Cabinet Agenda

Tuesday, 3 January 2023 at 6.00 pm

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

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CABINET

5 DECEMBER 2022

Present: Councillors Barnett (Chair), Evans (Deputy Chair), Batsford, Cannan, Roark, Rogers and Willis.

In attendance: Jane Hartnell, (Managing Director), Mary Kilner (Chief Legal Officer), Kit Wheeler (Chief Finance Officer), Murray Davidson (Environment and Natural Resources Manager), Cameron Morley (Waste and Cleansing Services Manager), Aaron Woods (Resort Manager), Stephen Dodson (Transformation Manager), and Natasha Tewkesbury (Customer Services, Communications and Emergency Planning Manager).

480. APOLOGIES FOR ABSENCE

None received.

481. DECLARATION OF INTERESTS

None received.

482. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the meeting held on 7th November 2022 be approved as a true record.

483. DESIGNATION OF A CYCLE ROUTE THROUGH ALEXANDRA PARK

The Environment and Natural Resources Manager presented a report to Cabinet to update councillors on the proposals to designate a shared cycle route through Alexandra Park.

Councillors unanimously agreed to support a shared cycle route through Alexandra Park at the Cabinet meeting of 4th of January 2016. Delays in implementing the project have meant a significant period has now elapsed since that original decision. The proposal to designate a shared cycle route through Alexandra Park has been brought back to Cabinet in order to provide current Councillors an opportunity to review the project in full, with a recommendation that the report is taken to Full Council for a final decision.

No new paths will be constructed and the designs for the route are complimentary to the grade II listed status of Alexandra Park. The route does not require planning permission and can proceed under permitted development. Councillors were provided with a map of the proposed path as well as copies of the East Sussex County Council safety audit and equalities impact assessment.

If there are further significant delays the scheme is likely to not go ahead as the funding is time limited.

Councillor Barnett thanked Councillor Roark for her work on the report since taking over the portfolio, and thanked officers for their work on the scheme over the past few years.

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

RESOLVED (unanimously):

Cabinet reviews the proposal to allow cycling on a designated route in Alexandra Park and recommends the report to Full Council for their consideration with a view to determining whether a shared cycle route should be designated in Alexandra Park.

Reasons:

1. In 2016, Cabinet agreed to support a shared cycle route through Alexandra Park following a detailed design by East Sussex County Council and public consultation in 2015 over the proposed route.

2. There has been a significant delay in implementing the project since the 2016 Cabinet approval.

3. East Sussex County Council are now ready to proceed with the scheme during 2023/24.

4. Following the 2021 public consultation over new park's bye laws, the council received strong representations from members of the community both in favour of, and against the proposed shared cycle route.

5. Considering the significant delay since the 2016 Cabinet approval and recent representations to the council over the proposals, it is considered appropriate for councillors to review the scheme and recommend the report to Full Council for their consideration with a view to determining whether a cycle route should be designated in Alexandra Park.

484. FEES AND CHARGES 2023/24

The Chief Finance Officer presented an annual review of the Council's fees and charges and thanked all departments involved in the fees and charges setting process for their engagement and support in the discussions.

Not all fees and charges will increase by 10%, with the precise details set out in the report. The proposals will increase Council income by around £600,000 per annum and this is an important step in reducing the Council's deficit and protecting services.

The following corrections and late additions to the proposed fees and charges were outlined at the meeting:

- Current allotment fees are listed incorrectly and should read £9.40 per rod per annum and water at £1.89.
- Beach hut fees are proposed to increase by 12%
- Garden and bulky waste charges should read £73 and £35 respectively
- The fee for a funeral service overrunning is £259
- A family video without slideshow at the cemetery and crematorium is £30
- A land charges query will be £60

Councillor Patmore was present and asked why the fee for the additional use of the chapel had increased by 70%? Officers confirmed that a benchmarking exercise identified that the current charge is significantly lower than other authorities. This particular fee hadn't been increased for some time and the Council also needs to take into consideration the costs that need to be covered in providing services.

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

RESOLVED (unanimously):

1. **Fees and Charges be increased by a minimum of 10% except where there are clear reasons for not doing so, or where charges are on a statutory basis.**

2. **Fees and charges proposed by services be agreed.**

Reasons:

The Council relies on income from fees and charges to provide services and supplement Government funding where this does not fully cover the cost of the service, we as a Council provide. Historically costs have continued to increase whilst central funding decreases.

485. BUCKSHOLE RESERVOIR FINANCE UPDATE (PART 1)

The Waste and Cleansing Manager presented a report to brief Cabinet on the likely shortfall in the capital budget to complete the mandatory safety improvement works at Buckshole reservoir.

The Council is legally required to make changes to the spillway channel of the reservoir to meet current safety standards. Subsequent increased costs and delays have resulted in the capital budget needing to be increased.

Councillor Roark confirmed the safety work had now been completed to the standard required. Restoration work to the landscaping in Alexandra Park will take place in spring 2023.

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

<u>RESOLVED</u> (unanimously):

1. Cabinet approves the report for consideration at Full Council with the recommendation to increase the capital budget for the Buckshole Reservoir safety improvement works in line with the figures provided in the associated part 2 report.

2. To give delegated authority to the Managing Director in consultation with the Lead Member for the Environment to make provision for the additional budget.

Reasons:

Several factors, including the global pandemic, have led to an increase in the cost of materials which has had the effect of increasing the costs of the project above the current capital budget.

486. EAST HILL CLIFF RAILWAY - MAJOR WORKS (PART 1)

The Resort Manager presented a report to request delegated authority to proceed with the required maintenance as soon as possible and derogation from procurement procedure to enable the issuing of contracts immediately to a preferred contractor. In 2020 a light rail specialist was commissioned to provide a condition report on the trackside. Some minor issues were identified, including the movement of some sleepers, though this was not deemed of major concern. In 2022 staff and independent consultants noted that the movement of the rails and sleepers had seemingly significantly increased.

Specialist surveys were undertaken and concluded with a recommendation that significant remedial works to replace the running rails, fishplates, clips, and rollers were needed as soon as feasibly possible.

Because of the nature of the work, it cannot be covered from the normal maintenance budget and requires specialist knowledge. The aim is to reopen ahead of next summer in order to have the lift in service at the height of the season.

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

<u>RESOLVED</u> (unanimously):

1. Cabinet recommends to Council that the Council Leader and Managing Director are delegated authority to proceed with capital works and allocated a suitable budget.

2. Cabinet recommends to Council that the Council Leader and Managing Director are granted derogation from normal procurement process, to instruct the preferred contractor immediately, and complete works as soon as possible.

Reasons:

The East Hill Cliff Railway, the steepest operational funicular in the country, is currently closed the public and unable to operate for health and safety reasons. Until works are completed the service will remain unavailable to users, and no income will be received.

Derogation from standard procurement protocol is requested in order to expedite works – these works are specialised and have a limited number of potential contractors with the expertise and means to deliver the project. Embarking on a likely lengthy procurement exercise will only result in lost revenue, with material costs continuing to increase over time. Therefore, derogation should be given for officers to deviate from standard procurement practice and engage directly with competent specialists to deliver the project as promptly as possible, whilst still ensuring that value for money is delivered.

487. <u>EXCLUSION OF THE PUBLIC</u>

<u>RESOLVED</u> (unanimously):

That the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to them of “exempt” information as defined in the paragraphs of schedule 12A to the Local Government Act 1972 referred to in the relevant report.

488. <u>BUCKSHOLE RESERVOIR FINANCE UPDATE (PART 2)</u>

The Waste and Cleansing Manager presented a report to brief Cabinet on the likely shortfall in the capital budget to complete the mandatory safety improvement works at Buckshole reservoir.

<u>RESOLVED</u> (unanimously):

1. Cabinet approves the report for consideration at Full Council with the recommendation to increase the capital budget for the Buckshole Reservoir safety improvement works in line with the figures provided in the associated part 2 report.

2. To give delegated authority to the Managing Director in consultation with the Lead Member for the Environment to make provision for the additional budget.

Reasons:

Several factors, including the global pandemic, have led to an increase in the cost of materials which has had the effect of increasing the costs of the project above the current capital budget.

489. EAST HILL CLIFF RAILWAY - MAJOR WORKS (PART 2)

The Resort Manager presented a report to request delegated authority to proceed with the required maintenance as soon as possible and derogation from procurement procedure to enable the issuing of contracts immediately to a preferred contractor.

It was confirmed that officers had undertaken an exercise to ensure best value for the required works.

RESOLVED (unanimously):

1. Cabinet recommends to Council that the Council Leader and Managing Director are delegated authority to proceed with capital works and allocated a suitable budget.

2. Cabinet recommends to Council that the Council Leader and Managing Director are granted derogation from normal procurement process, to instruct the preferred contractor immediately, and complete works as soon as possible.

Reasons:

The East Hill Cliff Railway, the steepest operational funicular in the country, is currently closed the public and unable to operate for health and safety reasons. Until works are completed the service will remain unavailable to users, and no income will be received.

Derogation from standard procurement protocol is requested in order to expedite works – these works are specialised and have a limited number of potential contractors with the expertise and means to deliver the project. Embarking on a likely lengthy procurement exercise will only result in lost revenue, with material costs continuing to increase over time. Therefore, derogation should be given for officers to deviate from standard procurement practice and engage directly with competent specialists to deliver the project as promptly as possible, whilst still ensuring that value for money is delivered.

(The Chair closed the meeting at 7.37pm)

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Agenda Item No:

Report to: **Cabinet**

Date of Meeting: **03 January 2023**

Report Title: **Treasury Management Mid-Year Report 2022-23**

Report By: **Simon Jones**
Deputy Chief Finance Officer

Purpose of Report

This report advises the Cabinet of the Treasury Management activities and performance during the current year. It provides the opportunity to review the Treasury Management Strategy and make appropriate recommendations to Council to take account of any issues or concerns that have arisen since approving the strategy in February 2022.

Recommendation

Cabinet is asked to recommend the following to the full Council:

1) To note the Mid-Year report.

Reasons for Recommendations

The Code of Practice on Treasury Management requires, as a minimum, a mid-year review of the Treasury Management Strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved (February 2022). It is a requirement of the Code of Practice that the Mid-year review is considered by Cabinet, Audit Committee and full Council.

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Background

Capital Strategy

1. In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes. These require all local authorities to prepare a Capital Strategy which is to provide the following: -

    - a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services;
    - an overview of how the associated risk is managed,
    - The implications for future financial sustainability.

Treasury Management

2. The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure in combination with funding from reserves. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering optimising investment return.

3. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing needs of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

4. Accordingly, treasury management is defined as:

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

5. Covid-19 has again highlighted the fundamental requirement for local authorities to have proper and effective Treasury Management Practices and Policies in place. The Council was able to sustain its services throughout the Covid-19 pandemic, did not experienced undue difficulties in managing major cash flows, and retained sufficient reserves (given government assistance) throughout the period.

Introduction

6. The CIPFA Code of Practice on Treasury Management (revised 2017) was adopted by this Council in February 2018.

7. The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.

8. This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

   - An economic update for the first part of the 2022/23 financial year;
   - A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
   - The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
   - A review of the Council's investment portfolio for 2022/23;
   - A review of the Council's borrowing strategy for 2022/23;
   - A review of any debt rescheduling undertaken during 2022/23;
   - A review of compliance with Treasury and Prudential Limits for 2022/23.

9. **The Committee will need to determine whether there are any issues that require the amendment of the Council's Treasury Management Strategy or Investment Policy and that they therefore wish to draw to the attention of Council.**

10. The Council has increased its levels of income generation over the last few years and this has entailed new borrowing over long periods, with consequent risks in terms of asset valuations, credit worthiness, cash and reserve fund availability. Such risks cannot be considered in isolation of all the issues facing the Council now and potentially in the future. The Council strengthened its reserves when taking on these additional risks and the level of reserves have to date proven more than adequate to cope with the immediate effects of Covid-19, increased expenditure levels and reduced income. However, additional cost pressures are being experiences e.g. homelessness, which will reduce reserves the level of reserves unless additional government funding is received or the Council takes action to reduce its costs.

11. Audit Committee will consider a similar mid-year report at their meeting on 12 January 2023 as will full Council.

Economic Update

12. A short economic update from the Council's treasury advisors is provided below with further detail provided at Appendix B:

13. The second quarter of 2022/23 saw:

- GDP revised upwards in Q1 2022/23 to +0.2% q/q from -0.1%, which means the UK economy has avoided recession for the time being;
- Signs of economic activity losing momentum as production fell due to rising energy prices;
- CPI inflation ease to 9.9% y/y in August, having been 9.0% in April, but domestic price pressures showing little sign of abating in the near-term;
- The unemployment rate fall to a 48-year low of 3.6% due to a large shortfall in labour supply;
- Bank Rate rise by 100bps over the quarter, taking Bank Rate to 2.25% with further rises to come;
- Gilt yields surge and sterling fall following the "fiscal event" of the new Prime Minister and Chancellor on 23rd September.

