

Cabinet Agenda

Monday, 1 August 2022 at 6.00 pm

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

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	Page No.
1. Apologies for Absence	
2. Declaration of Interests	
3. Minutes of Last Meeting	1 - 14
4. Update on Health inequalities work in Hastings <i>(Jane Hartnell, Managing Director)</i>	15 - 20
5. York Buildings <i>(Andrew Palmer, Assistant Director, Housing and Built Environment)</i>	21 - 26
6. Notification of Additional Urgent Items	
7. Urgent Items (if any)	

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Agenda Item 3 Public Document Pack

CABINET

6 JUNE 2022

Present: Councillors Barnett (Chair), Evans (Vice-Chair), Batsford, Haffenden, Hilton, Roark, Rogers and Willis.

434. APOLOGIES FOR ABSENCE

None received.

435. DECLARATION OF INTERESTS

Councillor	Minute	Interest
Evans	439. Hastings Museum & Art Gallery Business Plan 2022-25	Personal – Lives close to Bob Mazzer and Sue Tilley. Trustee for an organisation that has delivered workshops in the museum. Volunteer for the refugee buddy project.

436. MINUTES OF LAST MEETING

RESOLVED (unanimously) that the minutes of the meeting held on 7th March 2022 be approved as a true record.

437. REVIEWING THE ANTI-SOCIAL BEHAVIOUR PUBLIC SPACE PROTECTION ORDER (ASB PSPO)

Councillor Patmore was present and asked for an update on how many enforcement officers the council currently has and how PSPO's are intended to be enforced in the future.

The Customer Services, Communications and Emergency Planning Manager introduced a report summarising consultation feedback on proposals to update the Anti-social Behaviour Public Spaces Protection Order (ASB PSPO) and seeking approval for the Chief Legal Officer to update and extend the Order in accordance with regulations published by the Secretary of State.

The level of enforcement action since 2019 demonstrates an ongoing problem with anti-social behaviour in the Borough, largely associated with the consumption of alcohol in areas such as the town centre.

In response to the question from Councillor Patmore it was confirmed that enforcement action is undertaken by the council's warden service and by the police. There are currently seven wardens in the team, with one vacancy.

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

CABINET

6 JUNE 2022

RESOLVED (unanimously):

- 1) Agree the proposed extension of the reviewed ASB PSPO, and authorise the Chief Legal Officer to update and extend the Order by 3 years on 9 th July 2022, in accordance with regulations published by the Secretary of State.
- 2) Authorise the Chief Legal Officer to correct any minor drafting errors that may be identified, and make minor amendments including deletions and insertions that may be necessary to ensure the ASB PSPO is accurate.

Reasons:

PSPOs are made under the Anti-social Behaviour, Crime and Policing Act 2014, and are valid for up to 3 years. They enable local authorities and the police to address serious anti-social behaviour in specified public places. PSPOs can be varied and extended in response to changes in patterns of ASB. The existing ASB PSPO originally came into force on 12th June 2017, was fully reviewed in Spring 2019, and then varied and extended by cabinet on 9 th July 2019. It now needs to be reviewed and potentially varied and extended again before it expires in July this year.

438. BYE LAWS FOR PLEASURE GROUNDS, PUBLIC WALKS AND OPEN SPACES

Councillor O'Callaghan was present and asked what assurances residents can have that approval of the byelaws will not lead to a cycle path in the park.

The Chief Legal Officer responded that the recommendations are not about the cycle path but consolidating and updating the byelaws. The council is adopting the standard form of byelaws as approved by the Department for Levelling Up, Housing and Communities. At the moment there is no designated route for cycling in the park and further discussions need to take place on the cycle path.

Councillor O'Callaghan addressed the meeting as ward councillor for Braybrooke and asked for clarity on behalf of residents that the cycle path will not be designated if the byelaws are agreed to. Elderly residents and those with young children are concerned and want to feel safe in the park.

Councillor Patmore asked the cabinet what the process would be for the cycle path to be implemented, taking into account it was initially agreed in 2016. The Chief Legal Officer responded that the current cabinet are not bound by the 2016 decision and they will need to look at the current circumstances and consider the proposals for a cycle path. No cycle path has been designated.

CABINET

6 JUNE 2022

The Chief Legal Officer introduced a report to present new, updated byelaws for parks and open spaces as approved by the Secretary of State for Levelling Up, Housing and Communities. The byelaws will need to be adopted by Full Council.

