways project	£1,995
Hastings Community Transport	HCT COVID-19 response	£6,000

Bike Lab Hastings	Hastings Bike Lab – COVID-19 Response Programmes Hastings Bike Lab promotes cycling culture in Hastings & St Leonards through a free to access	£3,800
Association of Carers	Carers virtual café project	£938
Culture Shift CIC	Being Our Best Selves (BOBS) supporting disabled adults	£1,800
Audioactive	SHIFT Hastings : Music Mentoring Project	£5,265
Sweet & Dandy	Stade Saturdays concerts and events	£6,000
Creative Space Science CIC	Space@Home providing space-themed science activity packs delivered through the local Trussell Trust food bank	£4,600
	Total	£45,258

Cycle and Deck Chair Hire

25. **During 20/21 FY summer season:**

Due to COVID restrictions, the provision was delivered in 2020, but at a significantly reduced offer. Bookings moved to online group reservations only. Income and spend were minimal due to the limited service.

26. It was only possible to provide a total of 35 staffing hours, with only 8 bikes hired. Our request to trial the short-term use of one of the electric bikes by council staff in Muriel Matters for local work related journeys, was approved.

27. Due to restrictions, only one bike was utilised by the Asset Maintenance & Inspection Officer and deemed a success. The background heaters were installed to the cycle hire hut to avoid damp returning.

28. Permission to operate the service in 2021/22 was not sought due to the poor 2020 Summer season.

Bathing water quality

29. Blue flag achieved for 2020 at Marina, Seaside Award achieved for both Marina and Pelham

Town deal accelerated funding items

30. In July 2020 we were provided with £1m 'accelerated' funding via MHCLG as part of the towns fund allocation, this in addition to the £24.3m funding allocated for the projects listed in the Town Investment Plan, of Hastings town deal.
31. Of that £1m advance two initiatives were on Foreshore Trust land and/or affected Foreshore Trust assets.

- **The Source Courtyard**

32. £485,000 was allocated to The Source for phase 2 development of White Rock Baths, refurbishing and converting spaces adjacent to the courtyard space into 5 market style food/drink outlets. The Courtyard works completed in May 2021 and opened to the public in June 2021.
33. Subject to final approval from the Ministry for Levelling Up, Housing and Communities, further town deal funding will allow for a lift will be installed in the coming months (planning permission in place) to enable accessible access to the courtyard.

- **Electric vehicle charge points**

34. In the Summer of 2020, the old faulty EV unit was replaced with 3 new ones and then in the Autumn there was a successful bid through the Town Deal Accelerated Fund to install a further 2 units here. The 5 units are all 7Kw chargers. This is the maximum that can be installed with the current supply in the car park.

Current financial year – deviations from agreed business plan:

35. The below paragraphs document the first half of this financial year, and specific impact of either the pandemic or funding initiatives launched by government.

Welcome Back Funding

36. Welcome Back Funding – was launched in April 2021. The funding allows local authorities to put additional measures in place to create and promote a safe environment for local trade and tourism, particularly in high streets as the economies open, as well as developing plans to respond to the impacts of COVID-19 on local economies.
37. Total funding allocation: £229,052 8. Funding timeline: spend can commence from the date of publication of the guidance (16 April 2021) to 31 March 2022

- **Welcome Back Marshals**

38. Over the summer Seafront Welcome Back Marshals helped with the flow of traffic in and out of the Rock-a-Nore car park to prevent build-up of vehicles and traffic in the surrounding area.
39. In addition to this it is hoped that a further Welcome Back marshal will add capacity to the Foreshore Team until March 2022, subject to approval from the contract manager, with the ambition to help to maintain the foreshore and provide a welcoming and attractive environment for visitors and residents during the 'shoulder' tourism seasons.
40. These roles are additional temporary staff resource and are to cover the extra visitors,

due to staycations and support COVID recovery.

- **Safe temporary placemaking and beautification**

41. Programme of public realm improvements/amination to support high street businesses to recover and encourage footfall into the town centres. This could include temporary events, pop-ups, art and beautification such as graffiti removal, murals etc. Work to take place between November – March in the town centres and seafront.

- **Public Wi-Fi network:** renewal of the existing free to access Wi-Fi network.

42. The network gives unlimited access to residents, visitors and businesses who are near to an antenna (hotspots in parts of the town centre and seafront) unlimited free access to a high speed WiFi network). More info can be found [here](#).