Interest rate forecasts

14. The Council has appointed Link Group as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

15. The latest forecast on 27th September sets out a view that both short and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy, whilst the government is providing a package of fiscal loosening to try and protect households and businesses from the ravages of ultra-high wholesale gas and electricity prices.

16. The increase in PWLB rates reflects a broad sell-off in sovereign bonds internationally but more so the disaffection investors have with the position of the UK public finances after September's "fiscal event". To that end, the MPC has tightened short-term interest rates with a view to trying to slow the economy sufficiently to keep the secondary effects of inflation – as measured by wage rises – under control, but its job is that much harder now.

17. Our PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps, calculated as gilts plus 80bps) which has been accessible to most authorities since 1st November 2012.

Link Group Interest Rate View	27.09.22											
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25
BANK RATE	4.00	5.00	5.00	5.00	4.50	4.00	3.75	3.25	3.00	2.75	2.75	2.50
3 month ave earnings	4.50	5.00	5.00	5.00	4.50	4.00	3.80	3.30	3.00	2.80	2.80	2.50
6 month ave earnings	4.70	5.20	5.10	5.00	4.60	4.10	3.90	3.40	3.10	3.00	2.90	2.60
12 month ave earnings	5.30	5.30	5.20	5.00	4.70	4.20	4.00	3.50	3.20	3.10	3.00	2.70
5 yr PWLB	5.00	4.90	4.70	4.50	4.20	3.90	3.70	3.50	3.40	3.30	3.20	3.20
10 yr PWLB	4.90	4.70	4.60	4.30	4.10	3.80	3.60	3.50	3.40	3.30	3.20	3.20
25 yr PWLB	5.10	4.90	4.80	4.50	4.30	4.10	3.90	3.70	3.60	3.60	3.50	3.40
50 yr PWLB	4.80	4.60	4.50	4.20	4.00	3.80	3.60	3.40	3.30	3.30	3.20	3.10

The Council's Treasury Position – 30 September 2022

Borrowing

18. The Council's debt and investment position at the 30 September 2022 was as follows:

Table 1 – Borrowing

Debt	1 April 2021 Principal	Start Date	Maturity Date	30 Sept 2022 Principal	Rate
PWLB	£7,500,000	25/05/2007	01/02/2033	£7,500,000	4.80%
PWLB	£909,027	04/09/2014	02/09/2044	£909,027	3.78%
PWLB (Optivo)	£1,788,235	04/09/2014	02/09/2044	£1,788,235	3.78%
PWLB (FT) (Annuity)	£125,981	21/03/2016	20/03/2026	£110,685	1.66%
PWLB	£1,000,000	11/05/2016	11/05/2056	£1,000,000	2.92%
PWLB	£1,000,000	11/05/2016	11/05/2046	£1,000,000	3.08%
PWLB	£1,000,000	11/05/2016	11/05/2036	£1,000,000	3.01%
PWLB	£1,000,000	11/05/2016	11/05/2026	£1,000,000	2.30%
PWLB	£2,000,000	24/06/2016	24/06/2054	£2,000,000	2.80%
PWLB	£1,000,000	24/06/2016	24/06/2028	£1,000,000	2.42%
PWLB	£2,000,000	21/03/2017	21/03/2057	£2,000,000	2.53%
PWLB	£2,000,000	21/03/2017	19/09/2059	£2,000,000	2.50%
PWLB	£2,000,000	23/03/2017	23/03/2060	£2,000,000	2.48%
PWLB (Annuity)	£6,772,356	01/06/2017	01/06/2057	£6,712,915	2.53%
PWLB (Annuity)	£7,860,481	22/11/2017	22/11/2057	£7,795,488	2.72%
PWLB	£2,000,000	12/12/2018	12/06/2028	£2,000,000	1.98%
PWLB (Annuity)	£3,820,026	13/12/2018	13/12/2058	£3,788,678	2.55%
PWLB (Annuity)	£2,387,758	31/01/2019	31/01/2059	£2,368,204	2.56%
PWLB (Annuity)	£4,273,795	31/01/2019	31/01/2069	£4,250,066	2.56%
PWLB (Annuity)	£8,976,150	20/03/2019	20/03/2059	£8,902,335	2.54%
PWLB (Annuity)	£4,649,533	02/09/2019	02/09/2069	£4,618,608	1.83%
PWLB	£2,000,000	13/01/2022	13/01/2062	£2,000,000	1.89%
Total Debt	**£66,063,342**			**£65,744,241**	**2.75%**

19. The Minimum Revenue Provision (MRP) amount to be paid for 2022/23 is £1,707,349. This is equivalent to 2.37% of the 2022/23 opening Capital Financing Requirement (£71,970,496).

20. At the 30 September 2022 the Council had debt amounting to £65.744m (PWLB debt). The Council has not taken on any more debt in the year (as at 31 October 2022).

21. The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's debt position. The CFR results from the capital activity of the Council and what resources have been used to pay for the capital spend.

22. Part of the Council's treasury activities is to address the funding requirements for the Council's borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the Government, through the Public Works Loan Board [PWLB] or the money markets) or utilising temporary cash resources within the Council.

23. The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory controls are in place to ensure that capital assets are broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision – MRP, to reduce the CFR. This is effectively a repayment of the borrowing need. This differs from the treasury management arrangements which ensure that cash is available to meet capital commitments. External debt can also be borrowed or repaid at any time, but this does not change the CFR.

24. The total CFR can also be reduced by:
    - the application of additional capital financing resources (such as unapplied capital receipts); or
    - charging more than the statutory revenue charge (MRP) each year through a Voluntary Revenue Provision (VRP).

25. The Council's 2022/23 MRP Policy was approved as part of the Treasury Management Strategy Report for 2022/23 by Council in February 2022.

26. The Council's CFR for the year is shown below and represents a key prudential indicator. It includes leased items on the balance sheet, which increase the Council's borrowing need (albeit no additional borrowing is actually required against such items).

Table 2 CFR: General Fund	2021/22 Actual £000's	2022/23 Estimate £000's
Opening balance	72,683	71,970
Add unfinanced capital expenditure	955	9,804
Less MRP	(1,668)	(1,707)
Closing balance	**71,970**	**80,067**

27. Borrowing activity is constrained by prudential indicators for net borrowing and the CFR, and by the authorised limit.

28. The Council's long-term borrowing must only be for a capital purpose. This essentially means that the Council is not borrowing to support revenue expenditure. Net borrowing should not therefore, except in the short term, have exceeded the CFR for 2022/23 plus the expected changes to the CFR over 2023/24 and 2024/25 from financing the capital programme. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs in 2022/23.

Table 3 Internal Borrowing	2021/22 Actual £000's	2022/23 Estimate (As at 31/10/22) £000's
Capital Financing Requirement	71,970	80,067
External Borrowing	66,063	75,867
Net Internal Borrowing	**5,907**	**4,200**

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

Investments in 2022-23

30. Table 4 below provides a snapshot of the investments and deposits held on 30 September 2022. The level of investments can fluctuate significantly on a day-to-day basis, given the level of funding received, precept payments, grants payable and receivable, salaries and wages, etc.

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

Table 4 – Investments and deposits	Interest Rate	Start Date	End Date	Principal	Term
Lloyds	0.30%	-	-	£5,701,666	Call
Barclays Corporate	0.25%	-	-	£5,003,195	Call
NatWest	0.10%	-	-	£6,147	Call
Australia & NZ BCG Ltd	0.43%	14/07/2021	14/10/2022	£5,000,000	Fixed
DBS Bank Ltd, London	3.14%	01/09/2022	01/03/2023	£5,000,000	Fixed
Helaba Landesbank Hessen	3.09%	01/09/2022	01/03/2023	£5,000,000	Fixed
Clydesdale Bank	2.25%	12/09/2022	12/12/2022	£5,000,000	Fixed
Goldman Sachs	3.00%	30/09/2022	30/12/2022	£5,000,000	Fixed
TOTAL				**£35,711,008**	

32. As at 30 September 2022 three longer term loans are outstanding – loans made to other organisations.

Table 5 – Loans to Other Organisations

Table 5 – Loans to Other Organisations	Interest Rate	Start Date	End Date	Principal O/S as at 30/09/2022	Type
Amicus (Optivo)	3.78%	04/09/2014	02/09/2044	£1,788,235	Maturity
Foreshore Trust	1.66%	21/03/2016	20/03/2026	£110,685	Annuity
The Source	2.43%	17/12/2015	17/12/2025	£9,444	Annuity

33. Borrowing from the PWLB was taken to fund the Amicus Horizon (now Optivo) loan (£1,788,235 - Maturity loan) and the loan to the Foreshore Trust (£300,000 originally borrowed - Annuity loan); these correspond to PWLB loans in Table 1 above.

34. The overall investment performance for the first 6 months of 2022/23 provided an average return of 2.06% (2.18% including CCLA) (2020/21 0.16%).

35. The total interest received for the first 6 months is £44,743 (£128,955 including CCLA) (2021/22 £24,976). These figures exclude the interest receivable in respect of the three loans to other organisations and the housing company detailed below.

Loans to Hastings Housing Company Ltd

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

The Council's Capital Position (Prudential Indicators)

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

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

Prudential Indicator for Capital Expenditure

38. This table shows the forecast outturn for capital expenditure for 2022/23.

Table 6 Capital Expenditure (Net) by Service	2022/23 Original Estimate (net) £'000	2022/23 Forecast Outturn (net) £'000
Corporate Resources	11,174	8,404
Operational Services	3,680	3,275
Total Capital Expenditure (Net)	**14,854**	**11,679**

Capital Expenditure – Financing

39. The new Capital schemes, approved since the budget, will generally be financed by borrowing, unless grants or Capital receipts from the sale of assets are available.

40. The larger schemes in the capital programme which are expected to require financing in 2022/23 from borrowing include:-

(1) Buckshole Reservoir Works
(2) Priory Meadow
(3) Cornwallis Street Development
(4) Churchfield Business Centre
(5) Lacuna Place Development / Refurbishment
(6) Castleham Industrial Units
(7) Playground upgrades
(8) Energy – Solar Panels
(9) Pelham Crescent building and road works
(10) Bexhill Road South (Housing & Car Park)
(11) Lower Bexhill Road (Housing)

(12) Mayfield E (Housing)

(13) MUGA Refurbishment

Impact on the prudential indicators

41. The Capital Financing Requirement has continued to increase. It is expected to reach some £80.1m by April 2023. The position at 31 October 2022 is shown in Table 3 above, and highlights that there would be an underlying financing requirement of some £4.2m by the year end if further borrowing is undertaken. The option of using capital receipts, once received, in lieu of external borrowing is expected to be beneficial to the Council.

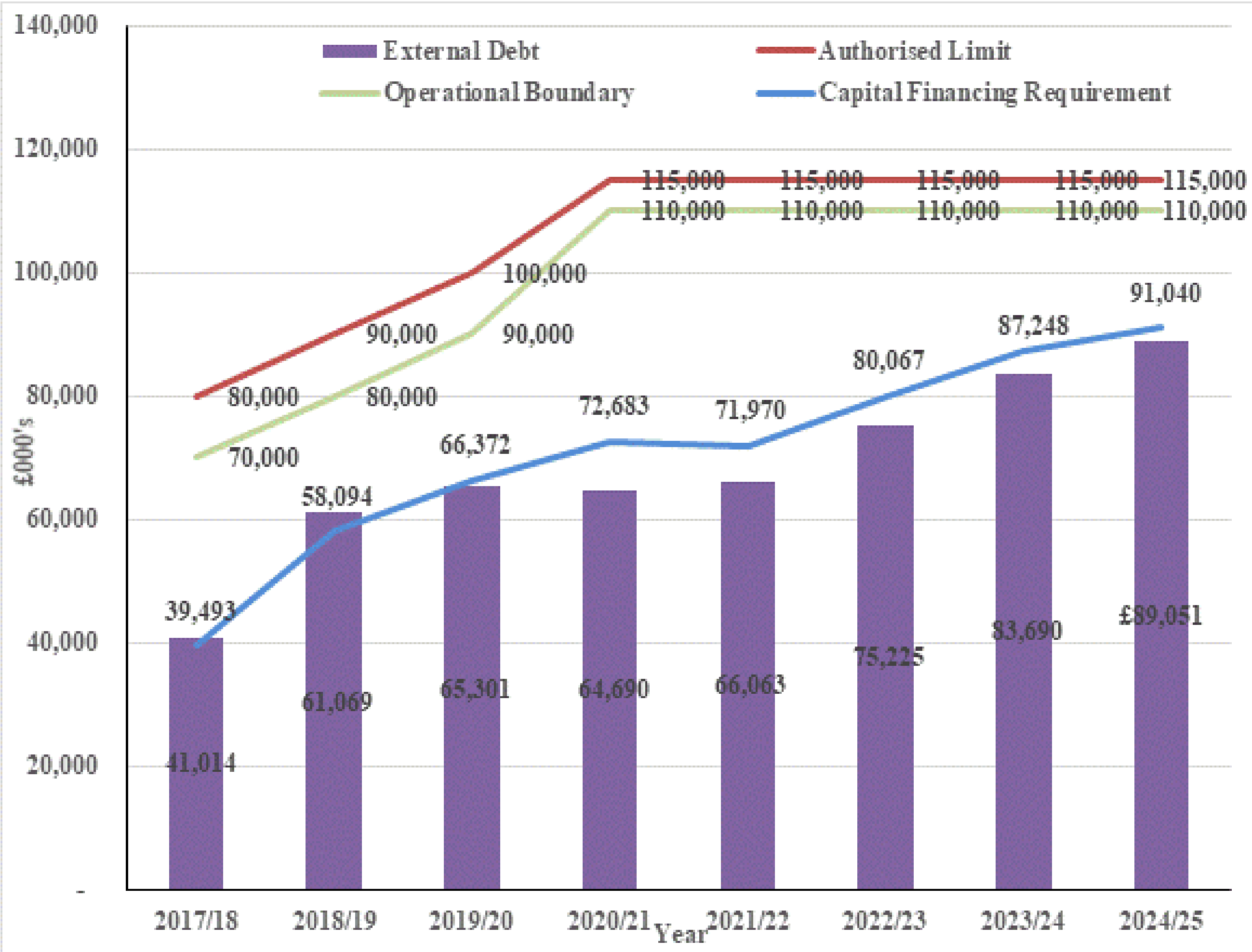
Compliance with the limits in place for borrowing activity.