The proposal is to replace the out-of-date byelaws with a single set of byelaws for pleasure grounds, public walks and open spaces and revoke the old byelaws.

The byelaws prohibit cycling in any park or open space unless on a designated route. There are presently no designated cycle paths in any of the council's parks and open spaces. Therefore cycling is prohibited until such time as designated cycle paths are implemented.

Councillor Hilton proposed approval of the recommendations, seconded by Councillor Haffenden.

RESOLVED (unanimously):

Cabinet considers the following report for presentation to Full Council on 13th July 2022 to adopt the byelaws for pleasure grounds, public walks and open spaces and the revocation of existing byelaws stated in Section 1 of this report.

Reasons:

1. The current byelaws for parks and open spaces are out of date. The proposed new single set of byelaws for pleasure grounds, public walks and open spaces will supersede the old byelaws which will be revoked by Full Council.
2. The proposed byelaws have been approved by the Secretary of State for Levelling Up, Housing and Communities following public consultation and due legal process required to adopt new byelaws.

439. HASTINGS MUSEUM & ART GALLERY BUSINESS PLAN 2022-25

The Assistant Director, Regeneration and Culture, introduced a report to outline the museum's business plan for 2022-25 and share the review of the previous business plan. The report outlines the previous three years of museum activity and highlights that the museum has achieved or exceeded the majority of the outcomes in the business plan.

The Museum and Cultural Development Manager noted some of the successes over the past few years, including a large increase in visitor numbers, an increase in the number of events held and improved school engagement.

Councillor Barnett thanked the museum staff for raising £1million of external funding over the past four years.

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

CABINET

6 JUNE 2022

RESOLVED (unanimously):

To approve the 2022-25 Business Plan.

Reasons:

The museum requires a business plan to operate effectively.

440. CABINET APPOINTMENTS

Councillor Rogers confirmed that although she is a member of Hastings Week Committee that is in a personal capacity and not as a representative of the council.

The Leader of the Council said that there are some vacancies which will be appointed to at a future date.

RESOLVED (unanimously):

1. To appoint members to committees, working groups, partnerships and representative bodies as set out in Appendix A and;

2. To appoint the Chair and Vice Chair of Charity Committee as listed in Appendix A

Reasons:

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

441. HOUSEHOLD SUPPORT FUND

The Chief Finance Officer introduced a report to advise on the launch of a second phase of the grant scheme for the period April 2022 to 30 September 2022.

The Council will be in receipt of grant funding from East Sussex County Council (ESCC) amounting to £412,280 for the government's Household Support Fund scheme. The funding will assist with energy, water, and food costs to those claiming benefits.

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

RESOLVED (unanimously):

1. To agree the actions taken by the Council's officers, in consultation with lead Councillors, to launch, and administer a second phase of the Household Support Fund scheme.

CABINET

6 JUNE 2022

2. To continue to administer payments to residents who qualify in accordance with the scheme's revised eligibility criteria.

Reasons:

To advise the Council of urgent actions taken in the administration and distribution of the Household Support Grant to qualifying vulnerable households in the Borough, in order to support those most in need with the rapidly rising cost of essentials.

442. ENERGY REBATE POLICY

The Chief Finance Officer introduced a report to determine a discretionary scheme that will assist, in the first instance, those who have not been eligible for a £150 energy assistance payment under the government's mandatory Council Tax rebate scheme.

Councillor Hilton asked for further details regarding the process for accepting donations to the fund. The Revenues and Benefits Recovery Project Manager confirmed that the precise details of that process will need to be worked out. The Chief Finance Officer informed the meeting that the council does have the capacity to accept donation payments and a process could be facilitated if required.

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

RESOLVED (unanimously):

- 1. To agree the scheme proposed in Appendix 1**
- 2. To delegate authority to the Chief Finance Officer in consultation with the Managing Director and lead Councillor for Finance to amend the scheme from 1 August 2022 to ensure any remaining government funding is fully distributed by 30 November 2022.**
- 3. To accept donations from anyone wishing to add to this fund – that will seek to assist those eligible residents least able to afford the large increases in energy costs.**

Reasons:

The agree a discretionary scheme for qualifying vulnerable households that will support those that have missed out on the £150 payment under the government's mandatory scheme, and that are most in need with the rapidly rising energy costs.

CABINET

6 JUNE 2022

443. BUDGET UPDATE MAY 2022

Councillor Rankin was present and asked the cabinet to consider any opportunities for reducing the amount of non-residential assets in order to acquire residential assets to help address the council's homelessness budget.

