Cabinet Agenda

Monday, 3 July 2023 at 6.00 pm

Council Chamber, Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY. Please enter the building through the Contact Centre entrance via the seafront.

For further information, please contact Democratic Services on 01424 451484 or email: democraticservices@hastings.gov.uk

CABINET

5 JUNE 2023

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

In attendance: Jane Hartnell (Chief Executive), Mary Kilner (Chief Legal Officer), Kit Wheeler (Chief Finance Officer) and Sandra Thornton (Housing Renewal Manager).

1. APOLOGIES FOR ABSENCE

None received.

2. DECLARATION OF INTERESTS

Councillor	Item	Interest
Roark	4 – Response to Council Motion Re: Hastings United Football Club Proposal	Personal – Son plays youth football locally

3. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the meeting held on 3rd April 2023 be approved as a true record.

4. RESPONSE TO COUNCIL MOTION RE: HASTINGS UNITED FOOTBALL CLUB PROPOSAL

The Chief Executive presented a report outlining the history of the proposed scheme and the latest position, as requested by a motion passed at Full Council on 15th December 2022.

In conclusion, for the reasons outlined in the report, there is no viable scheme that can be recommended at this time. The council remains committed to working with all those involve with Hastings United Football Club.

Councillor Turner was present and asked what was being done to force the owners of the football club to maintain the ground and facilities?

Councillor Carr was present and asked why the report took so long to prepare and why weren't Hastings United consulted as part of the preparations for the report?

The Chief Executive responded that the club have a full repairing lease on the Pilot Field site. The council owns and leases many sites across the Borough and does not have the capacity to inspect all of these on a regular basis. The FA manages the suitability of football playing fields and East Sussex County Council is responsible for ensuring the facilities at the Pilot Field meet required safety standards.

Councillor Barnett said the council will continue to support sport in Hastings and will seek external investment to improve local sport facilities. The council will look at sustainable ways to support Hastings United going forward.

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

RESOLVED (unanimously):

1. That Cabinet note the history of the proposed scheme as set out in the report, the latest position and that for the reasons set out, agree that the scheme as proposed in November 2018, was and is not viable to be recommended to council.

2. That Cabinet note that no alternative provision for the football club infrastructure has been identified to date.

3. That HUFC be offered continued support to improve the condition of the playing pitch(s) and the stand and ensuring that they meet their maintenance and repair obligations under the existing lease.

Reasons:

A report setting out the current situation with Hastings United Football Club and reporting whether or not the scheme is viable to recommend to Council and to set out what alternative provision is available to allow HUFC to remain in Hastings was requested by a motion passed at Full Council on 15 December 2022.

5. REVISION OF FINANCIAL ASSISTANCE POLICY

The Housing Renewal Manager presented a report to update the current Financial Assistance Policy (2019-2023). The purpose being to improve and enhance the assistance offered via the Disabled Facilities Grant to eligible residents in Hastings and St Leonards.

The Financial Assistance Policy is due for review and there has been a specific focus on Disabled Facilities Grants (DFG) as this is the only grant support the council can offer at this time. The criteria and eligibility for DFG, and the types of work that can be covered, are specified in legislation and grants are administered through a joint approach between East Sussex County Council Adult Social Care and Hastings

Borough Council.

The review is an opportunity to make sure that grants are getting out to people who need them. The council has some discretion on the use of DFG, within defined criteria. The review of the existing policy has been informed by the latest guidance, practices at other district and borough councils and officer experience.

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

RESOLVED:

To delegate authority to the Deputy Chief Executive, or her nominee in consultation with the lead member for Planning, Governance and Community Safety, undertake the updates outlined in the appended Financial Assistance Policy, to enable the proposed new discretionary funding options to be implemented.

That Cabinet note the Financial Assistance Policy will continue to be reviewed and updated when needed.

To delegate to the Deputy Chief Executive, or her nominee, in consultation with the lead member for Planning, Governance and Community Safety, that the staffing within the Housing Renewal Team increases the level of In-House Occupational Therapists by seconding another Occupational Therapist to the team funded via the Disabled Facilities Grant. This will increase the number of occupational therapy staff to four, who will be specifically focused of the Hastings and St Leonards area and based at Hastings Borough Council. This is a budget growth item of between £40,836 - £52,896 per year and will be fully funded by the Disabled Facilities Grant.

Reasons:

The purpose being to improve and enhance the assistance offered via the Disabled Facilities Grant to eligible residents in Hastings and St Leonards.

6. INTERNAL AUDIT ARRANGEMENTS 2023-24

The Chief Finance Officer presented a report to consider interim arrangements for Internal Audit Services at Hastings Borough Council in 2023-24.

These arrangements will allow the council to gain from the expertise within the Orbis Partnership particularly in relation to areas that can be difficult to audit.

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

RESOLVED (unanimously):

1) Cabinet approves that the Orbis partnership is procured to provide the management of the Internal Audit Services for the 2023/24 Financial year with immediate effect and delegated decision to Chief Legal Officer to enter into agreement on behalf of Hastings Borough Council.

2) Cabinet approves that a service review of the Internal Audit Team is undertaken with a subsequent report to be brought back to Cabinet with recommendations for new arrangements to be in place by 1st April 2024.

Reasons:

1. Following the retirement of the long-standing Chief Auditor in April 2023 from Hastings Borough Council, the Internal Audit team will now undergo a service review.

2. Given the key role that Internal Audit plays in providing independent, objective assurance advice that adds value to, and improves an organisations operation, it is imperative that a fully resourced and experienced Audit team is in place for the 2023-24 financial year.

3. However, the timescales for looking at the longer-term options will mean that the team will be under resourced for a period of time that is considered unacceptable given the current risks to the organisation and therefore an interim solution is required with immediate effect.

4. Therefore, on an initial interim basis for the 2023-24 financial year it is recommended that Hastings Borough Council enters into an agreement with the Orbis Partnership (which currently includes East Sussex County Council, Surrey County Council, Brighton and Hove City Council and Horsham District Council) to provide Internal Audit Services for Hastings Borough Council.

5. The two current members of the Internal Audit team will continue to provide the 'local' service whilst being supervised and overseen by the Orbis Partnership management Team. This will then allow a service review to be completed and future option analysis to be developed and agreed.

6. The partnership will act as an advisor to the Council and provide the necessary experience and supervision required for this financial year whilst also assisting with

the implementation plan for the agreed changes highlighted in the Value for Money Audit report 2020-21. The report was presented by the Councils External Auditors Grant Thornton at Audit Committee on 12th January 2023 and made a number of recommendations.

7. The transfer of the management of the Internal Audit Services to Orbis will allow the service to improve resilience, give the Council access to further audit specialisms and allow the service to be benchmarked from specialists the Council could not afford in operating alone for this financial year.