42. The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Gross external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.

43. A further prudential indicator controls the overall level of borrowing. This is the Authorised Limit which represents the limit beyond which borrowing is prohibited; this is set by full Council and can only be revised by full Council. It reflects the level of borrowing which, while not desired, could be afforded in the short term. It is the expected maximum borrowing need with some headroom for unexpected movements. This is the statutory limit determined under section 3(1) of the Local Government Act 2003.

44. The graph below shows that the Council is operating within its approved borrowing limits.

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



Borrowing Strategy

45. The Council now has some £65.74m of PWLB debt and could potentially borrow up to a level of £80.1m (estimated CFR at 31 March 2023). This figure does not take account of any new capital spending in future years which could potentially be funded by new borrowing.

46. The interest rate forecasts from the Council's treasury advisers identify that it is likely interest rates will rise to hit a peak of 5% in March 2023 before starting to gradually reduce at the end of 2023 and the coming years. The era of historically low interest rates has come to an abrupt end with the Bank of England base rate sharply rising from 0.1% in December 2021 to 2.25% by October 2022, with further rate rises anticipated.

47. The Council's corporate plans require substantial new borrowing by the Council in the future and play a part in the consideration as to when to borrow and the level of internal borrowing. Given the sharp rise in interest rates and the cost of borrowing now jeopardising the viability of some capital schemes there is a stronger case for increasing the level of internal borrowing in order to reduce the impact of borrowing costs on the revenue budget. It appears that the Council may benefit for taking any

future borrowing over a short initial period and then looking to refinance at a later date when interest rates are anticipated to have reduced. This does however open the Council up to the interest rate risk i.e., events may lead to rates being unexpectedly high at the time that refinancing is necessary.

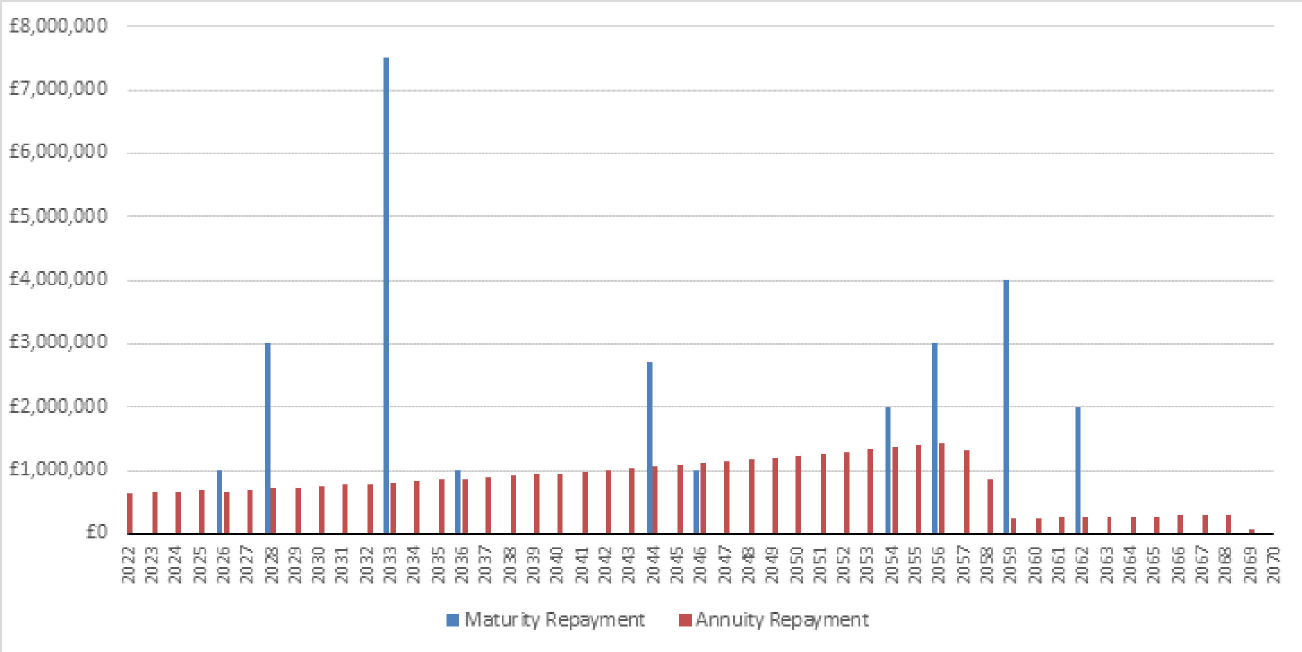
48. Commercial investments (including commercial property) are not part of cashflow management or prudent treasury risk management, and they do not directly help deliver service outcomes. Leveraged investment is a form of speculation, which chooses to take on additional risk in order to earn a profit, much as an investment bank or property company might do. A local authority has powers to borrow and invest ‘for the prudent management of its financial affairs’ (Local Government Act 2003 sections 1 and 12). It is CIPFA’s view that throughout the public services the priority for treasury management is to protect capital rather than to maximise return. The magnified risks of leveraged investments, and the fact that they put public money at unnecessary risk, mean that borrowing in order to invest for the primary purpose of earning a return is not in CIPFA’s view a prudent use of public funds. Regeneration, and investing for economic development purposes, particularly within the boundary of the local authority is still permitted.

49. CIPFA has updated the prudential Code guidance and released a statement on borrowing to invest. The Code says that authorities must not borrow to invest for the primary purpose of financial return, but it is not always straightforward to identify if the authority is borrowing for this purpose or not. Any authority which is a net borrower and which is holding or considering investments of a long term nature must consider whether it is in effect borrowing to invest.

50. The Code’s statement that authorities ‘must not borrow to invest for the primary purpose of financial return’ is not intended to require the forced sale of existing commercial investments, whether commercial properties or financial investments. Selling these investments and using the proceeds to net down debt does, however, reduce treasury risks on both sides of the balance sheet and is therefore an option which should be kept under review, especially if new long-term borrowing is being considered. Code paragraph 53 also makes it clear that where an authority has existing commercial properties, the Code’s requirement that an authority must not borrow to invest for the primary purpose of financial return, is not intended to prevent authorities from appropriate capital repair, renewal or updating of existing properties. The Council has, and continues to hold, a large number of industrial units and other properties within the borough which provide substantial income for the Council – without which the Council would be unsustainable in its current form.

Debt Maturity

51. The Graph below shows the profile of when debt (loans from the PWLB) become repayable. Blue lines indicate maturity loans and red lines indicate annuity loans.



52. The Council will need to carefully consider the structure and timing of any new borrowing to ensure debt does not exceed the CFR in the years ahead.

Debt Rescheduling

53. Debt rescheduling opportunities have been very limited in the current economic climate and following the various increases in the margins added to gilt yields which have impacted PWLB new borrowing rates since October 2010. No debt rescheduling has therefore been undertaken to date in the current financial year. However, now that the whole of the yield curve has shifted higher there may be better opportunities in the future, although only prudent and affordable debt rescheduling will be considered.

Investment Strategy

54. The Treasury Management Strategy Statement (TMSS) for 2022/23, which includes the Annual Investment Strategy, was approved by full Council on 16 February 2022. In accordance with the CIPFA Treasury Management Code of Practice, it sets out the Council's investment priorities as being:
    - Security of capital
    - Liquidity
    - Yield

55. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions, using the Link suggested creditworthiness approach, including a minimum sovereign credit rating and Credit Default Swap (CDS) overlay information.

56. Priority is given to security and liquidity of investments in order to reduce counterparty risk to the maximum possible extent.

57. The Council has a limit of £5m with any one institution (rated A or above, supported by Government, and given a blue (12 month) rating by Link Group). This generally represents a level of up to 20% of the investment portfolio with any one institution or group at any one time. It is also necessary, at times, to invest sums of this size in order to attract the larger institutions which have the higher credit ratings.

58. The world economic climate has led to a number of downgrades to banks' credit ratings, making it increasingly difficult to spread investments across a number of institutions. The Chief Finance Officer has the authority to amend the limits if necessary, to ensure that monies can be placed with appropriate institutions.

59. The net cost to the Council of borrowing, investment interest and fees will be reviewed as part of the budget setting process.

Property Fund

60. It was agreed in February 2017 that the option for diversification of some of the investments into a property fund be undertaken with CCLA in the sum of £2m. The investment being in respect of the Council's reserves that are not required for a period of at least 5 years in order that any fall in values and entry costs into such funds can be covered. The £2m was invested in April 2017 and the performance from June 2020 is detailed below:

CCLA – LA's Property Prices and Dividend yields

End of	Sep-22	Jun-22	Mar-22	Sep-21	Mar-21	Mar-20	Mar-19	Mar-18	Apr-17
Offer Price p	371.27	387.73	368.46	335.31	313.45	315.7	327.4	322.40	307.19
Net Asset Value p	347.79	363.21	345.17	314.11	293.63	295.74	306.7	302.01	287.77
Bid Price p	342.40	357.58	339.82	309.24	289.08	291.15	301.95	297.33	283.31
Dividend* on XD Date p	3.26	2.8523	2.7875	2.6917	2.9797	3.25	3.31	3.21	-
Dividend* - Last 12 Months p	11.78	11.21	11.22	12.28	12.63	13.06	13.08	13.70	13.19
Dividend Yield on NAV %	3.39	3.09	3.13	3.91	4.3	4.41	4.26	4.54	4.58

61. The dividend yield is around 3.39% on the net asset value, which results in quarterly cash dividends of around £21,200. Full year dividends are estimated at around £77,000.

Property Fund Capital Value

Units (651,063)	Sep-22	Jun-22	Mar-22	Sep-21	Mar-21	Mar-20	Mar-19	Mar-18	Apr-17
Mid Market Price(£)	2,264,332	2,364,726	2,247,274	2,045,054	1,911,716	1,925,454	1,996,810	1,966,275	1,873,564
Bid Price (£)	2,229,240	2,328,071	2,212,442	2,013,347	1,882,093	1,895,570	1,965,885	1,935,806	1,844,527

62. The Capital value has increased by 20.86% between April 2017 and September 2022 and is now above that of the original investment. At the end of September 2022, the mid-market value is £2,229,240. It is important that this is continued to be viewed as a longer-term investment (5 years plus).

Diversified Income Fund

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

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

64. The capital value has decreased by 9.43% from the initial investment and was valued at £2,717,180 at the end of September 2022. The quarterly dividend yield was 2.79% for September (£18,443). This compares to a dividend yield of 2.62% in June 2022 (£25,959). It should be remembered that this is a long-term investment and prices can go up and down – as the impact of the pandemic has highlighted. Despite the current loss in capital value the fund has paid out consistent quarterly dividends which have been more than what we could get from other investments and have helped support the revenue budget. Over time the capital value should recover its losses and continue to grow.

Compliance with Treasury Limits

65. It is a statutory duty for the Council to determine and keep under review the affordable borrowing limits. During the half year ended 30th September 2022, the Council has operated within the treasury and prudential indicators set out in the Council's Treasury Management Strategy Statement for 2022/23. The Chief Finance Officer reports that no difficulties are envisaged for the current or future years in complying with these indicators.

66. All treasury management operations have also been conducted in full compliance with the Council's Treasury Management Practices. The Prudential Indicators have been complied with - reproduced in Appendix 1 for reference.

67. Due to difficulties in identifying enough suitable counterparties there have been times where the limits for balances held with Lloyds bank were raised about the initial £5m limit – approved by the Chief Finance Officer in compliance with the Council's Treasury Management Practices. Exceeding the normal approved limits is a decision that is not taken lightly, and whilst the investment return achieved will have been lower than otherwise may have been the case, the need for security has been considered to be more important.