The Chief Finance Officer introduced a report to highlight the expected impact of the rapid increases in both inflation and the Bank of England base rate since setting the 2022/23 budget in February 2022.

When setting the budget for 2022/23 in February 2022 the deficit was estimated at £2.33 million. The forecasts for future years showed annual deficits increasing to £2.426 million in 2023/24, £2.544 million in 2024/25, and £2.531 million in 25/26. These deficits look set to increase by over £900,000 in 2022/23 and by more than £1,000,000 in 2023/24.

Unless significant savings are identified quickly, and achieved, the council will fall below the minimum recommended level of reserves in this financial year and may have exhausted its remaining useable reserves by the end of 2023/24.

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

RESOLVED (unanimously):

Cabinet recommend to full Council the following:-

- (i) The existing Harold Place project be removed from the Capital programme until such time as a revised scheme for the area is determined.**
- (ii) The Capital programme budget for the Castleham Industrial units be increased to £250,000 (from £140,000).**
- (iii) The Capital programme budget for Buckshole Reservoir works be increased to £1,353,000 (From £1,253,000)**
- (iv) Undertake a Mid-year budget review to potentially increase fees and charges, reduce expenditure, and sell assets.**

Reasons:

The budget report in February 2022 identified that a balanced budget in 2022/23 could only be achieved by using £2.33m of reserves, and that further savings would be required given the relentless increases in homelessness costs in particular. The forecasts for future years showed annual deficits increasing e.g. £2.426m in 2023/24, £2.544m in 2024/25, and £2.531m in 25/26.

Following the steep increases in inflation and bank rates the forecast for the current and future years shows annual deficits potentially increasing by over £900,000 in

CABINET

6 JUNE 2022

2022/23 and over £1,000,000 in 2023/24. Costs for Capital schemes are likewise increasing dramatically.

(The Chair declared the meeting closed at 7.55pm)

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CABINET – 2022/23**APPOINTMENT OF MEMBERS TO REPRESENTATIVE BODIES**

ORGANISATION	SEATS TO BE FILLED	APPOINTMENTS FOR 2022/23
Love Hastings (formerly Hastings & St Leonards Town Centre Management Group)	1	Cllr Rogers
Health & Wellbeing Board	1 (not Health O & S Cttee member)	Cllr Batsford
Local Gov. Assoc. – National Body	1	Cllr Barnett
Local Gov. Assoc. – Urban Commission	1	Cllr Barnett
Local Gov. Assoc. – Coastal Issues Group	1	Cllr Barnett
South East England Councils	1	Cllr Barnett

Appointments to external boards – 2022/23

Board/Partner	Seats	Labour	Conservative	Green	Current members
Hastings Week Committee	4	1	1	0	1. Mayor (ex officio) – James Bacon

					<ol style="list-style-type: none">2. Dep Mayor (ex officio) – Margi O’Callaghan3. Cllr Rob Cooke4.
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CABINET APPOINTMENTS TO COMMITTEES, WORKING GROUPS, PARTNERSHIPS ETC. May 2022								
COMMITTEES, WORKING GROUP / PARTNERSHIPS								
COMMITTEES	SEATS TO BE FILLED	ALLOCATION TO POLITICAL GROUPS 2022/23			APPOINTMENTS for 2022/23			NOTES
		LAB	CON	GRN	LABOUR	CONSERVATIVE	GREEN	
Charity Committee	3				1. Cllr Roark (Chair) 2. Cllr Batsford		1. Cllr Hilton	Chair to be non-portfolio holder member of Cabinet
Discretionary Rate Relief Appeal Panel	Dependent on size of cabinet				1. Cllr Evans 2. Cllr Batsford 3. Cllr Haffenden 4. Cllr Hilton 5. Cllr Rogers 6. Cllr Roark 7. Cllr Willis			All Members of Cabinet, excluding the Leader, to be appointed to the Panel
Licensing Committee (Scrap Metal Dealers)	Dependent on size of cabinet				1. Cllr Evans 2. Cllr Batsford 3. Cllr Haffenden 4. Cllr Hilton 5. Cllr Rogers 6. Cllr Roark 7. Cllr Willis			All Members of Cabinet, excluding the Leader, to be appointed to the committee. Functions relating to the licensing of Scrap Metal Dealers as set out in the Scrap Metal Dealers Act 2013 or by virtue of any amending or consolidating legislation and any regulations made under the Act as such amending or consolidating legislation.