8. As part of the Councils ongoing commitment to training staff and Councillors, Orbis will also provide in house training for the Audit Committee, Councillors and Senior Leadership Team in order for them to better understand the role of the Audit Committee itself, as well as the role of the Internal Audit Team.

7. CABINET APPOINTMENTS TO COMMITTEES, WORKING GROUPS AND PARTNERSHIPS

The Chief Legal Officer presented a report to consider the nominations received and to make appointments to cabinet committees, working groups and partnerships.

Further nominations were received at the meeting:

- Councillor Edwards to be appointed to the Member Training and Development Group
- Councillor Foster to be appointed to the Personnel Consultative Group
- Councillor Beaney to be appointed to the Combe Haven Community Interest Company
- Councillor Hilton to be appointed to the Hastings Week Committee

The Chief Legal Officer stated that Councillor John Cannan was nominated to the Chair of the Charity Committee and Councillor Judy Rogers was nominated as Vice Chair of the Charity Committee.

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

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

1. To appoint councillors to cabinet committees, working groups, partnerships and representative bodies for the 2023/24 municipal year as set out in Appendix A and;

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

Reasons:

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

(The Chair declared the meeting closed at 7.15pm)

HASTINGS BOROUGH COUNCIL
CABINET APPOINTMENTS TO COMMITTEES, WORKING GROUPS, EXTERNAL BOARDS AND PARTNERSHIPS

Cabinet Committees	Seats	Allocation to political groups			Nominations for 2023/24			Notes
		LAB	CON	GRN	LABOUR	CONSERVATIVE	GREEN	
Charity Committee	3	3			1. John Cannan (Chair) 2. Judy Rogers (Vice-Chair) 3. Andy Batsford			Chair is a non-portfolio holder member of Cabinet
Discretionary Rate Relief Appeal Panel	Dependent on size of cabinet	6			1. Maya Evans 2. Andy Batsford 3. John Cannan 4. Ali Roark 5. Judy Rogers 6. Simon Willis			All Members of Cabinet, excluding the Leader, to be appointed to the Panel

Licensing Committee (Scrap Metal Dealers)	Dependent on size of cabinet	6			1. Maya Evans 2. Andy Batsford 3. John Cannan 4. Ali Roark 5. Judy Rogers 6. Simon Willis			All Members of Cabinet, excluding the Leader, to be appointed to the committee. Functions relating to the licensing of Scrap Metal Dealers as set out in the Scrap Metal Dealers Act 2013 or by virtue of any amending or consolidating legislation and any regulations made under the Act as such amending or consolidating legislation.

Joint Committees	**Seats**	**Allocation to political groups**			**Nominations for 2023/24**			**Notes**
		LAB	**CON**	**GRN**	**LABOUR**	**CONSERVATIVE**	**GREEN**	
Joint Waste Committee	2	2			1. Paul Barnett 2. Ali Roark			Leader of the Council and Lead Member for Environment

Working Groups etc	Seats	Allocation to political groups			Nominations for 2023/24			Notes
		LAB	CON	GRN	LABOUR	CONSERVATIVE	GREEN	
Working Arrangements Committee	5	2	2	1	1. Judy Rogers (Chair) 2. Simon Willis	1. Andy Patmore (Vice-Chair) 2. Peter Pragnell	1. Julia Hilton	Opposition member is Vice-Chair
Member Training and Development Group	4	2	1	1	1. Judy Rogers (Chair) 2. Ali Roark (Vice-Chair)	1. Mike Edwards	1. Glenn Haffenden	Lead Member is chair
Hastings Country Park Management Forum	5	2	2	1	1. Ali Roark (Chair) 2. Simon Willis (Vice-Chair)	1. Mike Edwards 2. Alan Hay	1. Julia Hilton	Lead Member is chair
Order of 1066	4	2	1	1	1. Mayor: Margi O'Callaghan 2. Deputy Mayor: Heather Bishop	1. Sorrell Marlow-Eastwood	1. Claire Carr	To comprise Mayor, Deputy Mayor & 1 member from each other Political Group
Personnel Consultative Group	4	2	1	1	1. Paul Barnett (Chair) 2. Maya Evans (Vice-Chair)	1. Paul Foster	1. Glenn Haffenden	

Partnerships	Seats	Allocation to political groups			Nominations for 2023/24			Notes
		LAB	CON	GRN	LABOUR	CONSERVATIVE	GREEN	
Stade Partnership	2	1		1	1. James Bacon		1. Julia Hilton	Old Hastings ward members
Hastings Local Strategic Partnership	3	1	1	1	1. Paul Barnett	2. Andy Patmore	3. Julia Hilton	
Joint Advisory Committee for the High Weald AONB	1	1			1. Maya Evans			
Safer Hastings and Rother Partnership	1	1			1. Judy Rogers			Relevant Lead Member
Combe Haven Community Interest Company	1		1			1. Karl Beaney		Ward Councillor (West St Leonards)
Optivo Hastings Area Panel	1	1			1. Maya Evans			Relevant Lead Member
Police and Crime Panel	1	1			1. Judy Rogers			Relevant Lead Member
East Sussex Health Overview & Scrutiny Panel	1	1			1. Mike Turner			Needs to be a non-executive Member.
East Sussex Community Safety Partnership	1	1			1. Judy Rogers			Needs to be either the Chair of the Safer Hastings Partnership or a member of the Sussex Police and Crime Panel.

Hastings and Rother Transport Action Group		2			1. Andy Batsford 2. Ali Roark			Relevant Lead Members.
Hastings Overseas Student Advisory Council	3	2	1		1. Andy Batsford 2.	1. Sorrell Marlow-Eastwood		

External Boards	**Seats**	**Allocation to political groups**			**Nominations for 2023/24**			**Notes**
		LAB	**CON**	**GRN**	**LABOUR**	**CONSERVATIVE**	**GREEN**	
Hastings Week Committee	4	1	1	1	1. Margi O'Callaghan 2. Heather Bishop 3. Alan Roberts	1. Rob Cooke	1. Julia Hilton	Mayor and Deputy Mayor ex-officio members
Court of the University of Sussex	1	1			1. Mike Turner			
Magdalen & Lasher Charity	3	2	1		1. James Bacon 2.	1. Peter Pragnell		

Representative Bodies	Seats	Appointments for 2023/24
Health & Wellbeing Board	1 (not to be the Health Overview and Scrutiny Member	Andy Batsford
Local Government Association - National Body	1	Paul Barnett
Local Government Association - Urban Commission	1	Paul Barnett
Local Government Association - Coastal Issues Group	1	Paul Barnett
South East England Councils	1	Paul Barnett

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Report to: **Cabinet**

Date of Meeting: **3 July 2023**

Report Title: **Treasury Management Outturn Report for 2022/23**

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

Purpose of Report

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

Recommendation(s)

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

Reasons for Recommendations

To ensure that Members are fully aware of the activities undertaken in the last financial year, that Codes of Practice have been complied with and that the Council's strategy has been effective in 2022/23.