Financial Implications

68. The Council's 2022/23 budget included an estimated return on investments of just 0.2% (excluding CCLA funds). This was consistent with returns being achieved at the time. Since setting the budget there have been rapid increases in the Bank of England base rate which has increased from 0.5% when the budget was agreed to 2.25% in October 2022.

69. The Council's actual average rate of return for the year to 30 September 2022 was 2.06% (2.18% including the CCLA investments).

Risk Management

70. The Council continues to face serious risks in terms of volatility in its income streams, expenditure and future funding. Business rates and property income are susceptible during economic recessions and business rate appeals for example can have sudden and significant impacts. The Council has seen a massive increase in its homelessness expenditure this year and inflation is resulting budget overspends. Income from sales

fees and charges e.g. car park income, remains at risk. Where there is more risk and volatility in income streams the Council will need to ensure that it maintains sufficient reserves to ensure the Council's ability to deliver key services is not jeopardised.

71. The Council spreads its risk on investments by limiting the amount of monies with any one institution or group and limiting the timeframe of the exposure. In determining the level of the investment and period the Council considers formal credit ratings (Fitch) along with its own advisers (Link Group) ratings advice.

72. The security of the principal sum remains of paramount importance to the Council.

73. To date the strategy of externalising debt has been successful. The fact that the Council's reserves were cash backed meant that there was no need to borrow at high interest rates when funds were required during Covid. Currently the Council has not borrowed externally as it may wish to finance Capital expenditure from capital receipts and avoid borrowing costs. It is thus borrowing internally i.e. temporarily using its cash balances/reserves to fund the expenditure.

74. The investments made in the Property Fund (CCLA) and the Diversified Investment Fund (CCLA), totalling £5m are currently showing good returns. The risks currently faced in achieving a sustainable Council budget mean that no further long-term investments can be made. However, there are no reasons to sell the current investments at this time.

Timetable of Next Steps

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

Action	**Key milestone**	**Due date (provisional)**	**Responsible**
Review and revise Annual Treasury Management Strategy & Capital Strategy	Setting of 2023/24 Budget	February 2023	Deputy Chief Finance Officer
Treasury Management Outturn Report to Cabinet	Close of 2022/23 accounts	July 2023	Deputy Chief Finance Officer

Wards Affected

None

Area(s) Affected

None

Implications

Relevant project tools Applied? N/A

Climate change implications considered? N/A

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

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

Additional Information

Appendix 1: Prudential Indicators
Appendix 2: Economic Update from Link Group
Appendix 3: Approved countries for investments as of 30th September 2022

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APPENDIX 1 - Prudential Indicators

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

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2020/21	2021/22	2022/23	2023/24	2024/25
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt					
borrowing	110,000	110,000	110,000	110,000	110,000
other long term liabilities	5,000	5,000	5,000	5,000	5,000
TOTAL	115,000	115,000	115,000	115,000	115,000
Operational Boundary for external debt					
borrowing	105,000	105,000	105,000	105,000	105,000
other long term liabilities	5,000	5,000	5,000	5,000	5,000
TOTAL	110,000	110,000	110,000	110,000	110,000

The Council's external borrowing at 30 September 2022 amounted to £65,744,241 which is well within approved borrowing limits.

Interest Rate Exposures	2021/22 Upper	2022/23 Upper	2023/24 Upper
Limits on fixed interest rates based on **net** debt	100%	100%	100%
Limits on variable interest rates based on **net** debt	100%	100%	100%
Limits on fixed interest rates: · Debt only · Investments only	 100% 100%	 100% 100%	 100% 100%
Limits on variable interest rates · Debt only · Investments only	 30% 100%	 30% 100%	 30% 100%

Maturity Structure of fixed interest rate borrowing 2022/23	Lower	Upper
Under 12 Months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years to 20 years	0%	100%
20 years to 30 years	0%	100%
30 years to 40 years	0%	100%
40 years to 50 years	0%	100%

Maturity Structure of variable interest rate borrowing 2022/23	Lower	Upper
Under 12 Months	0%	30%
12 months to 2 years	0%	30%
2 years to 5 years	0%	30%
5 years to 10 years	0%	30%
10 years to 20 years	0%	10%
20 years to 30 years	0%	10%
30 years to 40 years	0%	10%
40 years to 50 years	0%	10%

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

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

Prudential Indicator: Financing Cost to Net Revenue Stream	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Financing Costs	£'000	£'000	£'000	£'000	£'000
1. Interest Charged to General Fund	1,805	2,137	2,320	2,494	2,994
2. Interest Payable under Finance Leases and any other long term liabilities	-	-	-	-	-
3. Gains and losses on the repurchase or early settlement of borrowing credited or charged to the amount met from government grants and local taxpayers	-	-	-	-	-
4. Interest and Investment Income	(540)	(503)	(513)	(505)	(605)
5. Amounts payable or receivable in respect of financial derivatives	-	-	-	-	-
6. Minimum Revenue Provision (MRP) / Voluntary Revenue Provision (VRP)	1,668	1,707	1,943	2,243	2,554
7. Depreciation/Impairment that are charged to the amount to be met from government grants and local taxpayers	-	-	-	-	-
Total	2,933	3,341	3,750	4,232	4,943
Net Revenue Stream Amount to be met from government grants and local taxpayers	14,253	14,245	13,960	13,821	13,683
Ratio **Financing Cost to Net Revenue Stream**	**21%**	**23%**	**27%**	**31%**	**36%**

Note: Outturn figures for 2021/22 are unaudited

This prudential indicator shows that the ratio of financing costs to the net revenue stream is increasing. This is not unexpected given the Council's large capital expenditure ambitions and agreed programmes of Capital expenditure - thus increasing borrowing costs.

APPENDIX 2 - Economic Update from Link Group

Further details from our treasury management advisors, Link Group, to accompany the economic update in the body of the report are shown below:

1. The UK economy grew by 0.2% q/q in Q1 2022/23, though revisions to historic data left it below pre-pandemic levels.

2. There are signs of higher energy prices creating more persistent downward effects in economic activity. Both industrial production (-0.3% m/m) and construction output (-0.8% m/m) fell in July 2022 for a second month in a row. Although some of this was probably due to the heat wave at the time, manufacturing output fell in some of the most energy intensive sectors (e.g. chemicals), pointing to signs of higher energy prices weighing on production. With the drag on real activity from high inflation having grown in recent months, GDP is at risk of contracting through the autumn and winter months.

3. The fall in the composite PMI from 49.6 in August to a 20-month low preliminary reading of 48.4 in September points to a fall in GDP of around 0.2% q/q in Q3 and consumer confidence is at a record low. Retail sales volumes fell by 1.6% m/m in August, which was the ninth fall in 10 months. That left sales volumes in August just 0.5% above their pre-Covid level and 3.3% below their level at the start of the year. There are also signs that households are spending their excess savings in response to high prices. Indeed, cash in households' bank accounts rose by £3.2bn in August, which was below the £3.9bn rise in July and much smaller than the 2019 average monthly rate of £4.6bn.

4. The labour market remained exceptionally tight. Data for July and August provided further evidence that the weaker economy is leading to a cooling in labour demand. Labour Force Survey (LFS) employment rose by 40,000 in the three months to July (the smallest rise since February). But a renewed rise in inactivity of 154,000 over the same period meant that the unemployment rate fell from 3.8% in June to a new 48-year low of 3.6%. The single-month data showed that inactivity rose by 354,000 in July itself and there are now 904,000 more inactive people aged 16+ compared to before the pandemic in February 2020. The number of vacancies has started to level off from recent record highs but there have been few signs of a slowing in the upward momentum on wage growth. Indeed, in July, the 3my/y rate of average earnings growth rose from 5.2% in June to 5.5%.

5. CPI inflation eased from 10.1% in July to 9.9% in August, though inflation has not peaked yet. The easing in August was mainly due to a decline in fuel prices reducing fuel inflation from 43.7% to 32.1%. And with the oil price now just below $90pb, we would expect to see fuel prices fall further in the coming months.

6. However, utility price inflation is expected to add 0.7% to CPI inflation in October when the Ofgem unit price cap increases to, typically, £2,500 per household (prior to any benefit payments). But, as the government has frozen utility prices at that level for two years, energy price inflation will fall sharply after October and have a big downward influence on CPI inflation.

7. Nonetheless, the rise in services CPI inflation from 5.7% y/y in July to a 30-year high of 5.9% y/y in August suggests that domestic price pressures are showing little sign of abating. A lot of that is being driven by the tight labour market and strong wage growth. CPI inflation is expected to peak close to 10.4% in November and, with the supply of workers set to remain unusually low, the tight labour market will keep underlying inflationary pressures strong until early next year.

8. During H1 2022, there has been a change of both Prime Minister and Chancellor. The new team (Liz Truss and Kwasi Kwarteng) have made a step change in government policy. The government's huge fiscal loosening from its proposed significant tax cuts will add to existing domestic inflationary pressures and will potentially leave a legacy of higher interest rates and public debt. Whilst the government's utility price freeze, which could cost up to £150bn (5.7% of GDP) over 2 years, will reduce peak inflation from 14.5% in January next year to 10.4% in November this year, the long list of tax measures announced at the "fiscal event" adds up to a loosening in fiscal policy relative to the previous government's plans of £44.8bn (1.8% of GDP) by 2026/27. These included the reversal of April's national insurance tax on 6th November, the cut in the basic rate of income tax from 20p to 19p in April 2023, the cancellation of next April's corporation tax rise, the cut to stamp duty and the removal of the 45p tax rate, although the 45p tax rate cut announcement has already been reversed.

9. Fears that the government has no fiscal anchor on the back of these announcements has meant that the pound has weakened again, adding further upward pressure to interest rates. Whilst the pound fell to a record low of $1.035 on the Monday following the government's "fiscal event", it has since recovered to around $1.12. That is due to hopes that the Bank of England will deliver a very big rise in interest rates at the policy meeting on 3rd November and the government will lay out a credible medium-term plan in the near term. This was originally expected as part of the fiscal statement on 23rd November but has subsequently been moved forward to an expected release date in October. Nevertheless, with concerns over a global recession growing, there are downside risks to the pound.

10. The MPC has now increased interest rates seven times in as many meetings in 2022 and has raised rates to their highest level since the Global Financial Crisis. Even so, coming after the Fed and ECB raised rates by 75 basis points (bps) in their most recent meetings, the Bank of England's latest 50 basis points hike looks relatively dovish. However, the UK's status as a large importer of commodities, which have jumped in price, means that households in the UK are now facing a much larger squeeze on their real incomes.

11. Since the fiscal event on 23rd September, we now expect the Monetary Policy Committee (MPC) to increase interest rates further and faster, from 2.25% currently to a peak of 5.00% in February 2023. The combination of the government's fiscal loosening, the tight labour market and sticky inflation expectations means we expect the MPC to raise interest rates by 100bps at the policy meetings in November (to 3.25%) and 75 basis points in December (to 4%) followed by further 50 basis point hikes in February and March (to 5.00%). Market expectations for what the MPC will do are volatile. If Bank Rate climbs to these levels the housing market looks very vulnerable, which is one reason why the peak in our forecast is lower than the peak of 5.50% - 5.75% priced into the financial markets at present.

12. Throughout 2022/23, gilt yields have been on an upward trend. They were initially caught up in the global surge in bond yields triggered by the surprisingly strong rise in CPI inflation in the US in May. The rises in two-year gilt yields (to a peak of 2.37% on 21st June) and 10-year yields (to a peak of 2.62%) took them to their highest level since 2008 and 2014 respectively. However, the upward trend was exceptionally sharp at the end of September as investors demanded a higher risk premium and expected faster and higher interest rate rises to offset the government's extraordinary fiscal stimulus plans. The 30-year gilt yield rose from 3.60% to 5.10% following the "fiscal event", which threatened financial stability by forcing pension funds to sell assets into a falling market to meet cash collateral requirements. In response, the Bank did two things. First, it postponed its plans to start selling some of its quantitative easing (QE) gilt holdings until 31st October. Second, it committed to buy up to £65bn of long-term gilts to "restore orderly market conditions" until 14th October. In other words, the Bank is restarting QE, although for financial stability reasons rather than monetary policy reasons.

13. Since the Bank's announcement on 28th September, the 30-year gilt yield has fallen back from 5.10% to 3.83%. The 2-year gilt yield dropped from 4.70% to 4.30% and the 10-year yield fell back from 4.55% to 4.09%.

14. There is a possibility that the Bank continues with QE at the long-end beyond 14th October or it decides to delay quantitative tightening beyond 31st October, even as it raises interest rates. So far at least, investors seem to have taken the Bank at its word that this is not a change in the direction of monetary policy nor a step towards monetary financing of the government's deficit. But instead, that it is a temporary intervention with financial stability in mind.

15. After a shaky start to the year, the S&P 500 and FTSE 100 climbed in the first half of Q2 2022/23 before falling to their lowest levels since November 2020 and July 2021 respectively. The S&P 500 is 7.2% below its level at the start of the quarter, whilst the FTSE 100 is 5.2% below it as the fall in the pound has boosted the value of overseas earnings in the index. The decline has, in part, been driven by the rise in global real yields and the resulting downward pressure on equity valuations as well as concerns over economic growth leading to a deterioration in investor risk appetite.