APPENDIX A

WORKING GROUPS ETC	SEATS TO BE FILLED	ALLOCATION TO POLITICAL GROUPS 2022/23			APPOINTMENTS for 2022/23			NOTES
		LAB	CON	GRN	LABOUR	CONSERVATIVE	GREEN	
Working Arrangements Group	5	2	2	1	1. Cllr Rogers (Chair) 2. Cllr Willis	1. Cllr Beaver (Vice Chair) 2. Cllr Pragnell	1.	Opposition member is Vice-Chair
Member Training and Development Group	4	2	1	1	1. Cllr Rogers (Chair) 2. Cllr Willis	1. Cllr Cooke	1.	Lead Member is chair
Hastings Country Park Management Forum	5	2	2	1	1. Cllr Evans 2. Cllr Willis	1. Cllr Edwards 2. Cllr Rankin	1. Cllr Hilton (Chair)	Lead Member is chair
Order of 1066	5	1	1	1	1. Mayor: Cllr Bacon 2. Deputy Mayor: Cllr O'Callaghan 3. Cllr Sinden	1. Cllr Marlow-Eastwood	1.	To comprise Mayor, Deputy Mayor & 1 member from each Political Group
Joint Waste Committee	2	2			1. Cllr Barnett		1. Cllr Haffenden	Leader of the Council and Lead Member for Environment
Personnel Consultative Group	4	2	1	1	1. 2.	1.	1.	

PARTNERSHIPS	SEATS TO BE FILLED	ALLOCATION TO POLITICAL GROUPS 2022/23			APPOINTMENTS for 2022/23			NOTES
		LAB	CON	GRE	LABOUR GROUP	CONSERVATIVE GROUP	GREEN GROUP	
Stade Partnership	2	1		1	1. Cllr Bacon		1. Cllr Hilton	Old Hastings members
Hastings Local Strategic Partnership	2	1	1		1. Cllr Barnett	1. Cllr Patmore		
Safer Hastings and Rother Partnership	1	1			1. Cllr Rogers			Relevant Lead Member
Jt. Advisory Cttee. the High Weald AONB	1			1			1. Cllr Hilton	
Combe Haven Community Interest Company	2		1	1		1. Cllr Beaney	1. Cllr Collins	
Hastings and Rother Task Force Steering Group	1	1			1. Cllr Barnett			Leader of the Council
Optivo Hastings Area Panel	1	1			1. Cllr Evans			Relevant Lead Member
Police & Crime Panel	1	1			1. Cllr Rogers			Lead Member

APPENDIX A

East Sussex Health Overview & Scrutiny Committee	1	1			1. Cllr Turner			Needs to be a non-executive Member.
East Sussex Community Safety Partnership	1	1			1. Cllr Rogers			Needs to be either the Chair of the Safer Hastings Partnership or a member of the Sussex Police and Crime Panel.
Hastings and Rother Transport Action Group	2	1.		1.	1. Cllr Batsford		1. Cllr Hilton	Relevant Lead Members

Agenda Item 4



Report To: Cabinet

Date of Meeting: Monday 1 August 2022

Report Title: Update on Health inequalities work in Hastings

Report By: Jane Hartnell, Managing Director

Key Decision: Y

Classification: Open

Purpose of Report

To update Cabinet on progress in addressing health inequality in Hastings

Recommendation(s)

1) To welcome the progress made in ensuring the issues of health inequality that blight the lives of many residents are being addressed.

Reasons for Recommendations

To update Cabinet on progress in addressing health inequalities since the Council motion was adopted in February 2021.

Introduction

1. The council agreed a [motion](#) in February 2021 regarding the health inequality gap experienced by residents of Hastings.
2. Since this motion was passed, the issue of health inequalities has been highlighted even further as we have better understood the impacts of the pandemic on deprived communities. There has also been a helpful focus on the poorer outcomes and the experience of health inequalities shared by coastal towns as a result of the Chief Medical Officer's July 2021 report which included Hastings as a case study.
<https://www.gov.uk/government/publications/chief-medical-officers-annual-report-2021-health-in-coastal-communities>
3. As a result of closer working between the NHS and further lobbying, the council and its Local Strategic Partnership partners have worked together to seize opportunities to develop a more focused strategy and joined up approach. There are now some exciting and innovative approaches being developed and tested here.
4. This report summarises progress made since the 2021 motion and sets out the plans for improving the health and wellbeing of Hastings residents.