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

Key Strategic Points

- No additional borrowing has been undertaken during 2022/23. This will lead to Revenue savings in future years due to lower MRP and interest payments.
- The Council has £37.5m of funds deposited in long and short-term investment.
- The Council received over £1.14m in interest from its investments, exceeding the budget target by £638k.

Introduction

1. This Council is required by regulations issued under the Local Government Act 2003 to produce an annual treasury management review of activities and the actual prudential and treasury indicators for 2022/23. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code).

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

   a. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.

   b. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.

   c. Receipt by the Full Council of an annual Treasury Management Strategy report - including the annual investment strategy report for the year ahead, a mid-year review report (as a minimum) and an annual review report of the previous year.

   d. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.

   e. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body which in this Council is the Audit Committee.

3. Treasury management in this context is defined as:

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

4. During 2022/23 the minimum reporting requirements were that the Full Council should receive the following reports:

   - an annual treasury strategy in advance of the year (Council 16/02/2022)
   - a mid-year, (minimum), treasury update report (Cabinet 03/01/23, Audit Committee 12/01/2023, Council 08/02/2023)
   - an annual review following the end of the year describing the activity compared to the strategy, (this report)

5. The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is, therefore, important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

6. Member training on treasury management issues was last undertaken on 15th May 2023, and prior to that on 11 January 2023 and 10 January 2022, to support members' scrutiny role.

7. The figures provided in this report for 2022/23 are as yet unaudited and still subject to change.

8. This annual Treasury report covers

   a. capital expenditure and financing 2022/23
   b. overall borrowing need (the Capital Financing Requirement)
   c. treasury position as at 31 March 2023
   d. performance for 2022/23
   e. the strategy for 2022/23
   f. the economy and interest rates in 2022/23
   g. borrowing rates in 2022/23
   h. the borrowing outturn for 2022/232
   i. debt rescheduling
   j. compliance with treasury limits and Prudential Indicators
   k. investment rates in 2022/23
   l. investment outturn for 2022/23

Capital Expenditure and Financing 2022/23

9. The Council undertakes capital expenditure on long-term assets. These activities may either be:

   - Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
   - If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

10. The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed.

	Outturn 2022/23 £'000's	£'000's
Expenditure:		**9,661**
Financed By:		
Borrowing		0
Grants:		
Disabled Facilities Grant	1,328	
Harbour Arm and New Groynes - Contribution from DEFRA	32	
Further Sea Defence works	36	
Conversion of 12/13 York Buildings	63	
Churchfields Business Centre	976	
Rough Sleeping Accommodation Programme	1,014	
Hastings Retail Park	33	
Private Sector Renewal Support - Regional Housing Board & LEP Funding	13	
Towns Fund	2,389	
		5,884
S106 Receipts		0
Reserves		0
Capital Receipts		3,777
		9,661

Overall Borrowing Need (Capital Financing Requirement (CFR)

11. 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. It represents the 2022/23 unfinanced capital expenditure (see above table), and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

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

13. 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.

14. 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).

15. 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. The policy was then revised in January 2023 following a detailed review.

16. The revisions to the methods for calculating MRP have resulted in reduced charges to the General Fund revenue account in the short to medium term, helping to reduce costs and preserve vital local services at a time when budgets are under severe pressure. The in-year savings made have been taken to reduce the MRP charge, and hence pressure on the budget, and used to make Voluntary Revenue Provision (VRP) charges that can be used to offset MRP charges in future years to alleviate budget pressures.

17. The changes also align the Council's MRP policy to what is considered best practice by CIPFA and is determined as more prudent. It is also considered fairer to Taxpayers as it results in the debt liability being repaid earlier and doesn't leave future generations to foot the bill for assets that were purchased many years ago where the economic benefits have been fully consumed.

18. The Council's CFR for the year is shown below and represents a key prudential indicator. It includes leasing schemes on the balance sheet, which increase the Council's borrowing need (albeit no borrowing of cash is required).

Table 2 CFR: General Fund	**2021/22 Actual £000's**	**2022/23 Forecast Outturn £000's**	**2022/23 Actual £000's**
Opening balance	72,683	71,970	71,970
Add unfinanced capital expenditure	955	1,846	0
Less MRP	(1,668)	(920)	(870)
Closing balance	**71,970**	**72,896**	**71,100**

19. The Council was able to fully fund its capital programme in 2022/23 via capital receipts and grants, avoiding the need for any further borrowing.

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

21. 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.

22. The table below highlights the Council's gross borrowing position (External Borrowing) against the CFR, which provides an indication of affordability for the Council. The Council has complied with this prudential indicator.

Table 3 CFR vs Borrowing Level	**2021/22 Actual £000's**	**2022/23 Forecast Outturn £000's**	**2022/23 Actual £000's**
Capital Financing Requirement	71,970	72,896	71,100
External Borrowing	66,063	65,421	65,421
Net Internal/(External) Borrowing	**5,907**	**7,475**	**5,679**