Lifeguards

43. Cabinet and charity committee agreed earlier this year to extend the RNLI contract to provide lifeguards at Hastings for a further three-year period, so until the end of the Summer 2023 season. It was noted in the reports that the performance of the RNLI lifeguards is to be commended, with eight lives saved, 14 people rescued, and nearly 14 000 face to face 'preventative actions' in the last two years alone. This is an incredible achievement, especially because the 2020 season was much curtailed by COVID as noted above.

44. Our lifeguard service operated as normal during the Summer of 2021, starting at the last weekend of May and running through to the last weekend of September, at all three lifeguard statins (Pelham, Pier, and St Leonards Marina)

Beach Access

45. A new fully accessible path has been constructed on Pelham beach for the 2021 season.

Cycle and Deck Chair Hire

46. Due to the performance of the service during 20/21 FY, the continuing impact of COVID response and backlog of business-as-usual activities, and the uncertainly regarding lockdown easing; the decision was made in May 2021 that there would be no cycle and deckchair hire this FY, though efforts were made to outsource this service temporarily.

47. Deckchairs were made available for Stade open space event organisers to utilise.

Fish Fairs

48. Because of ongoing COVID restrictions, the Midsummer Fish Fest, which usually takes place in late June, was not held in 2021. The Seafood & Wine Festival did take place over the weekend of 18th/19th September, albeit with some modifications in the light of COVID, including hand sanitising points at every entrance to the site, different entrance arrangements to minimise the impact of queueing, a simplified layout with fewer stalls and a one way system, more staff to clean tables, etc., an enhanced management presence specifically to ensure that at no time was the event overcrowded, and the removal of sides from the entertainment marquee to improve ventilation.

49. Although advance ticket sales were down around 90% on usual, there was good demand 'on the gate', particularly on the Saturday when over 2500 tickets were sold. The feedback from customers and traders has been overwhelmingly positive, with several new traders confirming their attendance next year. Some expenditure invoices are still outstanding, but it is expected that all direct costs associated with running the event will have been covered this year.

Small and Events Grants

50. Round 4 of the combined grants programme was awarded in April 2021 and would have normally been followed by another call in the summer (of 2021) for projects to be awarded in September. Given the income loss on the budget this second call was cancelled.

Large Grants Scheme

51. This scheme, although delayed in launch due to the pandemic had a successful call and organisations were awarded for funding for financial year 21/22 with activity commencing from April 2021.
52. The awards were agreed in principle for two more financial years, which we be contracted annually after the yearly budget approval.

Public Convenience Cleaning

53. Currently public toilets in Hastings are cleaned under the SHS contract. This contract is due to expire on 31st March 2022. With this in mind, the service is currently out for tender, with bids expected back in October 2021. As two of the town's major public toilets are on Foreshore Trust land, this will have a financial impact on the Foreshore Trust.
54. In December a report will be brought to both Cabinet and the Charity Committee with the outcome of the procurement exercise, with a view to obtaining approval to appoint the successful contractor.

Consultation

55. The views of this report will be sought from the Coastal Users Group and the Protector. When work starts on compiling the future business plan, a method of closer engagement in its development will be sought from the Coastal Users' Group, as outlined in the paper which went to the March 2020 committee, via the Foreshore Trust Compliance and Liaison Officer. This new post was created as a result of this 2020 paper to enable closer working with the GAP and CUG, and was recruited to during the autumn of 2020.
56. The Coastal Users' Group's comments will be contained in the minutes of their next meeting on 12th October.
57. The Protector's comments will be considered at the meeting of the Charity Committee on 18th October.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Coastal Users Group	Seek coastal users group comments	12.10.21	Marketing and Major Projects manager
Charity Committee	Chair, protector and members of the charity committee adopt recommendations	18.10.21	Assistant Director, Regeneration and Culture

Wards Affected

Castle, Central St. Leonards, Old Hastings, West St. Leonards

Policy Implications

Reading Ease Score: 36.5

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

Equalities and Community Cohesiveness

Crime and Fear of Crime (Section 17)

Risk Management

Y

Environmental Issues & Climate Change

Economic/Financial Implications

Y

Human Rights Act

Organisational Consequences

Local People's Views

Y

Anti-Poverty

Legal

Additional Information

Officer to Contact

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Agenda Item 5



Report to: Charity Committee

Date of Meeting: 18th October 2021

Report Title: Finance Report

Report By: Kit Wheeler
Chief Accountant (Deputy Chief Finance Officer)

Purpose of Report

To advise members of the Committee on the current year's financial position (2021/22).