Background

5. Hastings is the most deprived lower tier local authority in Sussex and one of the most deprived in the country. The experiences of deprivation contribute to higher rates of long-term illness, disabilities, cancer, lung disease and heart problems compared with the rest of England. Men in the most deprived areas of Hastings are expected to live 11.5 years less than those in other areas of the town - the biggest gap in the southeast of England. Life expectancy for both men and women is lower here than the England average.
6. The COVID-19 pandemic, including take-up of vaccines, has shone a harsh light on health inequality and further exacerbated inequalities that have persisted for decades. For some communities, particularly areas of deprivation and the Black, Asian and Minority Ethnic (BAME) population, likelihood of exposure and poor outcomes from COVID-19 has not been equal.
7. The pandemic also highlighted the need to ensure we adequately address the wider determinants of living a healthy life. Whilst access to good health care remains essential, the benefits of exercise, healthy eating, and access to quality outside spaces have all been firmly rooted in our understanding as being vital for physical health and mental well-being. In addition, education, housing and employment are shown to be major determinants of health. It is in this context the future of tackling health inequalities in Hastings is being framed.

Local Strategic Partnership (LSP)

8. The Hastings and St Leonards Local Strategic Partnership (made up of public sector partners, business and community and voluntary organisation representatives) established the *Hastings Health Equity, Wellbeing and Prosperity Group* in June 2021.
9. The group, chaired by Public Health, submitted a detailed report to the Local Strategic Partnership on 13th June 2022 which contained eight recommendations which the LSP fully

supported and committed to. The full report is available from here: [Local Strategic Partnership 13th June 2022](#)

10. In summary:

- a. The Group are working to ensure that all those partner organisations who are part of the wider 'system' understand how they can maximise the contribution they make to tackling inequalities and creating healthier places – this commitment needs to be long term to ensure long-lasting, generational change is embedded.
 - b. This work is solution-focused because the issues and evidence of harm are already well-known locally.
 - c. The Group recommended that a 'whole system' approach is needed for Hastings communities and stakeholders to not only understand the problem but also identify and test new ways of tackling health inequalities.
 - d. That health and well-being is not an issue that can be left to the health services alone to deal with.
 - e. The economic gains from reducing place-based health inequality could be significant and doing so is crucial for our national and local economy, local prosperity, and recovery from Covid-19.
 - f. That the constant allocation of short-term funding initiatives leads to 'initiativitus' and does not allow longer term solutions to be embedded, proven to work and show benefit.
 - g. There is a need for a place-based approach to tackling health inequalities in Hastings, improving the most for those who are furthest from the norm.
 - h. Key to success will be collaboration, peer support, learning from best practice, good evidence and data and by supporting and scaling up community-centred approaches to tackling inequality and poverty.
 - i. The link between environment and health cannot be underestimated - the impact of environment related risks (e.g. floods, severe storms) often falls disproportionately on more deprived coastal communities.
 - j. A focus on vulnerabilities in relation to people and the planet is essential. Global and local processes of environmental degradation and climate change currently, and will increasingly, negatively affect human health. There are huge co benefits between climate action and a commitment to an economy and place based on well-being.
 - k. The Group will act as technical advisory group, providing strategic coordination, direction and oversight on health inequalities work happening in Hastings
11. The Group is organising a seminar in September to progress this work and to develop an East Sussex Health and Equalities Charter. Professor Chris Whitty, the Chief Medical Officer, is expected to be attending to give the keynote speech.
12. As ever, the issue of resources and capacity to achieve the objectives set out by the Group was identified. Part of the solution to this challenge will be found from the Universal Healthcare Programme pilot (see below).

Investments in addressing health inequalities

13. The Hastings and Rother Clinical Commissioning Group (CCG) established a Healthy Hastings and Rother Programme in 2014/15. It focussed on people living in the eight most deprived wards in Hastings and Rother.

14. Over the eight years 46 projects and a total investment of £11.4million were committed. Of these a number have now been mainstreamed and are delivered by substantive contracts funded through joint health and social care or CCG funds.
15. The programme has been independently evaluated and the outcome of this review will be used to help shape future work.
16. In addition, during 2021, £3.4m funding that had been previously identified for health programmes in Hastings and Rother was re-allocated as legacy funding following lobbying by Cllr Mike Turner, the HBC representative on the East Sussex Health Overview and Scrutiny Committee.
17. The first c.£1m of this allocation has been invested during 2021/22 in schemes aiming to improve health inequalities in the short-term, including:
 - a. Children and young peoples' mental health support
 - b. Parental advice and support
 - c. Activity and exercise – via Active Hastings
 - d. Autism training for health and care staff
 - e. Support to street drinkers
 - f. Work to reduce use of dependence forming medications