APPENDIX 3 - Approved countries for investments as of 30th September 2022

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- Abu Dhabi (UAE)
- France

AA-

- Belgium
- Hong Kong
- Qatar
- **U.K.**

Report To: Cabinet

Date of Meeting: 3 January 2023

Report Title: National Portfolio Organisation Funding 2023-26

Report By: Victoria Conheady, Assistant Director Regeneration and Culture

Key Decision: N

Classification: Open

Purpose of Report

To approve the museum's entry into Arts Council England's National Portfolio 2023-26.

Recommendation(s)

1. To accept Arts Council's England's invitation to join the National Portfolio from April 2023 until March 2026.

Reasons for Recommendations

1. The National Portfolio provides funding for the museum to deliver three years of activity at the museum and in the areas around the town.
2. The funding will help the museum deliver its business plan outcomes .

Introduction

1. The museum has been invited to join Arts Council England's 2023-26 Investment Programme as a National Portfolio Organisation (NPO). This NPO funding is intended to cover the project costs required to work with communities. It gives the basic level of funding needed to keep all of the things the museum has been doing with communities over the past few years going. The funding cannot be used for core costs, staff or building costs. The museum's NPO application was designed to deliver the museum business plan and is not additional work. It is based on having the same core staffing complement as there currently is.

The National Portfolio

2. The National Portfolio is a network of over 900 leading arts organisations, libraries and museums that receive regular funding from Arts Council England (ACE). They are funded to deliver the ACE's Lets Create strategy and for the quality of their output. ACE's vision is "By 2030 we want England to be a country in which the creativity of each of us is valued and given the chance to flourish, and where every one of us has access to remarkable range of high-quality cultural experiences."

3. The museum's application, "demonstrates that a strong contribution to the Cultural Communities outcome is likely that good progress is likely in embedding the Inclusivity & Relevance and Ambition & Quality Investment". NPO funding is not for the core costs of an organisation but for the project funding to allow meaningful activities to take place. The museum applied for £150,000 per year to continue to deliver impactful programmes and expand its work into the most deprived communities of the town in line with the activities included in the proposed 2022-25 business plan.

Hastings Museum & Art Gallery NPO programme

4. It puts inclusivity and community involvement at the heart of the museum's work. It aims to connect people and communities with cultural activities to improve health and wellbeing and provide access to lifelong learning opportunities. It is closely aligned with the museum's business plan 2022-25.

5. The museum will work closely with

   - People living in areas of high deprivation
   - Project groups: LGBTQ+; people seeking sanctuary; home educating and disabled groups
   - Core audiences, particularly families, older adults and primary schools
   - Cultural and community partners and local creatives

6. There are five activity strands to the programme. Strand one is about activating under engaged communities using participative practice approaches to create new programme of events, visibility and activity. It builds on the museum's successful approach to community engagement to ensure that target audiences make change to our collections and programming. This strand is about community voice and involving people in programming decisions and contributing to our work through participation. It will see the museum collaborate with project groups and people living in areas of deprivation to address the historic under-representation of these communities in our collections and programming.

7. Strand two is about taking the museum beyond the walls to locations across Hastings, enhancing outreach engagement and reaching new audiences. It has two parts. Part 1 builds on the museum's outreach work in the back of the town. It gives funding to take the museum into the community and create opportunities for people to get involved in events, co-produce activities like exhibitions, and take part in collections activities like contemporary collecting. Part 2 will see the continuation of Hastings Digital Museum. It allows for work with creative freelancers to develop high quality activities to give people remote access to meaningful cultural activities using the museum's collections and resources.

8. Strand three is about delivering an exciting, fun and engaging programme that draws new and repeat visitors into the museum. It builds on what has been successful before and brings in the new ways of working, tying together the strands of our programme.

9. Strand four supports mobilising and taking action to address the ecological and climate emergency. It is about working with core audiences to activate our outdoor spaces and develop new activity around the museum.

10. Strand five focuses on increasing the number of employment and volunteering opportunities with a real focus on skills development and employability skills. It builds on the museum's work to open opportunities beyond our collections focused volunteers and develop more volunteering opportunities.

11. Annual activity programmes need to be agreed between the museum and ACE. The outline structure of the annual activity programme is:

Strand	Outcome
1. Activating under engaged communities	1. Community voice is included in programming decisions: - 3 community programming board meetings - 4 co-produced activities included in public programme 2. On-going activity undertaken with target audiences: - 5 projects undertaken on themes agreed with participants - Annual project activity agreed with participants 3. Collections are more relevant to users: - c25 collection records updated by participants - c100 objects used in activities with target audiences - c10 objects identified for acquisition with target audiences - c25 objects identified for deaccessioning target audiences
2. Taking the museum beyond the walls	1. Regular outreach activities in the community - 3 family friendly activities for use at community events - attend 3 Optivo/Fresh Visions community days - 8 local history coffee mornings - 1 community event (eg 'dinosaur on your doorstep' day) 2. Co-producing activities with target audiences 1,2&4: - 5 co-created community displays around the town - 5 (min) co-produced minimum of five outputs 3. Commissioning digital activities from creatives: - 4 digital activities commissioned
3. Exciting, fun and engaging programme	1. Exhibition experiences: - Funding for exhibition programme (eg Brick by brick: international Lego Brick Art) 2. Signature events: - Refugee week - Summer fun day - Christmas festival

4. Address the ecological and climate emergency	1. Activating the landscape: - Improve the biodiversity of the grounds (eg introduce a wild flower meadow) - Introduce more activity into the grounds (eg an activity trail into Summerfield Woods from the museum) 2. Outdoor learning: - Develop outdoor learning offer / introduce climate emergency activity
5. Employment and volunteering opportunities	1. New volunteering opportunities: - Biodiversity (garden and grounds) - Front of house - Outreach (support at community events) 2. Paid opportunities: - 2x 20 day paid work trainee placements for target audiences - 1x 37 hour assistant curator post to support the delivery of the NPO - 1x 18.5 hour collection access post to improve collection documentation standards and support community engagement activities. - 1x 18.5 hour project officer post to coordinate and monitor NPO

12. In addition to the activity plan the museum must also deliver on ACE's investment principles: Ambition & Quality; Environmental Responsibility; Dynamism and Inclusivity & Relevant. These are monitors and actions that help measure the impact, reach and value of the work the museum does. Each area has an individual action plan.

Staffing

13. The NPO includes additional staffing to help with the delivery of the programme. This includes a 0.5fte project officer to administer and monitor delivery. It also funds 0.5ft collections access officer and 1fte assistant curator to help support the collections & engagement team deliver the programme.

Governance

14. As part of the NPO the museum committee will be required to meet at least four times per year. Current arrangements are satisfactory for this. They will receive a new NPO report at each meeting outlining the progress of the programme. works with the team to set our business plan and annual strategic aims, equality and climate emergency action plans. They monitor progress on these at the formal and informal meetings. The committee receives regular updates from the Museum and Cultural Development Manager

15. The community programming board will be introduced in 2023-24 after the museum committee changes have taken effect. This board will be more directly involved in setting the museum's engagement work from funded projects through to events and exhibitions. This board will include local people, partner organisations and museum colleagues. It formalises the approach we have taken with our community partners in our decision-making processes. It will help ensure the activities we engage in are relevant and responsive to the communities we work with.

Financial

16. The museum will receive £150,000 per year for three years from April 2023 as part of this arrangement. This funding is nominally broken down as:

Strand	Budget allocation
1. Activating under engaged communities	Community programming board £2000 Collections care £2000
2. Taking the museum beyond the walls	Outreach activities £5000 Co-production with community groups £38600 Digital activities £6000
3. Exciting, fun and engaging programme	Exhibition experiences £4000 Signature events £5000
4. Address the ecological and climate emergency	Activating the landscape £4500 Outdoor learning £3000
5. Employment and volunteering opportunities	Volunteering £1500 Trainee placements £3000 Staff costs £75400

Options

17. Decline NPO offer – look for other sources of funding to deliver the museum's business plan and/or reduce activity at the museum

18. Accept NPO offer and proceed with contract negotiation

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Approval by Cabinet	Approval by Cabinet	03.01.2023	Assistant Director Regeneration and Culture

Wards Affected

All

Policy Implications

Reading Ease Score: 36.5

Have you used relevant project tools?: Y

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 & Climate Change	Y
Economic/Financial Implications	Y
Human Rights Act	N
Organisational Consequences	Y

Local People's Views	Y
Anti-Poverty	N
Legal	Y

Additional Information

Arts Council England Standard Terms and Conditions.

Officer to Contact

Officer Damian Etheraads
Email damian.etheraads@hastings.gov.uk
Tel 01424 451151

DRAFT Standard terms and conditions for National Portfolio Organisations and Investment Principles Support Organisations

These standard terms and conditions apply to all grant offers to National Portfolio Organisations and Investment Principles Support Organisations for the funding period 1 April 2023 to 31 March 2026

Contents

1. Definitions

1.1. The “Organisation” means the organisation receiving the grant bound by these terms and conditions.

1.2. The “Arts Council” means Arts Council England and includes its employees and those acting for it.

1.3. The “Agreed Activity” means the activity to be carried out during the Funding Period, which has been agreed with the Arts Council and for which the Arts Council is giving the Organisation the grant as set out in the application form, the Activity and Investment Principles Plan, and budget that accompanies this Funding Agreement as Attachments and/or as varied by this Funding Agreement.

1.4. The “Funding Agreement”, which the Organisation has accepted, includes and incorporates these standard terms and conditions, the payment conditions as set out in the Monitoring Schedule, the Schedule 1 Additional Conditions and the grant offer letter, together with any other conditions the Arts Council has agreed with you now or in the future.

1.5. The “Funding Period” means the fixed term specified in the grant offer letter.

1.6. The “Subsidy Control rules” means the Subsidy Control rules adopted by the UK with effect from 11pm on 31 December 2020, including Part 2, Title XI (Level Playing Field), Chapter 3 (Subsidy Control) of the ‘Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain And Northern Ireland, of the other part’ incorporated into law by the European Union (Future Relationship) Act 2020 and, where relevant, the EU State aid rules as set out in Articles 107-109 of the Treaty on the Functioning of the European Union and associated regulations and guidelines under the Northern Ireland Protocol and any other applicable laws and successor legislation. It also includes the Subsidy Control Act 2022 and any accompanying Regulations in so far as their provisions are in force at the time of entering into the Funding Agreement.

1.7. Where the words “including”, “include”, “in particular”, “for example” or any other similar expression are used in these terms and conditions they are illustrative and do not place a limit on the words before or after their use or create an exhaustive list.

2. The Agreed Activity

2.1. The Organisation will deliver the activities as defined in the Agreed Activity, which accompanies the Funding Agreement as Attachments (as may be updated from time to time). The Organisation acknowledges that the grant is paid on trust to the Organisation for the sole purpose of delivering the Agreed Activity.

2.2. The Agreed Activity will form part of the basis for the reporting, monitoring and assessment of performance under this Funding Agreement.

2.3. The Organisation will tell the Arts Council immediately in writing of anything that significantly delays, threatens or makes unlikely the successful delivery of the Agreed Activity or any key part of it. This includes any withdrawal of match funding for the Agreed Activity, which the Organisation told the Arts Council it would receive, at any time during the Funding Period.

3. Funding

3.1. Subject to satisfactory receipt of any information required from time to time, the Arts Council agrees to pay to the Organisation the total grant in such instalments as shown in the Monitoring Schedule.

3.2. The Arts Council will not make any payments under this Funding Agreement until it has evidence that the terms and conditions have been accepted by the Organisation's board or equivalent, and the Funding Agreement is properly accepted by a board member or equivalent. The Organisation will ensure that at all times, while the Funding Agreement is in force, that it is correctly constituted and regulated and that the receipt of the grant and the delivery of the Agreed Activity are within the scope of the Organisation's constitution.

3.3. The Organisation accepts that these standard terms and conditions are not negotiable, and the Organisation shall have no right to amend or vary the provisions of this Funding Agreement (unless with the prior written agreement of the Arts Council) which, for the avoidance of doubt, includes the Schedule 1 Additional Conditions, the Agreed Activity as specified in the accompanying Attachments, the Funding Period and the Dates and Amounts of the Scheduled Payments as specified in the Monitoring Schedule.

3.4. The Organisation accepts that the Arts Council will not increase the grant if the Organisation spends more than the total grant shown in the Monitoring Schedule.

3.5. The Organisation will show the grant and related expenditure in its annual accounts under the description of “Arts Council Funding” (as a restricted fund or unrestricted fund, deriving from grant in aid as revenue grant, or as a capital grant, or from National Lottery funds, as directed in the offer letter). If the Organisation has more than one restricted fund, it will include a note to the accounts identifying each restricted fund separately. If the Organisation has more than one grant from the Arts Council, it will record each grant separately in the notes to the accounts. The Organisation will identify unspent funds and assets, in respect of the grant, separately in its accounting records.