Recommendation

1. To agree the current financial position for 2021/22.
2. To agree the closing financial position for 2020/21 (Appendix 2).

Reasons for Recommendations

The Council has the responsibility for the proper management of the financial affairs of the Trust. In doing so it complies with Accounting Codes of Practice and the high standards required for the accounting of Public money.

A deficit is anticipated for 2021/22 in respect of operating income and expenses of £267,000. Once grant and project costs are taken into account a deficit of £289,000 is anticipated against the original 2021/22 budget deficit forecast of £110,000.

Appendix 2 is the un-audited closing financial position for 2020/21 and Appendix 3 is the supporting Financial Monitoring report to go along with that report for consideration and agreement.

Introduction

1. The Foreshore Trust derives its income mainly from car parking and property leases/licences, the former income stream being quite variable.
2. Despite a relaxing of the Covid-19 restrictions during this financial year, the impact felt by the trust financially is still particularly severe for Parking revenue.
3. Appendix 1 attached provides details of the actual income and expenditure to 31st August 2021 against the budget for 2021/22 as agreed at the March 2021 meeting of the Committee.
4. The estimated operating surplus for 2021/22 was £167,000 but as a result of Covid-19 a deficit is currently forecast for the end of the financial year of £267,000. Once grants and project costs are included the deficit for the year increases to £289,000. The projection is however subject to considerable uncertainty given the potential impact of any future lockdown restrictions taking place, in particular in the last two quarters of this financial year.

Financial Position 2020/21

5. The budget agreed in March 2021 identified budgeted income at £1,447,000 and expenditure at £1,280,000. The budgeted surplus for the year being £167,000 after direct governance costs, but before distribution of grants, capital charges and before use of Reserves.
6. Income is currently projected to be below budget by a total of £177,000.
7. The area hardest hit has once again been car parking income which has seen a drop in income of £181,000 due to the impact of Covid-19 mainly in the first quarter of the financial year when restrictions were still to be fully lifted and consumer confidence was still relatively low.
8. The Trust has seen favourable visitor numbers return to its car parks and the town itself which has seen a strong recovery throughout the busy summer months.
9. Car Parking income and associated forecast for the remaining part of the financial year has been largely on the assumption that car parks remain open and lockdown restrictions are not as severe as they were in the previous financial year. This is an area that is ever changing in the current climate and further updates will be provided should the situation and forecasts look to be out of date.
10. Unlike Councils, the Charity sector is not covered for any compensation under the Governments Sales, Fees and Charges scheme, although Hastings Borough Council has lobbied for clarification on this matter in the hope that some of this loss could be offset by Central Government. It should be noted that at the time of writing report this confirmation has not been received and therefore not included as part of any figures within this report.
11. Current forecasts predict expenditure to be more than originally budgeted by £91,000. This is the net effect of savings from Charitable activities, including cancelled events offset by additional costs for maintenance and repairs.
12. The net overall result of the aforementioned reduced Income and increased expenditure means that it gives rise to an overall deficit at the year end. This is forecast to be £267,000.
13. Project expenditure is forecast to be over budget at the year end. With all the cyclical repairs and major projects there is always the possibility that expenditure slips over into the following year or work is carried out in advance of previous forecasts.

Business Plan

14. The Business plan is in the process of being updated, and given the current financial conditions being faced by the Trust it is felt that the prudent approach would be to revisit this in due course and in consideration of the future budget discussions with the committee members.

Indicative Forward Plan

15. The indicative forward plan just like the business plan above is in the process of being updated and will be revised as part of the budget setting discussions with committee members once detailed discussions have taken place and a clear objective and plan is agreed upon.

Reserves

16. The total effective cash balances of the Trust at the 31 March 2021 amounted to £1.73m after providing for the outstanding settlement to Hastings Borough Council for amounts owed for 2020/21.
17. The reserves policy agreed on 23 September 2019 identified £900,000 as the suitable level to maintain given the potential risks to the Trust. The deficit this year does reduce the cash balances the Trust has but the prudent approach adopted in setting the reserve level has resulted in the Trust being able to meet its current and future commitments.
18. The Risk Register and Reserves policy was last considered by the Committee in September 2019 and will need to formally reviewed again.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Continued quarterly monitoring	Each financial quarter	Charity Committee Meetings	Chief Accountant
Review of 2020/21 under and over spends	2022/23 budget	March 2022	Chief Finance Officer