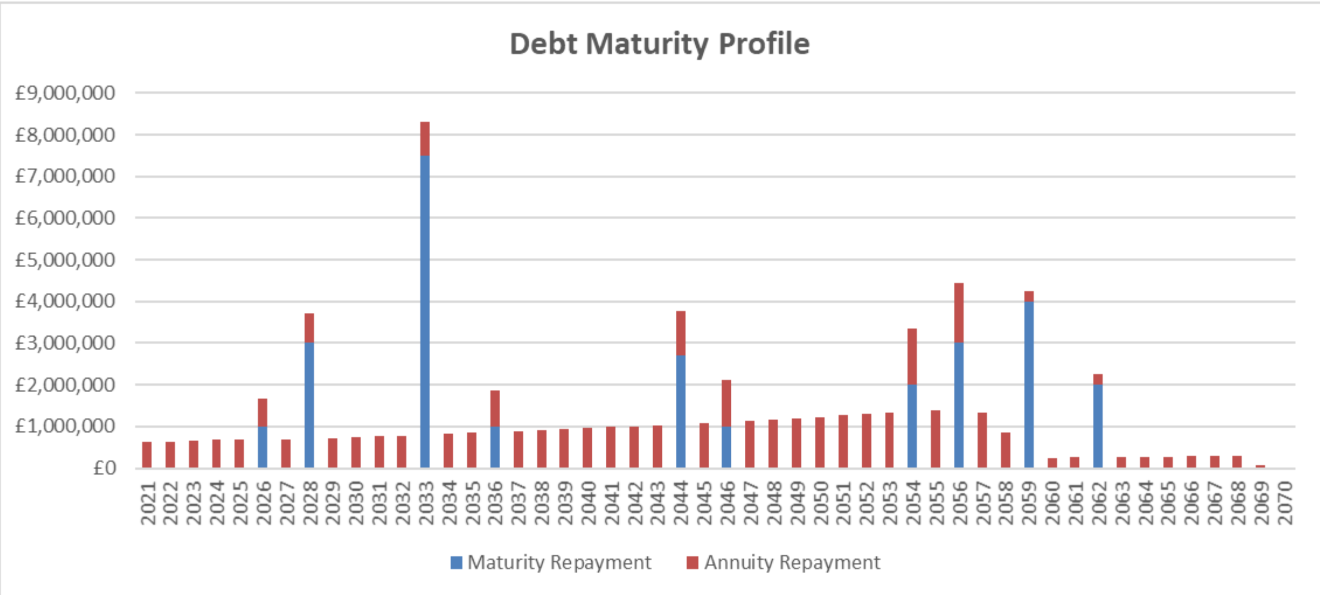
Treasury Position as at 31 March 2023

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

Table 4 Investments	**31 March 2022 Principal £m**	**31 March 2023 Principal £m**
Managed In-House	26.240	32.882
CCLA Managed Externally	5.219	4.585
Total Investments	**31.459**	**37.467**

Table 5 Debt	1 April 2022 Principal	Start Date	Maturity Date	31 March 2023 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	£95,262	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	£6,652,722	2.53%
PWLB (Annuity)	£7,860,481	22/11/2017	22/11/2057	£7,729,610	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	£3,756,930	2.55%
PWLB (Annuity)	£2,387,758	31/01/2019	31/01/2059	£2,348,400	2.56%
PWLB (Annuity)	£4,273,795	31/01/2019	31/01/2069	£4,226,034	2.56%
PWLB (Annuity)	£8,976,150	20/03/2019	20/03/2059	£8,827,583	2.54%
PWLB (Annuity)	£4,649,533	02/09/2019	02/09/2069	£4,587,401	1.83%
PWLB	£2,000,000	13/01/2022	13/01/2062	£2,000,000	1.89%
Total Debt	**£66,063,342**			**£65,421,204**	**2.81%**

The maturity structure of the debt portfolio is as shown in the chart below:



Performance Measurement (2022/223)

24. Table 6 below compares the Estimated Interest Payable and Received and associated fees for the year 2022/23.

Table 6 Interest	**2021/22 Actual Outturn £000's**	**2022/23 Original Budget £000's**	**2022/23 Actual Outturn £000's**	**2022/23 Variance to Budget £000's**
Gross Interest Payable	1,831	2,137	1,862	(275)
Gross Interest Received	(559)	(503)	(1,141)	(638)
Fees	10	10	10	0
Other (e.g. PWLB Discount)	0	0	0	0
Net Cost	**1,282**	**1,644**	**731**	**(913)**

25. As can be seen from Table 6 above the gross interest payable is under budget by £275,000. This is due to lower than budgeted spend on the capital programme, which in turn has led to a reduced need to borrow and hence lower interest payable charges.

26. Conversely, the interest receivable is greater than the budget. At the time of setting the 2022/23 budget interest rates were low and forecast investment returns were minimal. Since the budget was set in February 2022 the Bank of England base rate has increased from 0.5% to 4.5% (as at 12th May 2023) and further increases are forecast. These increases in rates, and hence investment returns, have led to an additional £638,000 in income.

27. The net position is that an underspend of £913,000 has been achieved.

The Strategy for 2022/23

28. The general aim of the 2022/23 treasury management strategy was to minimise the costs of borrowing in both the short and longer term. In the short term it would consider avoiding new borrowing and using cash balances to finance new borrowing. However, to minimise longer term costs the Council needs to borrow when rates are at historically low levels. The timing of new borrowing is therefore important to minimise the overall costs to the Council.

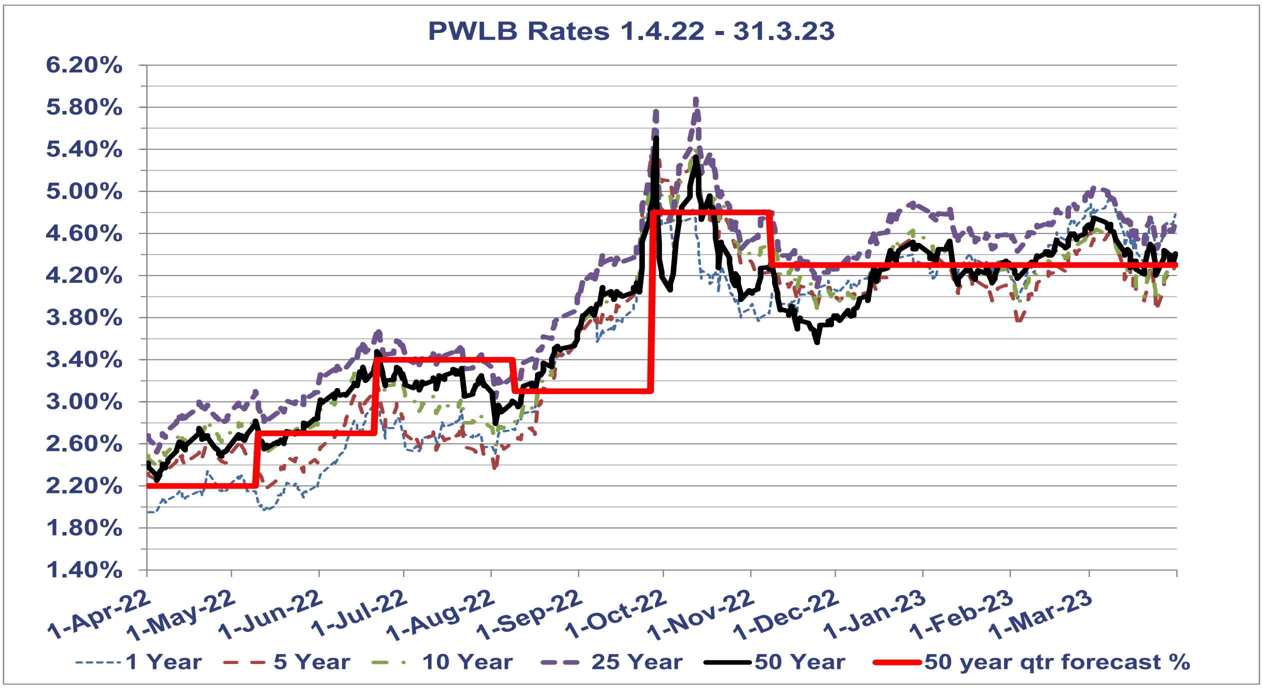
29. Given that rates did not look set to increase it was recommended that new borrowing was only taken when necessary and internal balances were used to temporarily finance long life assets. As it happened rates increased rapidly throughout the year, however the Council has avoided any need to undertake further external borrowing in 2022/23. If rates had decreased, then opportunities to borrow would have been taken. Given that the Council is increasingly using its reserves these need to be readily available and not subjected to unnecessary risk or exposure.