4. VAT

4.1. The grant is not a consideration for any taxable supply for VAT purposes. The Organisation acknowledges that the Arts Council’s obligation does not extend to paying any amounts in respect of VAT in addition to the grant.

4.2. If the Organisation is registered for VAT, or subsequently becomes liable to register for VAT, it must keep proper and up to date records and it must make those records available and give copies to the Arts Council when requested.

4.3. If the grant includes any or all of the VAT costs associated with the Agreed Activity and the Organisation subsequently recovers any VAT, it must pay back immediately any of the VAT that has been paid for with the grant.

5. Monitoring

5.1. The Arts Council will designate a Relationship Manager for the Organisation in relation to this Agreement (the “Relationship Manager”). The Relationship Manager is the main point of contact between the Arts Council and the Organisation.

5.2. The Relationship Manager:

- 5.1.2. will act as the main contact with the Organisation for all matters relating to the grant and the Agreed Activity
- 5.1.3. will monitor the Organisation, ensuring it complies with the terms of this Funding Agreement and other requirements in accordance with the Arts Council’s monitoring requirements, identify issues and share these with relevant colleagues

5.1.4. may attend the Organisation's board meetings (or equivalent) as an observer on a regular or an occasional basis

5.1.5. will act as a "critical friend" to the Organisation by engaging with its activity, and questioning its self-monitoring, direction, operations and activities

6. The Organisation's Obligations

6.1. The Arts Council requires the Organisation to meet any special or additional conditions which may have been agreed between the Arts Council and the Organisation in writing from time to time and which will be deemed incorporated into this Funding Agreement. Any special or additional conditions are in addition to the following requirements of this Clause 6 that the Arts Council requires the Organisation to meet.

6.2. The Arts Council will monitor and assess the Organisation's Agreed Activity and how effectively the funding is being used. To enable this, the Organisation will send the Arts Council all such information as the Arts Council may in its sole discretion reasonably request from time to time. This includes the information, without limitation, set out in the Monitoring Schedule, and copies of all or any other relevant documentation about the financial and operational running of the Organisation, to include business plans together with monitoring reports/revisions, board papers or equivalent, reserves policies and any other information which the Arts Council deems relevant to its understanding of how the Agreed Activity is being delivered and the funding used and for reporting purposes to the Department for Digital, Culture, Media and Sport ("DCMS"). The Organisation agrees and accepts that the Arts Council may share such information and data with DCMS.

6.3. The Organisation must get the Arts Council's prior written agreement before making any significant changes to its legal status, transferring any assets or merging or amalgamating with any other body including a company set up by the Organisation or to the Agreed Activity.

6.4. The Organisation will:

6.4.1. advocate for the value of publicly funded creativity and culture (both grant in aid and National Lottery funded) across its advocacy, marketing and communication activities

6.4.2. where appropriate and when requested, actively work with the Arts Council and other National Lottery distributors, to champion the role of

The National Lottery in supporting your work, and creativity and culture in England

6.4.3. prominently feature the Arts Council's grant award logo or National Lottery grant award logo (as applicable) on all digital and print marketing assets according to our guidelines

6.4.4. share its images, audio and visual content with the Arts Council, having obtained all relevant consent for their use across the Arts Council communication channels

6.5. The Organisation consents to any publicity about the grant and the Agreed Activity as the Arts Council may from time to time require. In addition:

6.5.1. The Arts Council can carry out any forms of publicity and marketing to promote the award of the grant as it sees fit and the Organisation will do whatever is reasonably required in order to assist with any form of publicity and marketing, including any digital, press or media related activities.

6.5.2. The Organisation will assist the Arts Council in advocating for the impact and value of public funding of creativity and culture. The precise nature of this advocacy will depend on the scale and capacity of the Organisation, and will be agreed through conversations with the Arts Council's communications team and/or the Organisation's Relationship Manager. This advocacy may include actions such as hosting meetings or including marketing materials in venues, online or in print.

6.5.3. The Organisation must include the latest agreed standard boilerplate about the Arts Council and its investment for all press releases it issues, using the guidance the Arts Council will provide. The Organisation can access full details of how to acknowledge the Arts Council's support at https://www.artscouncil.org.uk/grant-award-logo-and-guidelines.

6.6. The Organisation is fully responsible for every part of its business. This includes, without limitation:

6.6.1. the Organisation must ensure that all current and future members of its governing body receive a copy of this Funding Agreement and the Relationship Framework while they remain in force

6.6.2. the Organisation must ensure that all current and future members of its governing body have regular updates on the financial position of the Organisation and on the delivery of the Agreed Activity

6.6.3. the Organisation is responsible for getting its own management and business advice. This includes considering whether it needs to get financial, accounting, tax, solvency, legal, insurance, human resources, Subsidy Control rules, or other types of professional advice

6.6.4. the Organisation must tell the Arts Council immediately of any changes in the Organisation that may threaten its solvency and inform the Arts Council if it is proposing to enter into any arrangement with any of its creditors

6.6.5. the Organisation must tell the Arts Council in writing as soon as possible if any legal claims or any regulatory investigations are made or threatened against it and/or which would adversely affect the Agreed Activity during the period of the grant (including any claims made against members of its governing body or staff)

6.6.6. In carrying out its business and funded activity under the Agreed Activity the Organisation must obtain all approvals, consents and licences required by law to deliver the Agreed Activity, comply with any relevant laws or government requirements and comply with best practice in governance, reporting and operation. This includes:

6.6.6.1. taking all reasonable steps to ensure the safety of the children and adults at risk that it will work with. The Organisation will follow best practice in having appropriate policies and procedures in place to ensure the protection of children, young people and vulnerable adults and in complying with those procedures, which will include procedures to check backgrounds and disclosures of all employees, volunteers, trustees, partners or contractors who will supervise, care for, or otherwise have significant direct contact with children and adults at risk with the Disclosure and Barring Service ("DBS"). For further details of the DBS see https://www.gov.uk/government/organisations/disclosure-and-barring-service

6.6.6.2. following best practice in having appropriate and effective policies and procedures in place concerning equality and diversity, harassment and bullying, and in complying with those policies and procedures

6.6.6.3. having in place at all times and acting in accordance with appropriate and effective disciplinary, grievance and whistleblowing policies

6.6.6.4. having an equal opportunities policy in place at all times and act at all times without distinction and in compliance with all relevant equality legislation

6.6.6.5. where appropriate for the Organisation’s business, having a public facing complaints policy in place at all times

6.6.6.6. following best practice in having appropriate and effective policies and procedures in place concerning counter fraud

6.6.6.7. at all times complying with Data Protection Legislation. Data Protection Legislation shall mean without limitation (i) the United Kingdom General Data Protection Regulation and (ii) the Data Protection Act 2018 together with all other applicable UK laws whether currently existing, yet to be implemented, or to act as successor legislation, that regulate the collection, processing and privacy of personal data

6.6.6.8. adhering to all relevant legal obligations relating to offering apprenticeships and internships

6.6.6.9. ensuring that salaries, fees and subsistence arrangements are as good as or better than those agreed by any relevant trade unions and employers’ associations

6.6.6.10. maintaining all main financial records including profit and loss accounts, management statements, personnel and payroll records for staff funded under this Funding Agreement for seven years after the grant has ended. The Organisation will complete all statutory returns for employees and make all relevant payments to cover their pensions and salary deductions, such as Income Tax and National Insurance contributions

6.6.6.11. when procuring goods, works or services that are funded in whole or in part by the Funding Agreement you must:

6.6.6.11.1. comply with your obligations under the Public Contracts Regulations 2015 (as amended or replaced from time to time) (“PCR”), if you are a contracting authority subject to the PCR;

6.6.6.11.2. for contracts within the scope of Regulation 13 of the PCR, procure in a manner compliant with the PCR (or such other procurement laws as may apply from time to time); and

6.6.6.11.3. for all other contracts, procuring in a manner which ensures that suppliers are treated equally, without discrimination and that any procurement process is conducted in a transparent and proportionate manner.

6.6.6.12. complying with all anti-bribery and anti-corruption legislation

6.6.6.13. considering any possible risks involved in its funded activities and taking appropriate action to protect everyone involved and maintaining adequate and appropriate insurance at all times

6.6.6.14. maintaining adequate insurance at all times and if asked, will supply copies of the insurance policy. This includes employee and public liability insurance and insurance that covers the full replacement value of any assets that the Organisation has funded

6.6.6.15. if applicable to your Organisation, complying with the Modern Slavery Act 2015 and any other slavery, servitude and forced or compulsory labour and human trafficking legislation

6.6.6.16. ensuring that the Organisation does not work with organisations proscribed under the Terrorism Act 2000 gov.uk/government/publications/proscribed-terror-groups-or-organisations--2/proscribed-terrorist-groups-or-organisations-accessible-version

6.7. The Organisation accepts that the Arts Council’s staff, council members and advisers cannot give the Organisation professional advice and will not take part in carrying out the Organisation’s business. The Arts Council cannot be held responsible for any action the Organisation takes, or fails to take, or for the Organisation's debts or liabilities. The Arts Council will not be liable for any losses or charges if it does not make any grant payment on the agreed date. The Arts Council will not be responsible to anyone else who may take, or threaten to take, proceedings against the Organisation.

6.8. The Organisation will not sell, give away, licence or borrow against any grant funded assets (including any intellectual property rights) without receiving the Arts Council's prior written consent. As the grant has come from public funds, the Organisation understands and accepts that if the Arts Council provides the consent it may require that the disposal is at full market value and/or subject to conditions requiring the Organisation to repay all or part of the grant money received.

6.9. The Organisation must give the Arts Council, the National Audit Office or any of their agents access to meetings, events and any/all financial records, other information and/or premises, as may be reasonably requested, relating to the Agreed Activity, the Organisation or to any other matter arising under this Funding Agreement and the Arts Council may postpone payment of the grant or an instalment of the grant until the Arts Council has received the material it has requested.

6.10. The Organisation must, subject to the provisions as noted in Clause 6.6.6.7. above, provide to the Arts Council such audience/participant, staffing, activities including touring, income and expenditure data as the Arts Council may request. Where relevant, the Organisation must ensure that it has obtained all relevant and appropriate consents in accordance with the Data Protection Legislation prior to providing such data to the Arts Council. The Arts Council may postpone payment of the grant or an instalment of the grant until the Arts Council has received the material it has requested.

6.11. The Organisation must ensure it updates its Grantium Applicant profile regularly (to ensure key details such as governance status, address and main contacts are up to date). The Organisation should contact the Arts Council if they wish to change their bank or building society details into which grant(s) are paid.

6.12. Any information the Arts Council receives from the Organisation will be subject to the Freedom of Information Act 2000 ("FOIA"). By law, the Arts Council may have to provide the Organisation's information to a member of the public if they ask for it under FOIA. For further details, see the Arts Council's information sheet *How we treat your application under the Freedom of Information Act*, available on the Arts Council's website http://www.artscouncil.org.uk/. If the Organisation has any concerns, the

Organisation should let the Arts Council know as some information may be covered by exemptions under FOIA if for example the information is sensitive or confidential, but any decision to release information under FOIA is at the Arts Council's absolute discretion.

6.13. The Organisation must inform the Arts Council of any recruitment process for board members/trustees and/or senior staff. The Arts Council reserves the right to be consulted in the process of recruitment and invited to attend interviews when the Organisation is recruiting board members/trustees and/or senior staff.

6.14. The Organisation understands that the Arts Council can only guarantee future instalments of the grant as long as funds from the Government and/or the National Lottery are available to it. It is possible that the indicative amount may therefore be reduced for future instalments.

6.15. The Organisation acknowledges that the grant comes from public funds and acknowledges that the support provided must be compliant with the Subsidy Control rules. Where applicable, the Organisation agrees that the Arts Council will publish information relating to the grant and that the Organisation will keep reasonably detailed records to demonstrate compliance with the Subsidy Control rules and shall provide a copy of such records to us upon reasonable request. In the event that it is deemed by a competent court or other regulatory authority to be non-compliant with the Subsidy Control rules, the Organisation will repay the entire grant (and any other sums due) immediately.

6.16. The Organisation will not transfer any part of the grant or this Funding Agreement or any rights under it to any other organisation or individual without the prior written agreement of the Arts Council. If the Organisation is required by the Arts Council to enter into a partnership agreement with another organisation or organisations in order to deliver the Agreed Activity, the Organisation will submit the proposed Partnership Agreement to the Arts Council for its prior authorisation and subject thereto will ensure that no other organisation or individual acquires any third party rights under this Funding Agreement.

6.17. The Arts Council may impose additional terms and conditions on the grant either in the Offer Letter and/or if the Organisation is at any time in breach of this Funding Agreement and/or if the Arts Council believes it is necessary to make sure that the Agreed Activity is delivered as agreed between the Organisation and the Arts Council and/or the Arts Council has reasonable grounds to believe it is necessary to protect public money.

7. Termination of this Agreement

7.1. If the Organisation breaches any of the terms and conditions of this Funding Agreement, then the Arts Council in its absolute discretion may withhold or demand repayment of all or part of the grant and terminate the Funding Agreement. The Organisation will repay any grant requested immediately upon demand.