Universal Healthcare Programme

18. Those involved in determining how the remainder of the one-off funding is best allocated and managed wanted to use the opportunity to do something different and not repeat the same approach with the same results.
19. The remaining £2.4m will therefore be used to support a new innovative Hastings-focused programme which starts with the recognition that that access to healthcare is currently unequal, and poverty is a key driver of poor health.
20. The year-long programme will bring together senior NHS leaders, community leaders and academics from the London South Bank University to oversee pilots of work in two communities – one in Bradford, West Yorkshire and the other in Hastings.
21. A programme manager (funded by NHS and Public Health) has been appointed to manage the programme. The council is still keen to secure funding to enable HBC to contribute to this and other health inequalities work at a strategic level.
22. This collaboration will:
 - a. pay attention to the most disadvantaged and seldom heard communities and work with them to improve their outcomes/experience.
 - b. amplify at a national level, the issues experienced in the places of Bradford and Hastings.
 - c. build shared communities of practice for cross-programme learning.
 - d. test and embed a new way of designing and delivering NHS services that improve population health and reduce health inequalities.
 - e. directly report into national thinking and policy on addressing health inequalities.
23. A local design team is responsible for bringing together a group of diverse stakeholders, and generating a system committed to acting together, including representation from:

- a. East Sussex CCG (NHS Sussex from 1 July)
 - b. Hastings Borough Council
 - c. East Sussex Public Health
 - d. Hastings Primary Care Network
 - e. Hastings Voluntary Action
 - f. Diversity Resource International
24. This is an amazing opportunity to be part of a programme that ideally will lead to significant changes in the way services are provided and puts tackling health inequalities at the centre of service design and delivery.
25. Whilst the initial programme is for 12 months, the expectation is that the work undertaken will influence further funding decisions and the commitment to this approach will be mainstreamed.

Other updates

26. In recognition of the importance that health and well-being plays in all aspects of life, HBC has appointed a portfolio holder for Health issues - Cllr Andy Batsford is the Lead Councillor for Health and Culture.
27. The Local Strategic Partnership has adopted a ‘Health in All Policies Approach’ to ensure health inequalities are embedded in our planning, policies and practice. HBC is using this tool to inform development of key policies including the new Local Plan, and its strategic approach to regeneration via the Town Deal, Levelling Up and the UK Shared Prosperity Fund.
28. The MP for Hastings and Rye, Sally-Ann Hart is the Chair of the All-Party Parliamentary Group on Coastal Communities which works on a cross-party basis to establish a framework for policy to help boost coastal communities across the United Kingdom, including the issues of health inequalities as raised by the Chief Medical Officer’s report.
29. HBC councillors represent local people on:
- a. the [East Sussex Health and Well-being Board](#) (Cllr Andy Batsford) - The Health and Wellbeing Board is committed to improving health and wellbeing across East Sussex, especially for people, places and communities who currently have the worst health outcomes.
 - b. The [Health Overview and Scrutiny Committee](#) (Cllr Mike Turner) - The East Sussex Health Overview and Scrutiny Committee (HOSC) is formed of elected councillors and voluntary sector representatives who scrutinise (carry out an independent check on) healthcare services in East Sussex.

Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible

Regular reports on progress to Cabinet	Post-commencement of Universal Healthcare Programme	November 2022 March 2022	Jane Hartnell
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Wards Affected

(All Wards);

Policy Implications

Reading Ease Score:

Have you used relevant project tools?: N/A – is an information report

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

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

Additional Information

N/A

Officer to Contact

Officer: Jane Hartnell

Email: jhartnell@hastings.gov.uk

Agenda Item 5



Report to: Cabinet

Date of Meeting: 1st August

Report Title: York Buildings

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

Purpose of Report

To provide an update on the Council's Grant Agreement with Homes England for the delivery of Affordable Rent housing at 12/13 York Buildings.

To advise members of the key conditions relating to its role as a residential landlord.

Recommendation(s) that:

1. The Council renews its role as a Registered Provider directly delivering affordable, social housing.
2. The Council proceeds to drawdown funding through the Affordable Homes Programme 2021-2026 to deliver Affordable Rent housing at 12/13 York Buildings.