30. The strategy proved very effective for 2020/21 and 2021/22 in that the Council had borrowed successfully in past years and had cash backed reserves in place with little internal borrowing as at March 2020 when the Covid-19 pandemic

struck. This enabled the Council to avoid having to borrow at higher rates of interest to cover day to day expenses and avoided any cash flow difficulties. It also enabled the Council to avoid external borrowing for the whole of 2020/21, undertake minimal borrowing in 2021/22 and again no borrowing in 2022/23. The Council cannot avoid borrowing for long and will need to undertake some external borrowing in 2023/24. The era of historically very low interest rates has come to an abrupt end and advice on the timing, length and type of borrowing to be undertaken will be discussed with our external advisors during our regular review meetings.

Borrowing Rates in 2022/23

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



	1 Year	5 Year	10 Year	25 Year	50 Year
Low	1.95%	2.18%	2.36%	2.52%	2.25%
Date	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
High	5.11%	5.44%	5.45%	5.88%	5.51%
Date	28/09/2022	28/09/2022	12/10/2022	12/10/2022	28/09/2022
Average	3.57%	3.62%	3.76%	4.07%	3.74%
Spread	3.16%	3.26%	3.09%	3.36%	3.26%

32. PWLB rates are based on gilt (UK Government bonds) yields and the additional margin HM Treasury adds to those yields to ensure the PWLB does not lend at a loss. The main influences on gilt yields are Bank Rate, inflation expectations and movements in US treasury yields. Inflation targeting by the major central banks has been successful over the last 30 years in lowering inflation and the real equilibrium rate for central rates has fallen considerably due to the high level of borrowing by consumers: this means that central banks do not need to raise rates as much now to have a major impact on consumer spending, inflation, etc. This

has pulled down the overall level of interest rates and bond yields in financial markets over the last 30 years. Indeed, in recent years many bond yields up to 10 years in the Eurozone turned negative on expectations that the EU would struggle to get growth rates and inflation up from low levels. In addition, there has, at times, been an inversion of bond yields in the US whereby 10-year yields have fallen below shorter-term yields. In the past, this has been a precursor of a recession.

33. However, since early 2022, yields have risen dramatically in all the major developed economies, first as economies opened post-Covid; then because of the inflationary impact of the war in Ukraine in respect of the supply side of many goods. In particular, rising cost pressures emanating from shortages of energy and some food categories have been central to inflation rising rapidly. Furthermore, at present the FOMC, ECB and Bank of England are all being challenged by persistent inflation that is exacerbated by very tight labour markets and high wage increases relative to what central banks believe to be sustainable.

34. Gilt yields have been on a continual rise since the start of 2021, peaking in the autumn of 2022. Currently, yields are broadly range bound between 3% and 4.25%.

35. At the close of the day on 31 March 2023, all gilt yields from 1 to 50 years were between 3.64% and 4.18%, with the 1 year being the highest and 6-7.5 years being the lowest yield. .

36. Regarding PWLB borrowing rates, the various margins attributed to their pricing are as follows: -

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

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

    Local Infrastructure Rate is gilt plus 60 basis points (G+60bps)

37. There is likely to be a fall in gilt yields and PWLB rates across the whole curve over the next one to two years as Bank Rate first rises to dampen inflationary pressures and a tight labour market, and is then cut as the economy slows, unemployment rises, and inflation (on the Consumer Price Index measure) moves closer to the Bank of England’s 2% target.

38. As a general rule, short-dated gilt yields will reflect expected movements in Bank Rate, whilst medium to long-dated yields are driven primarily by the inflation outlook.

39. The Bank of England is also embarking on a process of Quantitative Tightening, but the scale and pace of this has already been affected by the Truss/Kwarteng “fiscal experiment” in the autumn of 2022 and more recently by the financial market unease with some US (e.g., Silicon Valley Bank) and European banks (e.g., Credit Suisse). The gradual reduction of the Bank’s original £895bn stock of gilt and corporate bonds will be sold back into the market over several years. The impact this policy will have on the market pricing of gilts, while issuance is markedly increasing, is an unknown at the time of writing.

Borrowing Outturn for 2022/23

40. Due to investment concerns, both counterparty risk and comparatively low investment returns, no external borrowing was undertaken during the 2022/23 financial year.

41. The Council has effectively used its reserves and balances to fund the Capital programme in 2022/23 but will need to borrow in the near future. The policy of "internal borrowing" has saved the Council considerable monies in 2022/23 (every 1% difference on £1m is worth £10,000).

42. During 2022/23 there were debt repayments of £642,138 resulting in a total balance outstanding with the PWLB of £65,421,204 as at 31 March 2023.

Borrowing strategy and control of interest rate risk

43. During 2022/23, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the Capital Financing Requirement), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were initially low and minimising counterparty risk on placing investments also needed to be considered.

44. A cost of carry generally remained in place during the year on any new long-term borrowing that was not immediately used to finance capital expenditure, as it would have caused a temporary increase in cash balances; this would have incurred a revenue cost – the difference between (higher) borrowing costs and (lower) investment returns. As the cost of carry dissipated, the Council sought to avoid taking on long-term borrowing at elevated levels (>4%) and has focused on a policy of internal borrowing.

45. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this has been kept under review to avoid incurring higher borrowing costs in the future when the Council may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.

46. Against this background and the risks within the economic forecast, caution was adopted with the treasury operations. The Chief Finance Officer therefore monitored interest rates in financial markets and adopted a pragmatic strategy based upon the following principles to manage interest rate risks:

- if it had been felt that there was a significant risk of a sharp FALL in long and short-term rates, (e.g., due to a marked increase of risks around relapse into recession or of risks of deflation), then the current strategy of running down cash balances and using internal borrowing would have been maintained, with a view to undertaking borrowing when rates has reached their lowest forecast level.

- if it had been felt that there was a significant risk of a much sharper RISE in long and short-term rates than initially expected, perhaps arising from an acceleration in the start date and in the rate of increase in central rates in the USA and UK, an increase in world economic activity or a sudden increase in inflation risks, then the portfolio position would have been re-appraised. Most likely, fixed rate funding would have been drawn whilst interest rates were lower than they were projected to be in the next few years.