7.2. The Arts Council may suspend payment of the grant if it wishes to investigate any matters concerning the grant (or any other grants given by the Arts Council to the Organisation). The Organisation understands and accepts that the Arts Council will accept no liability for any consequences, whether direct or indirect, that may arise from a suspension even if the investigation finds no cause for concern.

7.3. The Arts Council may also withhold and/or demand repayment of all or part of the grant if the Organisation:

7.3.1. closes down its business (unless, with the Arts Council's prior written consent, it joins with, or is replaced by, another Organisation that can take over this Funding Agreement and carry out the purposes of the grant to the Arts Council's satisfaction)

7.3.2. makes any significant change to the Agreed Activity without the prior written approval of the Arts Council

7.3.3. does not fulfil the purpose of the grant with reasonable care, thoroughness, competence and to a standard that the Arts Council expects from the Organisation with its level of experience in its practice, profession or line of work

7.3.4. provides any information to the Arts Council that is wrong or misleading, either by mistake or because it is trying to mislead the Arts Council during the application process or during the period of this Funding Agreement

7.3.5. becomes insolvent, or any order is made, or resolution is passed, for it to go into administration, be wound up or dissolved; or if an administrator or other receiver, manager, liquidator, trustee or similar officer is appointed over all or a considerable amount of the Organisation's assets; or the Organisation enters into or proposes any arrangement with its creditors

7.3.6. acts illegally or negligently at any time

7.3.7. acts in such a way that the Arts Council believes it has significantly affected the delivery of the Agreed Activity, or is likely to harm the Arts Council's or the Organisation's reputation or it is in the Arts Council's discretion necessary to protect public money; and/or

7.3.8. sells or in some other way transfers any part of the grant, the business or the activity funded under the Agreed Activity to someone else without the Arts Council's prior written approval

7.3.9. works with any prohibited organisation proscribed under the Terrorism Act 2000 as set out in Clause 6.6.6.16.

7.4. If the Organisation is in breach of any of the terms of this Funding Agreement and the Arts Council does not enforce one or more of its rights straight away, this does not mean that it will not do so in the future. The Arts Council will give up its right to enforce this Funding Agreement only if it tells the Organisation in writing.

7.5. If the Organisation has other revenue or capital grants with the Arts Council, then it is also under an obligation to keep to the terms and conditions of those Funding Agreements. If there is any conflict between those terms and conditions and the terms and conditions of this Funding Agreement, then these terms and conditions will take precedence so far as they relate directly to the delivery of this Agreed Activity.

7.6. If the Organisation breaches any of the terms of this Funding Agreement, the Arts Council can choose to treat that as the Organisation breaching the terms of any other grant agreements the Arts Council has with the Organisation. This will allow the Arts Council to take the same actions under those agreements that the Arts Council may take under this Funding Agreement, including making the Organisation pay back the grant and stopping any future payments.

7.7. This Funding Agreement and these terms and conditions remain in force for whichever period is the longest time:

7.7.1. for one year following the payment of the last instalment of grant

7.7.2. as long as any part of the grant remains unspent

7.7.3. the expiry of the maximum period required under the grant for asset monitoring; or

7.7.4. as long as the Organisation does not carry out any of the terms and conditions of this Funding Agreement or any breach of them continues (this includes any outstanding reporting on grant expenditure or the delivery of the Agreed Activity)

8. Additional Terms and Conditions

8.1. The Arts Council has the right to impose additional terms and conditions on the grant if:

8.1.1. the Organisation is in breach of the Funding Agreement

8.1.2. the Arts Council or another funder withdraws any part of the funding for the Agreed Activity

8.1.3. the Arts Council has reasonable grounds to believe that the Agreed Activities are being carried out by the Organisation in a way that may have a detrimental effect on the Agreed Activities, or on the Arts Council's role as a distributor of public money. For the avoidance of doubt, this would apply to the manner and speed of the delivery of the Agreed Activities, or to any illegal or negligent actions by the Organisation, and not to any artistic decision made by the Organisation

8.1.4. the Arts Council has reasonable grounds to believe that it is necessary to protect public money; and/or

8.1.5. the Arts Council believes such conditions are necessary or desirable to make sure that the Agreed Activity is delivered as set out in the application form or following any agreed changes

Report to: **Cabinet**

Date of Meeting: **3rd January 2023**

Report Title: **Housing Acquisition Proposal**

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

Key Decision: **Yes**

Classification: **Open**

Purpose of Report

To outline proposals to acquire a portfolio of up to 50 additional homes as a means of providing more suitable and cost-effective temporary accommodation solutions for homeless households, many of whom would otherwise be accommodated in high cost, nightly paid accommodation.

Recommendation(s)

That Cabinet recommends that Full Council approves:

1. an acquisition programme to acquire up to 50 homes for temporary accommodation use;

2. that a capital budget for £11,865,400 is established to meet the cost of the acquisitions with revenue costs met by the Temporary Accommodation budget; and

3. that delegated authority be given to the Assistant Director, Housing & Built Environment, and the Chief Finance Officer, to complete the acquisitions, including any associated procurement.

Reasons for Recommendations

1. The Council urgently needs to find more suitable placements for many of the homeless households who the council are required to accommodate whilst arranging access to longer term and more settled accommodation.

2. A programme of acquiring up to 50 homes will provide a better solution for those owed such a duty by the council and will also have a significant positive impact upon the council's temporary accommodation costs.

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3. In addition to the revenue cost savings to be achieved, the Council will be obtaining capital housing assets with no outstanding debt on the properties at the end of a 40-year loan period.

Background

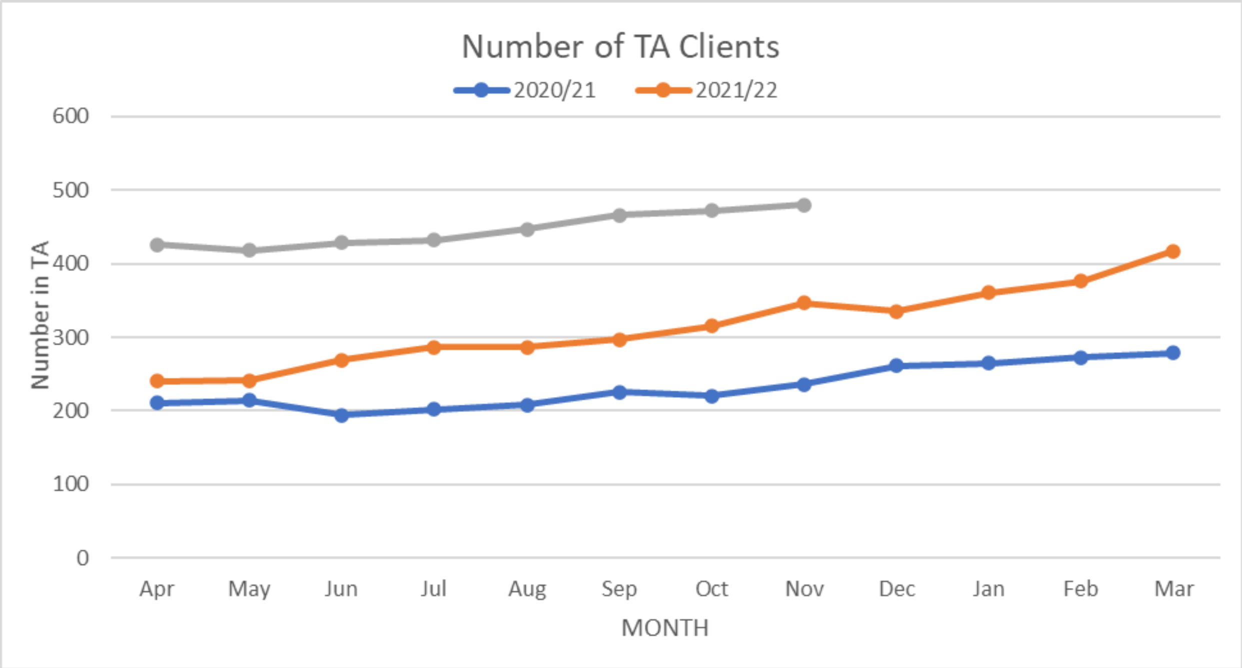
1. The number of homeless households in temporary accommodation and the associated costs to the Council are growing year on year.

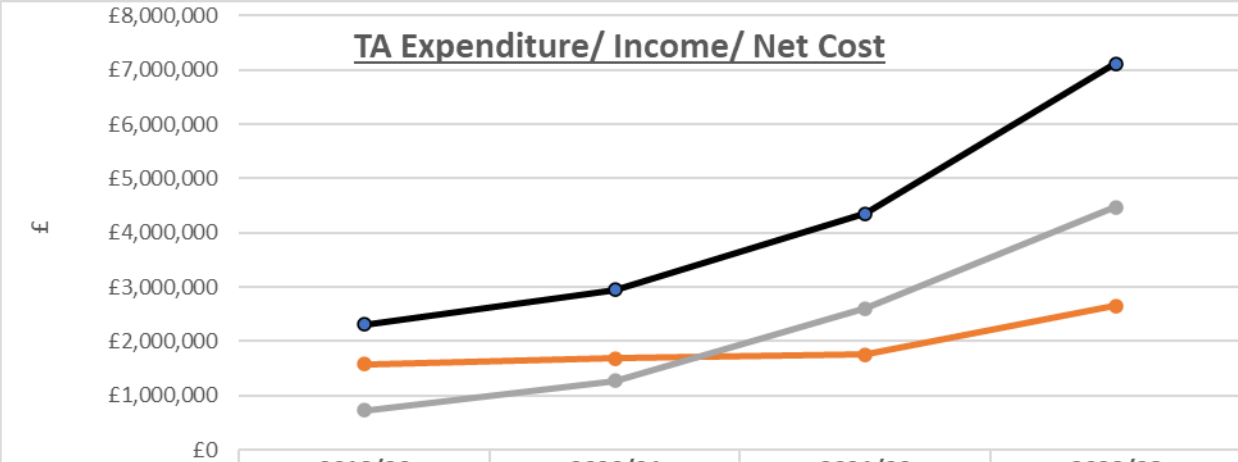
2. This is both a significant and unstainable cost to the Council and a far from satisfactory temporary housing solution for the many households accommodated who are awaiting access to more settled housing.

3. As at the start of December 2022, there were nearly 500 households in temporary accommodation as below:

Bed Size	1 bed Single	1 bed Couple	2 bed	3 bed	4 bed	5 bed	7 bed	9 bed
No. of households	265	24	127	52	20	2	6	1

4. The net cost of statutory temporary accommodation in 2019/20 was £731,706. In 2021/22 it had reached £2,605,324 which is a rise of 256% in two years. The forecast cost for 2022/23 is £3,892,758 which marks a projected annual rise of 49% and a 432% rise since 2019/20. These costs are undermining the Council's effort to reduce expenditure and are threatening the financial stability of the Council.





	2019/20	2020/21	2021/22	2022/23
Expenditure	£2,310,601	£2,953,973	£4,356,882	£7,121,007
Income	£1,578,895	£1,683,110	£1,751,558	£2,650,787
NET	£731,706	£1,270,863	£2,605,324	£4,470,220

5. To address the crisis of high numbers in tempory housing and the growing and unaffordable cost of such provision, the Council has set up a Housing and Homelessness Taskforce to identify the key drivers of the costs and find solutions to reduce them. This is starting to produce results, but further measures will be required to bring the cost under control.

6. The Council has been working hard to tackle temporary accommodation costs and reduce demand through homelessness prevention interventions and by supporting people to move on from temporary accommodation.

7. The primary blockage is the lack of affordable accommodation in both the private and social housing sectors. Whilst homelessness presentations have increased over the Covid pandemic, the rate has not been dramatic. The main problem has been the lack of move on options. This is the key factor driving increasing temporary accommodation levels.

8. The cost of renting in the private rented sector has become increasingly unaffordable and the supply of social housing in the town lags far behind demand. The Council is also accommodating many more former rough sleepers as a legacy and consequence of the government's 'everyone in' commitment, using its discretionary powers rather than statutory powers. The cost of this is not being fully met from the Government's Rough Sleeping Initiative (RSI) funding.

9. The three largest development sites in our Local Plan are beginning to be developed out. This will go some way towards tackling pent-up housing demand and will provide a sizeable pipeline of new Affordable Homes. Collectively the schemes will provide in the region of 200 Affordable Rent homes which will be made available to people on the Council's Housing Register, including households in temporary accommodation.

10. If these new homes supported a reduction of even 100 households in temporary accommodation, this would equate to a net saving of around £1.4m for the

Council. The homes are forecast to complete over a three-year period commencing in the latter half of 2023.

11. These developments will provide much needed new homes and reduce the Council's temporary accommodation costs over time. However, they cannot be delivered at the pace needed to resolve the Council's immediate financial strain.

12. Unfortunately, there is also little indication that access to the private rented sector will improve in the foreseeable future given current rental value trends. Anecdotally, we have reports of landlords converting properties from residential tenancies to Airbnb further exacerbating issues. The 'cost of living' crisis is also having an impact on housing affordability which is likely to increase the number of households approaching the Council for housing support.