Reasons for Recommendations

1. The delivery of Affordable Rent at 12/13 York Buildings will provide six permanent homes to people on the Council's Housing Register and directly support the Council's Affordable Housing targets and its 500 Affordable Rented Homes Programme.
2. The development of 12/13 York Buildings is being financed by borrowing from the Public Works Loan Board and the Affordable Housing grant reduces the borrowing requirement by circa £300k. The lower borrowing costs will be capable of being funded by the rental income.
3. The Council will be able to more easily bring forward Affordable Housing in the future through its own developments or the acquisition of Section 106 units. There are more direct delivery opportunities available to the Council as a Registered Provider and a Homes England Investment Partner.

Background

1. The Council completed a Large Scale Voluntary Transfer (LSVT) of its housing stock in 1996. Since that time, the Council has not directly delivered new Affordable Housing.
2. The Council is once again able to deliver Affordable Housing as it has reactivated its Registered Provider status. It can also take up new Affordable Housing funding opportunities as it has become a Homes England Investment Partner.
3. Up to 200 homes can be acquired before the Council is required to reopen a Housing Revenue Account (HRA). The HRA would be a ring-fenced account and require the Council to account for council housing expenditure separately from other General Fund activities.
4. The Council has completed the development of six self-contained one bedroom flats at 12/13 York Buildings. The property is a grade II listed building which consists of retail on the ground floor with the newly developed flats repurposing the upper floors which had been empty for many years.
5. A report was taken to Cabinet on 7th March 2022 which recommended that the Council let the flats as Affordable Housing. This supports local housing need, the Council's commitment to delivering 500 Affordable Rent homes and also enabled the Council to lever in Affordable Housing grant funding in the sum of £303,910.
6. This report provides further information on the requirements of delivering Affordable Housing and the potential implications.

Affordable Rent at York Buildings

7. The Council has been awarded funding of £303,910 through the Affordable Homes programme to deliver the units at York Buildings as Affordable Rent. Once accepted, this will place a restriction on how the properties can be used.
8. Delivering Affordable Rent is a new direction in housing provision for the Council. The Council will need to finalise a set of policies and procedures to ensure that all requirements linked to the provision of Affordable Rent as a Registered Provider are met.
9. These policies will provide the blueprint for further development and acquisitions taken forward by the Council.
10. The Council's Housing Management Team is already managing Council owned temporary accommodation and properties which are leased through the Social Lettings Agency. Processes would need to be updated to reflect Registered Provider requirements.
11. While there isn't a requirement to open a HRA, the Council will need to obtain a direction from the Secretary of State to request the units be held outside of a HRA. We are advised that this is largely a formality.

12. The allocation of the properties for Affordable Rent will provide six new homes to people on the Council's Housing Register and support our Affordable Housing targets.

Right to Buy

13. Council tenants on a secure tenancy are eligible for Right to Buy if they've had a public sector landlord, such as a Council or Registered Provider, for 3 years; this does not need to be consecutive.

14. The Right to Buy provides tenants with an opportunity to purchase their home at a discounted rate, which could potentially present a financial risk to the Council. However, there are measures within the legislation and guidance which mitigates the risk to some extent.

15. Appendix 1 sets out further information regarding the potential financial risk posed by Right to Buy at York Buildings. The exact risk cannot be quantified as we cannot predetermine the take-up. The research and modelling highlights the following:

- The risk in the first 10 years is minimal. At worst there would be a requirement to sell the flats to tenants for approximately £160,000 which is their estimated market value at present.
- The financial risk increases in year 11 and, if no further works were carried out and the tenant was eligible for the maximum entitlement, the flats could have to be sold for a significant discount.
- Based on take-up in other areas, the risk of Right to Buy on 6 units would equate to 0.02 units annually. However, the risk of Right to Buy in Hastings is not comparable with stock holding authorities who have an historic tenant base.
- The Affordable Housing grant provides significant mitigation against the potential impact of the Right to Buy.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Enter into Grant Agreement with Homes England	Grant Agreement reviewed by Legal and signed by HBC	August 2022	Assistant Director, Housing and Built Environment / Housing Development Manager

Produce tenancy templates and policies and procedures needed to meet requirements of delivering Affordable Rent as a Registered Provider	Obtain legal advice setting out requirements to deliver Affordable Rent	August 2022	Assistant Director, Housing and Built Environment
Let units as Affordable Rent	Allocate homes to people on the Council's Housing Register and enter into tenancy agreement	September 2022	Assistant Director, Housing and Built Environment