Wards Affected

None

Implications

Relevant project tools applied? Yes

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

Climate change implications considered? N/A

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

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

Additional Information

Appendix 1 - Financial Monitoring Report 2021/22

Appendix 2 – Finance Report 2020/21

Appendix 3 - Financial Monitoring Report 2020/21

Officers to Contact

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Hastings and St Leonards Foreshore Charitable Trust**Appendix 1****Actual expenditure to 31 March 2021**

SUMMARY - MONITORING REPORT	Revised Budget 2020-21 £'000	Unaudited Outturn 2020-21 £'000	Variance to Revised Budget £'000
Incoming Resources			
Investment Income	(5)	(9)	(4)
Incoming resources from Charitable activities	(1,176)	(649)	527
Rental income	(237)	(294)	(57)
Total incoming resources	(1,418)	(952)	466
Resources Expended			
Loan repayments	33	33	0
Charitable Activities* (excluding Capital charges)	946	918	(28)
Maintenance projects and cyclical repairs	133	245	113
Governance costs	152	86	(66)
Total resources expended	1,264	1,282	19
Total Operating (Surplus)/Deficit	(154)	331	485
Small Grants	90	63	(49)
Projects**	112	1	(111)
(Surplus)/Deficit	48	394	325

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Report to: Charity Committee

Date of Meeting: 18th October 2021

Report Title: Appendix 2 - 2020/21 Final Finance Report

Report By: Kit Wheeler
Chief Accountant (Deputy Chief Finance Officer)

Purpose of Report

To advise members of the Committee on the Final financial position of 2020/21.

Recommendation

1. To agree the financial position for 2020/21.

Reasons for Recommendations

The Council has the responsibility for the proper management of the financial affairs of the Trust. In doing so it complies with Accounting Codes of Practice and the high standards required for the accounting of public money.

The Trust is reporting a deficit for the 2020/21 financial year in respect of operating income and expenses of £331,000. Once Grant and project costs are taken into account this figure is a deficit of £394,000 against the original 2020/21 budget deficit forecast of £48,000.

Introduction

1. The Foreshore Trust, like many other Charities and businesses has suffered greatly over the last financial reporting period as a result of the Covid-19 pandemic. This has resulted in previously unexpected additional expenditure being incurred as well as substantial losses of income.
2. The Foreshore Trust derives its income mainly from car parking and property leases/licences, the former income stream being quite variable.
3. Appendix 3 attached provides details of the income and expenditure to 31st March 2021 against the budget for 2020/21 as agreed at the March 2020 meeting of the Committee.
4. The budgeted operating surplus for 2020/21 was originally expected to be a surplus of £154,000, but as a result of Covid-19 a deficit is now being reported of £331,000. Once grants and project costs are included the deficit for the year increases to £394,000.
5. It should be noted that due to delays with the External Audit of Hastings Borough Council and the reliance placed upon that opinion by the Trusts own Auditors the figures contained within this report are therefore draft until the Trusts auditors (Mannington's) have confirmed the figures.

Financial Position 2020/21

6. The budget agreed in March 2020 identified budgeted income at £1,418,000 and expenditure at £1,264,000. The budgeted surplus for the year being £154,000 after direct governance costs, but before distribution of grants, capital charges and before use of Reserves.
7. Income was below budget by a total of £466,000.
8. The area hardest hit has been car parking income due to the impact of Covid-19 throughout the financial year and various government enforced lockdowns prohibiting travel and hitting tourist destinations particularly hard. The Financial loss suffered as a result of these national lockdowns and reduced consumer confidence is £527,000.
9. Unlike Councils, the Charity sector is not covered for any compensation under the Governments Sales, Fees and Charges scheme, although Hastings Borough Council has lobbied for clarification on this matter in the hope that some of this loss could be offset by Central Government. It should be noted that at the time of writing report this confirmation has not been received and therefore not included as part of any figures within this report.
10. Expenditure was also higher than previously budgeted by £19,000. This is the net effect of various additional costs for repairs and maintenance offset by savings on Governance and other related costs.
11. The net overall result of the aforementioned reduced income and additional expenditure means that it gives rise to an overall deficit for Operations at the end of the financial year of £331,000.
12. When including project expenditure as part of these figures the deficit is reduced to £394,000 for the financial year.

Business Plan

13. The Business plan is in the process of being updated, and given the current financial conditions being faced by the Trust it is felt that the prudent approach would be to revisit this in due course and in consideration of the future budget discussions with the committee members.

Indicative Forward Plan

14. The indicative forward plan just like the business plan above is in the process of being updated and will be revised as part of the budget setting discussions with committee members once detailed discussions have taken place and a clear objective and plan is agreed upon.