13. It is imperative therefore that the Council considers what other measures it might implement to reduce its temporary accommodation costs in the short and medium term.

Temporary Accommodation Costs

14. The Council currently owns approximately 30 units of temporary accommodation. However, the majority of temporary accommodation is sourced from private providers. The Council is able to claim Housing Benefit to offset these costs but in most instances this is capped at 90% of the Local Housing Allowance that was payable in 2011. This amount is insufficient to cover even standard rents in 2022 and temporary accommodation costs are considerably higher.

15. The critical issue to the Council is the net cost of temporary accommodation; this is the gap between what the Council must pay for temporary accommodation and what it can claim back.

16. The table below sets out the average net cost to the Council of accommodating individual households in temporary accommodation **provided by private providers** by bedroom need:

Bedroom Need	One bed	Two bed	Three bed	Four bed
Weekly Net Cost	£239.41	£257.16	£288.34	£289.62
Annual Net Cost	£12,449.46	£13,372.21	£14,993.75	£15,059.99

17. Officers have been exploring options for the Council to expand its portfolio of temporary accommodation with the aim of reducing the net cost of temporary accommodation.

Acquisition Models

18. There are a number of challenges associated with the Council purchasing new properties to use as temporary accommodation. A key issue is that there is a limited stock of property on the market and often renovation works that would be required to get a property to an agreed letting standard. The Council does not

have the staffing capacity to manage this process which would impact a range of services including housing, estates, procurement, legal and finance.

19. To address some of the capacity issues, the Council can procure an end-to-end property service which provides support to source properties, progress their purchases and manage and carry out agreed refurbishment works as required. The Council has procured this type of service to support the direct purchase of 10 one-bedroom units which the Council is being part-funded to deliver through the Rough Sleeping Accommodation Programme (RSAP).

20. Officers have had discussions with the provider of the RSAP property service regarding how a similar model could be used to support a wider acquisition programme for temporary accommodation through either a Direct Acquisition or Long Lease model.

21. Based on the current economic climate and taking into account the costs associated with requirements linked to the Minimum Revenue Provision (MRP), investor yield return levels and interest rates, the Council is currently only considering a Direct Acquisition model.

Direct Acquisitions

22. The Direct Acquisition model would involve the Council directly purchasing properties from the market with support from a property service. The Council would take ownership on completion of the sale and then the property service would carry out agreed works to get the property ready to let.

23. Properties will be required to meet the Council's Fit to Let standard, which will ensure homes meet appropriate health and safety standards and are in good decorative order, alongside reaching a minimum EPC rating of C. This will improve the quality of housing and the energy efficiency performance of properties across the town and also reduce fuel poverty for our tenants.

24. Where viable, the Council will explore options to further increase the sustainability of homes by installing insulation and renewable energy solutions.

25. In addition to reducing costs, increasing the supply of temporary accommodation in the town will also reduce the need for out of borough temporary accommodation placements. This will enable households to stay connected with important support networks and minimise the impact that moving can have on people's wellbeing and access to education and employment.

26. The Council would be required to borrow in order to finance the purchases. The borrowing would be from the Public Works Loan Board (PWLB) in the form of a 40 year annuity loan. This means the Council would make interest and principal repayments and would have fully paid off the debt after 40 years. The Council would also need to make Minimum Revenue Provision (MRP) payments; a statutory requirement to put money aside for the repayment of the debt to reduce the Council's Capital Financing Requirement. The ongoing maintenance and repair of the properties would be the Council's responsibility.

27. It would be necessary to undertake a procurement exercise to appoint an end-to-end property service to support the acquisition and refurbishment process.

Financing

28. The Council has carried out modelling on an initial portfolio of 50 homes valued at circa £11.9m over a two-year acquisition period; this quantum takes into account the potential stock available, and the resourcing needed to progress an acquisition programme.

29. Homes England has confirmed that a direct acquisition model for temporary accommodation would be supported with Affordable Homes grant, but the actual level of grant funding cannot be obtained in advance of acquisitions. At this point, the modelling is based on an estimate of 20% of the All in Costs[1] which is considered achievable following discussions with Homes England.

30. The finance costs are therefore based on borrowing circa £9.5m with £2.4m funded through grant from Homes England.

31. The modelling, which is based on acquiring a range of one, two, three and four bedroom homes, shows that the benefits of these acquisitions increase over time. The savings in the first few years are minimal as the portfolio is purchased and extra project management costs reduce the savings. However, over time the savings become substantial, with the added benefit that after 40 years the portfolio debt will have been fully paid off.

32. The forecast annual running costs and borrowing costs for the portfolio are summarised below:

Item	Costs	Comment
Voids & Bad Debts	£13,858	Based on 2.5% of income
Maintenance & Management	£127,900	£2,558 x 50 properties based on: Maintenance costs of £1,200 per property + Staff costs of £1,152 per property (1.6 FTE @ £36k including oncosts) + Gas safety cert (£75 per property) + Insurance (£131 per property)
Running costs	**£141,758**	

Loan Payment	£570,839	Based on a 40 year annuity loan at a rate of 5.26%
MRP	£237,308	Based on borrowing £9,492,320 and assets having a useful economic life of 40 years.
Running costs	£141,758	See breakdown above
Total Cost	**£949,905**	

33. The income is based on charging Affordable Rent in line with Homes England grant conditions; this will be set at 80% of market rent. We will request that Housing Benefit is paid directly to the Council for tenants in this accommodation.

[1] All in Costs incorporate the purchase value of the property, stamp duty, property surveys, legal conveyancing and estimated refurbishment costs

34. The indicative costs and savings, based on the full portfolio acquisition at today's prices, are summarised below:

Portfolio Annual Delivery Cost – based on 20% grant

	Loan Payment, MRP & running costs	Income (Affordable Rent - 80% of Market Rent)	Annual net cost
Direct Acquisition	£949,905	-£554,300	£395,605

Portfolio Annual Savings – based on 20% grant

	Cost of current temporary accommodation	Net Cost of Delivering Scheme	Savings*
Direct Acquisition	£692,145	£395,605	£296,540

* Savings will grow each year

35. There is an annual cost of delivering the scheme of circa £396,000. However, the Council could return a growing annual saving in excess of £296,000, when compared to the cost of temporary accommodation from private providers once the portfolio was fully acquired.

36. The Council will have the benefit of owning the homes and therefore won't be subject to arbitrary market rental increases and will be less reliant on the market for the supply of temporary accommodation which is in ever increasing demand.

37. The scheme financing is based on the Council borrowing via an annuity loan which means that the Council will own the properties outright after 40 years and benefit from forecast associated property increases.

38. The model factors in inflationary increases to all expenditure and income over the years. The savings are forecast to grow year on year as the fixed costs of interest, loan repayments and MRP become a small proportion of the overall costs and growth in Affordable Rent income reduces the overall cost to the Council.

39. The forecast savings are based on comparing the cost of the model to the average cost of temporary accommodation provided by private providers using the figures above. The savings achieved may actually be greater as the Council will look to move tenants from higher cost providers first.

Implementation Costs

40. To enable the acquisition proposal to be progressed there will need to be internal resources allocated from housing, estates, legal and finance.

41. Legal costs for the conveyancing have been factored into the modelling and would support the legal team buying in additional capacity or backfilling posts as required.

42. The Council will need to assign an officer to oversee the project management over the two-year acquisition programme. We have allowed costs of £50,000 (£25,000 per year), which would be limited to the implementation period.

43. An additional budget of £50,000 (£1,000 per property) would be required to procure surveyor services needed to agree and sign off refurbishment works which cannot be met within existing resources. Again, this would be limited to the two-year implementation period (£25,000 per year).

44. From year 3 onwards significant savings start to accrue once the portfolio has been acquired and these additional costs are removed for subsequent years.

Ongoing Management Costs

45. As the scheme will utilise Homes England grant, the homes will need to meet standards set by the Regulator of Social Housing, which include the Rent Standard which controls rent setting. These standards already apply to properties the council has acquired through the Next Steps Accommodation Programme and will also apply to properties currently being acquired for the Rough Sleeping Accommodation Programme.

46. The level of growth proposed will have a significant impact on the Council's housing management team. This team's remit has grown in recent years and a review of the service will be needed to ensure appropriate resourcing is in place.

47. The modelling allows for additional staffing costs of £57,600 (£1,152 per property) once all properties have been acquired. This has been calculated as 1.6 FTE posts on a salary of £28,000 plus on costs.

Risks

48. There are a number of risks involved in this project, some of which can be mitigated to some extent. These are discussed below.

49. The level of grant funding from Homes England is not guaranteed in advance of purchasing properties. The modelling assumes grant funding which is based on 20% of the All in Costs which is considered a realistic level of grant. If grant funding was reduced, the scheme would still be deliverable and produce savings, but we would be required to increase our borrowing which would increase the financing costs.

50. Borrowing costs are based on the current PWLB interest rates (1st November 2022) with a margin of 0.75% added to allow for potential rate increases. There is a risk that interest rates will increase at a higher proportion than allowed. Roughly speaking, every 1% rise in interest rates will result in an additional £75,000 in interest payments in year one.

51. House prices could rise resulting in the portfolio costing more to acquire than forecast. Given recent sharp rises in interest rates, house prices are now forecast to fall 7%-10% nationally (Halifax House Price index 7th October 2022) and therefore this risk should be minimal. It is possible that prices in Hastings may fall, therefore increasing the savings that will be achieved. Each acquisition will be reviewed individually and as part of the wider programme to ensure feasibility.

52. There may not be sufficient properties available to purchase within the timeframe. This has been mitigated to some extent as the modelling is based on market statistics which suggest this is achievable.

53. The acquisition programme could take more than two years to complete and therefore the savings forecast would take longer to achieve. Equally, the acquisition programme could be completed in less than 2 years therefore bringing forward the achievement of savings.

54. Higher inflation could impact the programme. The cost of refurbishments could increase however it’s likely that temporary accommodation costs would also increase therefore increasing the savings that would be achieved, offsetting this risk to some extent.

55. If acquisitions are no longer deemed to be viable, the programme will be paused/ceased.

56. If there is a marked reduction in the need for temporary accommodation the Council could look to repurpose some of the properties or sell them on the open market; considered in accordance with grant funding stipulations. Due to the improvement works being made to the properties it is likely that some capital growth would be achieved.

Summary

57. The Council has an opportunity to reduce its temporary accommodation costs by increasing the number of homes it owns for temporary accommodation.

58. Implementing such a proposal will not only save money, but provide those households accommodated with housing more suitable for their needs, whilst their longer term housing needs are addressed.

59. Acquiring a portfolio of up to 50 homes valued at £11,865,400 would save the Council money as it would be cheaper than the alternative of using private sector temporary accommodation. The savings achieved have been conservatively estimated and would grow year on year.

60. The delivery of an acquisition programme on this scale will have an impact on service areas across the Council. This has been mitigated as far as feasible through additional resourcing to support project management and quality assurance.

61. This programme will significantly increase the number of homes managed by the Council’s housing management team. Whilst running costs have factored in the estimated staff management cost, further support will need to be given to the team to support sustainable growth.

62. Whilst this acquisition proposal represents a saving to the temporary accommodation budget, it is recognised that more still needs to be done to reduce the Council’s deficit. A follow up report will set out a proposal for utilising capital investment to maximise market opportunities linked to repurposing sites, such as offices and hotels, for temporary accommodation.

Environmental issues

63. Environmental issues will be considered as part of the Council's Fit to Let standards.

Organisational consequences

64. The Council is under threat of a Section 114 notice being issued in the next two years. The single biggest cause of the deficit is the rising costs of temporary accommodation. This is a critical intervention that can contribute to our deficit reduction.

Equalities and Community Cohesiveness

65. The Council has adopted the East Sussex Temporary Accommodation Policy which sets out the Council's approach to placing homeless households in emergency and temporary accommodation. The policy requires temporary accommodation offers to take account of the Public Sector Equality Duty and describes how we will meet our obligations under the Equalities Act 2010.

Anti-Poverty

66. This proposal supports objectives set out in the Council's Corporate Plan including recognising and meeting people's needs and tackling homelessness, poverty and ensuring quality housing.

Timetable of Next Steps

Action	Key milestone	Due date (provisional)	Responsible
Proposal to Full Council	Full Council Approval	15/02/2023	Assistant Director, Housing & Built Environment
Update Council Budget & Medium Term Financial Strategy (MTFS)	Budget Council	15/02/2023	Deputy Chief Finance Officer
Tender exercise for end-to-end property service	Procurement of property service	30/04/2023	Housing Development Manager
Commence acquisition programme	Tender awarded	01/05/2023	Housing Development Manager

Wards Affected

Insert the list of wards affected: All

Implications

Relevant project tools applied? Yes

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

Climate change implications considered. Yes

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

Equalities and Community Cohesiveness Y
Crime and Fear of Crime (Section 17) N
Risk Management Y
Environmental Issues Y
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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Agenda Item 10

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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