Wards Affected

Insert the list of wards affected

Implications

Relevant project tools applied? Yes

Have you checked this report for plain English and readability? 26.6

Climate change implications considered. Yes

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

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

Additional Information

Officer to Contact

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 Officer Telephone Number: 01424 451328

Appendix 1: Right to Buy Financial Implications

1. The minimum discount on the market value of a flat is 50% which increases by 2% a year after a tenant has had a public sector landlord for 5 years up until it reaches 70% of the market value or £87,200 (outside of London) (the maximum discount increases annually in line with the CPI).¹
2. However, if a landlord has spent money on a range of costs, which include renovations, then the Cost Floor Rule, which can limit a tenant's discount, may apply. The Cost Floor is designed to prevent the property from being discounted below the value that has been spent on it over a specified time. This would apply to costs in the last 10 years if the council built or purchased the home before 2 April 2012 or in the last 15 years if the council acquired the home after 2 April 2012.²
3. Given the council has owned York Buildings for many years we are working on the basis that the 10 year period would apply.
4. As the total expenditure on York Buildings is expected to be in the region of £1million, the approximate cost floor we will use to gauge the risk of Right to Buy is £166,666 per flat.
5. Below is an example³ of how the Cost Floor would apply to York Buildings:

	Current	10 year example
Market valuation	£160,000	£200,000 (25% uplift)
Less maximum discount available in Hastings	£87,200	£140,000 (70% of market value modelled)
Equals Initial Sale Price	£72,800	£60,000
Cost floor figure		
Cost Floor figure	£166,666	£166,666
Shortfall between Cost Floor figure and Initial Sale Price (Cost Floor Shortfall)	£93,866 (£166,666 - £72,800)	£106,666 (£166,666 - £60,000)
Final Sale Price		
Market value	£160,000	£200,00
Discount less Cost Floor Shortfall	£NIL (£87,200 - £93,866 = - £6,666)	£33,334 (£140,000 - £106,666)
Final sale price	£160,000	£166,666

6. The above examples set out a worst-case financial scenario over the next ten years of the council being required to sell the flats at £160,000 which equates

¹ [Right to Buy: buying your council home: Discounts - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/right-to-buy-buying-your-council-home-discounts) (Accessed 31 May 2022)

² Department for Levelling Up, Housing and Communities (DLUHC): Right to Buy: A guide for local authorities: April 2022

to its current market value. After the initial 10-year period, the risk is greater and there is the potential for a tenant to obtain a significant discount, e.g., 70% of the market value. If this played out in the case above, in year 11, if the property was worth £200,000 and the tenant had the maximum entitlement then this would equate to a discount of £140,000 and a sale price of £60,000.

7. The above calculations take no account of any further work undertaken on the properties over the next 10 years. In reality there are likely to be additional repairs and maintenance costs that will be fed into the calculation.
8. We also need to consider the likelihood of the Right to Buy occurring. To gain a better understanding, we have reviewed Right to Buy sales for Eastbourne and Thanet, who have 3,382 units and 3,049 respectively, from 2018/19 to 2020/21. The data shows that over the 3-year period there are on average 13 units sold by Eastbourne and 11 sold by Thanet annually which equates to 0.38% and 0.36% of their stock.⁴ 0.38% on 6 units would present an annual risk of 0.02 units. On 200 units, it would increase to 0.76 units a year.
9. However, our risk is not comparative to Eastbourne and Thanet as we have not delivered council housing for many years and there has been a significant change in the demographics of people on the council's housing register. Whilst historically there was more diversity amongst people entering social housing, unfortunately, due to the limited supply of social housing in Hastings it is now predominantly people who are in Band A who are considered to be in housing crisis.
10. Therefore, it would be challenging for many of our households in Band A to meet the criteria to be awarded a mortgage, even one that is significantly discounted. It's also important to note that there are conditions associated with selling a home acquired through Right to Buy including a repayment of a proportion of the discount if it's sold within the first 5 years.
11. In the case of York Buildings, the affordable housing grant equates to approximately £50,000 per unit which provides some mitigation against the financial risk of Right to Buy.

⁴ Department for Levelling Up, Housing and Communities and Ministry of Housing, Communities & Local Government. Table 691: Quarterly Right to Buy Sales: Sales by Local Authority, England: 2006-07 Q1 to 2020-21 Q4. [Live Table 691 2021 Q4.ods](#); House of Commons Library (5 November 2021). Local authority data: housing supply. [Local authority data: housing supply \(parliament.uk\)](#) (Accessed 10 May 2022)