Reserves

15. The total effective cash balances of the Trust at the 31 March 2021 amounted to £1.73m after providing for the outstanding settlement to Hastings Borough Council for amounts owed for 2020/21.
16. The reserves policy agreed on 23 September 2019 identified £900,000 as the suitable level to maintain given the potential risks to the Trust. The deficit this year does reduce the cash balances the Trust has but the prudent approach adopted in setting the reserve level has resulted in the Trust being able to meet its current and future commitments.
17. The Risk Register and Reserves policy was last considered by the Committee in September 2019 and will need to formally review again.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Continued quarterly monitoring	Each financial quarter	Charity Committee Meetings	Chief Accountant
Review of 2020/21 under and over spends	2022/23 budget	March 2022	Chief Finance Officer

Wards Affected

None

Implications

Relevant project tools applied? Yes

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

Climate change implications considered? N/A

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

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

Additional Information

Appendix 3 - Financial Monitoring Report

Officers to Contact

Kit Wheeler

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Hastings and St Leonards Foreshore Charitable Trust

Appendix 3

Actual Expenditure to 31st August 2021

SUMMARY - MONITORING REPORT	Original Budget 2021-22	YTD Actual 2021-22	Estimate to end of year	Unaudited Outturn 2021-22	Variance to Original Budget
	£'000	£'000	£'000	£'000	£'000
Incoming Resources					
Investment Income	(5)	(9)	0	(9)	(4)
Incoming resources from Charitable activities	(1,200)	(314)	(705)	(1,019)	181
Rental income	(242)	(130)	(112)	(242)	0
Total incoming resources	<u>(1,447)</u>	<u>(453)</u>	<u>(817)</u>	<u>(1,270)</u>	<u>177</u>
Resources Expended					
Loan repayments	33	33	0	33	0
Charitable Activities* (excluding Capital charges)	965	203	732	935	(30)
Maintenance projects and cyclical repairs	128	245	0	245	118
Governance costs	154	49	108	157	3
Total resources expended	<u>1,280</u>	<u>530</u>	<u>840</u>	<u>1,370</u>	<u>91</u>
Total Operating (Surplus)/Deficit	<u>(167)</u>	<u>77</u>	<u>23</u>	<u>100</u>	<u>267</u>
Grants	90	51	40	91	1
Large Grants	162	51	111	162	(0)
Projects**	25	46	0	46	21
(Surplus)/Deficit	<u>110</u>	<u>226</u>	<u>174</u>	<u>400</u>	<u>289</u>
Transfer to/(from) HBC account					

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Agenda Item 6



Report to: Charity Committee

Date of Meeting: 18 October 2021

Report Title: Former Ladies Underground Toilets East of Hastings Pier

Report By: Peter Grace
Assistant Direct Financial Services & Revenues

Purpose of Report

To consider use of the premises.

Recommendation(s)

- 1. That Charity Committee agrees to the grant of a lease of the premises**

Reasons for Recommendations

The toilets are vacant and granting a lease would enable them to be brought into beneficial use in addition to encouraging a healthy paddle board sporting activity benefiting the local community which is compatible with the objects of the Trust.

Background

1. The underground toilets were closed to the public in 2002 and were last used for storage by the Pier Charity.
2. Sunny Side SUP wish to take a lease of the premises to store kayaks. They plan to set up a paddle board sporting club with the following aims and objectives:
 - a. To offer coaching and social opportunities in paddle sport.
 - b. To promote the club within the local community and paddle sport.
 - c. To manage any property the club has use of.
3. There is no electric and water in the premises but following some recent concrete repairs it is considered they will be safe for kayak storage use. Sunny Side SUP will need to obtain planning consent for change of use and would fit the premises out with racking.
4. It is proposed that a lease be granted for a 2-year term (with six monthly break clauses) at an initial rent for the first year of £1 per annum (if demanded) subject to review in the second year.
5. An external independent Surveyor has been instructed to advise on the proposed lease terms and whether they are considered to be the best that can reasonably be obtained for the Trust and bringing the vacant toilets into beneficial use.

Coastal Users Group (CUG)

6. Under the Trust's Scheme they must consult with the CUG and have regard to their recommendations.
7. The CUG are meeting on 12 October and this report will be considered.