47. Interest rate forecasts were initially suggesting only gradual rises in short, medium and longer-term fixed borrowing rates during 2022/23 but by August it had become clear that inflation was moving up towards 40-year highs, and the Bank of England engaged in monetary policy tightening at every Monetary Policy Committee meeting during 2022, and into 2023, either by increasing Bank Rate by 0.25% or 0.5% each time. Currently the CPI measure of inflation is still above 8% in the UK but is expected to fall back towards 4% by year end. Nonetheless, there remain significant risks to that central forecast.

Borrowing in advance of need

48. The Council has not borrowed more than, or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed.

49. The Council had a lower level of borrowing than its Capital Financing Requirement (CFR) at the 31 March 2023.

Debt Rescheduling

50. The Council has examined in the past the potential for making premature debt repayments in order to reduce borrowing costs as well as reducing counterparty risk by reducing investment balances.

51. No debt rescheduling was done during the year as the average 1% differential between PWLB new borrowing rates and premature repayment rates made rescheduling unviable.

Compliance with Treasury Limits

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

Investment Rates in 2022/23

53. Investment returns picked up throughout the course of 2022/23 as central banks, including the Bank of England, realised that inflationary pressures were not transitory, and that tighter monetary policy was called for.

54. Starting April at 0.75%, Bank Rate moved up in stepped increases of either 0.25% or 0.5%, reaching 4.25% by the end of the financial year, with the potential for a further increases in 2023/24.

55. The sea-change in investment rates meant local authorities were faced with the challenge of pro-active investment of surplus cash for the first time in over a decade, and this emphasised the need for a detailed working knowledge of cashflow projections so that the appropriate balance between maintaining cash for liquidity purposes, and “laddering” deposits on a rolling basis to lock in the

increase in investment rates as duration was extended, became an on-going feature of the investment landscape.

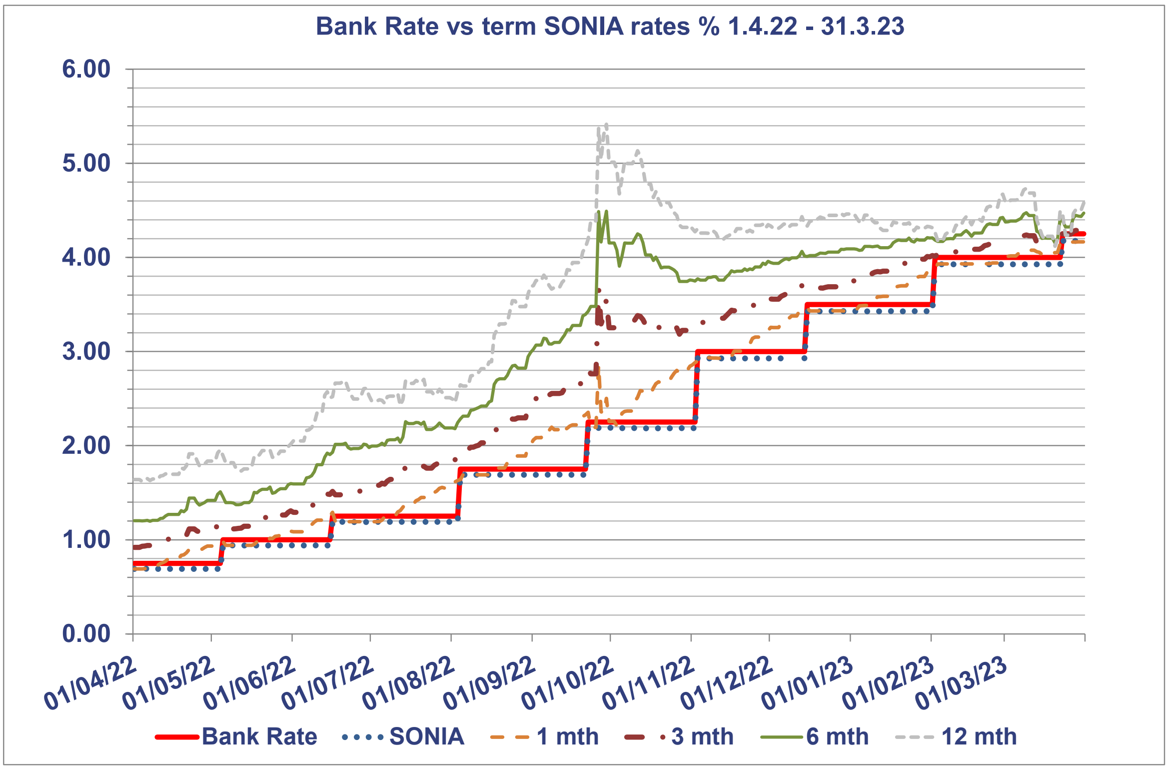
56. With bond markets selling off, equity valuations struggling to make progress and, latterly, property funds enduring a wretched Q4 2022, the more traditional investment options, such as specified investments (simple to understand, and less than a year in duration) became more actively used.

57. Meantime, through the autumn, and then in March 2023, the Bank of England maintained various monetary policy easing measures as required to ensure specific markets, the banking system and the economy had appropriate levels of liquidity at times of stress.

58. Nonetheless, while the Council has taken a cautious approach to investing, it is also fully appreciative of changes to regulatory requirements for financial institutions in terms of additional capital and liquidity that came about in the aftermath of the Great Financial Crisis of 2008/9. These requirements have provided a far stronger basis for financial institutions, with annual stress tests by regulators evidencing how institutions are now far more able to cope with extreme stressed market and economic conditions.

59. The funds invested during the year were often available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme.

60. The chart below shows the bank rate against the Sterling Overnight Index Average (SONIA) over the course of 2022/23. Previously the London Interbank Bid Rate (LIBID) data has been reported but LIBID has been phased out and replaced with SONIA.



FINANCIAL YEAR TO QUARTER ENDED 31/3/2023	Bank Rate	SONIA	1 mth	3 mth	6 mth	12 mth
High	4.25	4.18	4.17	4.30	4.49	5.41
High Date	23/03/2023	31/03/2023	31/03/2023	31/03/2023	29/09/2022	29/09/2022
Low	0.75	0.69	0.69	0.92	1.20	1.62
Low Date	01/04/2022	28/04/2022	01/04/2022	01/04/2022	07/04/2022	04/04/2022
Average	2.30	2.24	2.41	2.72	3.11	3.53
Spread	3.50	3.49	3.48	3.38	3.29	3.79

Investment Strategy

61. The strategy for 2022/23 was agreed at the Council meeting in February 2022. The Investment strategy did not change during the year given the already low interest rates, other than investing money for shorter periods to ensure there was sufficient monies available for cash flow purposes.