Monitoring Officer's Comments

8. The Charities Act 2011 provides that certain disposals of land (such as leases of seven years or less) are excepted from the demanding procedures when disposing of the Trust's assets. In this case the disposal is a lease for two years (with six monthly break clauses) which will be supported by a report from an independent surveyor that the terms of the proposed terms of the leases are the best that can be obtained in the circumstances apart from the beneficial use of the premises and benefit to the local community.

Conclusion

9. It is recommended that the Estates Manager is given authority to finalise a lease with Sunny Side SUP subject to the external Surveyor's advice.

Wards Affected

N/A

Implications

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

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

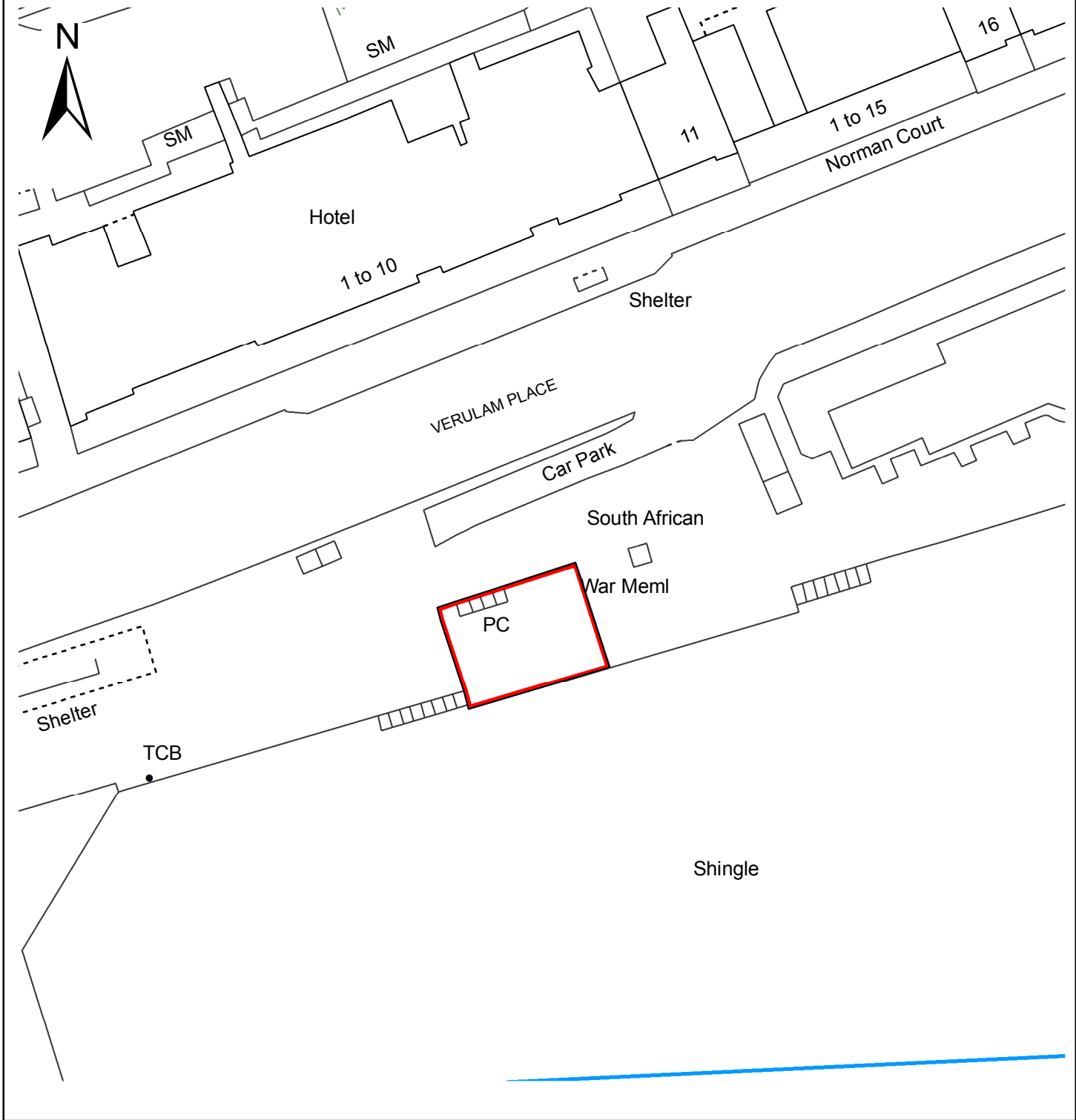
Additional Information

Plan attached.

Officer to Contact

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Ladies Underground Toilets
Verulam Place
Hastings



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