62. 2022/23 saw the Council start to use Money Market Funds (MMF). Money market funds invest in high quality, short-term debt securities and a return that generally reflect short-term interest rates. The use of MMFs has always been allowed for within our Treasury Management Strategy, however it was only in 2022/23 that the Council signed up to a platform that allowed us to access MMFs. The use of MMFs has allowed us to access superior yields whilst still maintaining high liquidity and low risk.

63. The budget for 2022/23 forecast investment returns of £503,000 whilst the actual outturn was £1,141,000. The substantial additional income received is a result of the increased interest rates leading to higher returns which could not have been foreseen at the time of setting the budget. The Council has also benefited from the use of MMFs which have delivered high returns whilst maintaining liquidity.

64. **Investments: Property Fund & Diversified Income Fund (DIF)**

65. The return on the Property Fund investment (£2m with CCLA) was negative 13.27% net of fees to the end of March 2023 i.e. capital loses offset investment income. This compares to positive returns of 21.8% in the previous year. The net dividends received amounted to £79,995 in the financial year. The table below highlights the overall performance compared to previous years.

Discrete year total return performance

12 months to 31 March	2023	2022	2021	2020	2019
The Local Authorities' Property Fund	-13.27%	+21.78%	+3.75%	+0.66%	+5.99%
Comparator Benchmark	-14.11%	+22.52%	+2.46%	+0.12%	+5.69%

Annualised total return performance

Performance to 31 March 2023	1 year	3 years	5 years
The Local Authorities' Property Fund	-13.27%	+3.10%	+3.18%
Comparator Benchmark	-14.11%	+2.54%	+2.67%

Net performance shown after management fees and other expenses. Comparator Benchmark – MSCI/AREF UK Other Balanced Open-Ended Quarterly Property Fund Index. Past performance is not a reliable indicator of future results. Source: CCLA

66. In addition to the £2m invested in the CCLA Property Fund the Council invested £3m in the CCLA Diversified Income Fund (DIF) during 2019/20. The net dividends received amounted to £81,843 in 2022/23.

67. At the 31st March 2023 the Property Fund had a capital value (Mid-Market price) of £1.877m and the DIF £2.708m. The yields have continued to be high, with the DIF yielding some 3.02% (March 2023) and the Property Fund 4.26% (March 2023).

68. The Property Fund and DIF are both longer term investments (5 years plus) and it has always been well understood that the capital values can go up down as well as up. The impact of Covid-19 on the values and the subsequent recovery has been reported previously. There has been a further fall in the capital value of the investments over the last year due to the Ukraine War, high inflation, and rising interest rates. The capital value of both funds are starting to stabilise grow and moderate growth will make back the losses from the recent falls. The Property Fund capital value is now just 0.17% below the initial investment having spent most of the 2022/23 financial year in positive territory. The DIF now sits 9.7% below the original investment amount.

Investment Outturn for 2022/23

69. Cash balances fluctuated widely during the year. The Council's cashflow requirements were reviewed daily and surplus fund were invested for longer durations to attract higher yields when possible.

70. During the latter half of the year the Council started using Money Market Funds to generate superior returns. One advantage of these investments is that while yields are higher than instant access rates from the Council's bank, liquidity is maintained as funds can be called back at very short notice.

71. Although interest rates started off low, by the end of the year yields of over 4% were being achieved. The total interest earned for the year was £1,140,660. This income can be categorised as follows:

Interest Received	**2022/23 £000's**
Bank and Money Market investments	646
Loans to Other Organisations	333
CCLA Property Fund	80
CCLA Diversified income Fund	82
TOTAL	**1,141**

72. The table below provides a snapshot of the investments/deposits held at 31 March 2023 (excluding those with CCLA).

Counterparty	Yield (%)	Start Date	End Date	Principal (£)	Term
Goldman Sachs	3.82	04/01/2023	04/04/2023	5,000,000	Fixed
Clydesdale Bank	3.95	13/02/2023	15/05/2023	5,000,000	Fixed
Luton Borough Council	4.2	01/03/2023	01/06/2023	5,000,000	Fixed
Rushmoor Borough Council	4.2	01/03/2023	01/06/2023	5,000,000	Fixed
L B of Waltham Forest	4.2	02/03/2023	02/06/2023	5,000,000	Fixed
Wirral Metropolitan Borough	4.4	24/03/2023	24/05/2023	3,000,000	Fixed
Morgan Stanley	4.12	-	-	4,500,000	Call
NatWest	1.00	-	-	6,147	Call
Barclays	1.00	-	-	23	Call
Lloyds Gen	1.31	-	-	376,327	Call
			Total	**32,882,497**	

73. In addition to the investments the Council has several non-treasury management loans to third parties in place, namely as at 31 March 2023: -

Counterparty	Rate/ Return (%)	Start Date	End Date	Principal O/S * (£)	Type
Amicus/Optivo	3.78	04/09/2014	02/09/2044	1,788,235	Maturity
The Source	2.43	17/12/2015	17/12/2025	8,144	Annuity
Foreshore Trust	1.66	21/03/2016	20/03/2026	95,262	Annuity
			Total	**1,891,641**	

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

Loans to Hastings Housing Company Ltd

74. Hastings Housing Company, wholly owned by the Council, has a number of loans from the Council.

75. The Capital loan rate is based on the rate prevailing at the time of the advance and is fixed for the period of the loan. Three separate loans have been made as per the table below.

Counterparty	Interest Rate	Start Date	End Date	Principal O/S 31/03/2022	Term		Annual Interest
HHC Ltd - Loan 1	4.48%	28/02/2018	28/02/2058	£784,676	Fixed	Maturity Loan	£35,153
HHC Ltd - Loan 2	4.84%	12/02/2019	12/02/2059	£344,810	Fixed	Maturity Loan	£16,689
HHC Ltd - Loan 3	4.84%	13/06/2019	13/06/2059	£4,359,912	Fixed	Maturity Loan	£211,020
				£5,489,398			**£262,862**

76. The value of the capital loans was £5,489,398 at the end of March 2023 and as the loans are maturity loans the principal outstanding will not reduce annually but be repaid or refinanced in one lump upon maturity 40 years after the loan was

issued. The interest rates are fixed and were determined in accordance with EU rules.

77. The debt costs (principal and interest) incurred by the Council in making advances to the housing company are covered by the interest repayments from the housing company. The interest receivable by the Council amounted to £262,862 in 2022/23.

78. It should be noted that due to cashflow difficulties related to the Covid-19 pandemic the Housing Company is a year behind on its interest repayments to the Council. The overdue amount owed is £262,862. The late payment of interest from the Housing Company will attract additional interest charges.

Other Issues

The Economy and Interest Rates

79. Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022/23.

80. Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps in 2022. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	UK	**Eurozone**	**US**
Bank Rate	4.25%	3%	4.75%-5%
GDP	0.1%q/q Q4 (4.1%y/y)	+0.1%q/q Q4 (1.9%y/y)	2.6% Q4 Annualised
Inflation	10.4%y/y (Feb)	6.9%y/y (Mar)	6.0%y/y (Feb)
Unemployment Rate	3.7% (Jan)	6.6% (Feb)	3.6% (Feb)

81. Q2 of 2022 saw UK GDP deliver growth of +0.1% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Q4 GDP was positive at 0.1% q/q. Most recently, January saw a 0.3% m/m increase in GDP as the number of strikes reduced compared to December. In addition, the resilience in activity at the end of 2022 was, in part, due to a 1.3% q/q rise in real household disposable incomes. A big part of that reflected the £5.7bn payments received by households from the government under the Energy Bills Support Scheme.

82. Nevertheless, CPI inflation picked up to what should be a peak reading of 11.1% in October, although hopes for significant falls from this level will very much rest on the movements in the gas and electricity markets, as well as the supply-side factors impacting food prices. On balance, most commentators expect the CPI

measure of inflation to drop back towards 4% by the end of 2023. As of February 2023, CPI was 10.4%.

83. The UK unemployment rate fell through 2022 to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact remains, however, that with many economic participants registered as long-term sick, the UK labour force shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food (up 18.3% y/y in February 2023) and energy that have endured since Russia's invasion of Ukraine on 22 February 2022.

84. Bank Rate increased steadily throughout 2022/23, starting at 0.75% and finishing at 4.25%.

85. In the interim, following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply, the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of the 17th of November gave rise to a net £55bn fiscal tightening, although much of the "heavy lifting" has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have reversed the increases seen under the previous tenants of No10/11 Downing Street, although they remain elevated in line with developed economies generally.

86. As noted above, GDP has been tepid throughout 2022/23, although the most recent composite Purchasing Manager Indices for the UK, US, EZ and China have all surprised to the upside, registering survey scores just above 50 (below suggests economies are contracting, and above suggests expansion). Whether that means a shallow recession, or worse, will be avoided is still unclear. Ultimately, the MPC will want to see material evidence of a reduction in inflationary pressures and a loosening in labour markets. Realistically, that is an unlikely outcome without unemployment rising and wage settlements falling from their current levels. At present, the bigger rise in employment kept the ILO unemployment rate unchanged at 3.7% in January. Also, while the number of job vacancies fell for the ninth consecutive month in February, they remained around 40% above pre-pandemic levels.

87. Link Group's economic analysts, Capital Economics, expect real GDP to contract by around 0.2% q/q in Q1 and forecast a recession this year involving a 1.0% peak-to-trough fall in real GDP.

88. The £ has remained resilient of late, recovering from a record low of $1.035, on the Monday following the Truss government's "fiscal event", to $1.23. Notwithstanding the £'s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 4.5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

89. As for equity markets, the FTSE 100 started 2023 strongly, rising to a record high of 8,014 on 20th February, as resilient data and falling inflation boosted earnings. But global equities fell sharply after concerns over the health of the global banking system emerged early in March. The fall in the FTSE 100 was bigger than the drop in the US S&P 500. Indeed, at around 7,600 now, the FTSE is 5.2% below its record high on 20th February, while the S&P 500 is only 1.9% lower over the same period. That's despite UK banks having been less exposed and equity prices in the UK's financial sector not falling as far. It may be due to the smaller decline in UK interest rate expectations and bond yields, which raise the discounted value of future earnings, compared to the US.

90. **USA**. The flurry of comments from Fed officials over recent months suggest there is still an underlying hawkish theme to their outlook for interest rates. Markets are pricing in a further interest rate increases of 25-50bps, on top of the current interest rate range of 4.75% - 5%.

91. In addition, the Fed is expected to continue to run down its balance sheet once the on-going concerns about some elements of niche banking provision are in the rear-view mirror.

92. As for inflation, it is currently at c6% but with the economy expected to weaken during 2023, and wage data already falling back, there is the prospect that should the economy slide into a recession of any kind there will be scope for rates to be cut at the backend of 2023 or shortly after.

93. **EU**. Although the Euro-zone inflation rate has fallen below 7%, the ECB will still be mindful that it has further work to do to dampen inflation expectations and it seems destined to raise rates to 4% in order to do so. Like the UK, growth has remained more robust than anticipated but a recession in 2023 is still seen as likely by most commentators.

IFRS 9 fair value of investments

94. Following the consultation undertaken by the Department of Levelling Up, Housing and Communities [DLUHC] on IFRS 9, the Government has extended the mandatory statutory override for local authorities to reverse out all unrealised fair value movements resulting from pooled investment funds to 31st March 2025. Local authorities are required to disclose the net impact of the unrealised fair value movements in a separate unusable reserve throughout the duration of the override in order for the Government to keep the override under review and to maintain a form of transparency.

IFRS 16 Leases

95. The implementation of IFRS 16 bringing currently off-balance sheet leased assets onto the balance sheet has again been delayed until 2024/25. The Council has work to do on implementing this change and is putting in place a cross-departmental working group to identify the leases the council has and the impact on the Council.

Financial Implications

96. The security of the Council's monies remains the top priority within the strategy, along with liquidity – being able to access sufficient money as and when required. Investment rates available in the market have improved significantly during the last year, meaning the impact that effective investment of surplus funds can make on the Council's finances is material.

97. No new external borrowing was undertaken in the year, albeit that the capital expenditure incurred and future capital programme plans will necessitate further borrowing shortly. The use of the Council's reserves and balances to temporarily fund the Capital expenditure has resulted in significant savings to the Council.

98. The Council has carefully considered the overall levels of borrowing being undertaken against the size of the Council's budget and its unencumbered assets, along with the affordability of the debt commitments as and when income streams potentially reduce – as unfortunately tested by the recent Covid-19 crisis. At no time during the year has cash flow been an issue for the Council.

99. The effective management of the Council's cash flow, reserves, and investments remains of critical importance. The increasing governance in this area, as well as the increasing sums involved will necessitate more staff resources being required to manage and report on this critical area.

100. Recent changes to the Prudential Code and Treasury Management Code has increased the controls and reporting requirements. Any further limits on borrowing could potentially impact significantly on the Council's plans.

101. On 11 May 2022, the government announced new measures to address excessive risk stemming from borrowing and investment practices. The measures, to be taken forward through the Levelling Up and Regeneration Bill, will put in place statutory powers allowing the government to investigate local practices and, where necessary, require remedial action by an authority where there is excessive risk to financial stability from capital practices. The intent of the powers is to provide the government with the ability to take targeted and precise action where it has concerns, without the need for further reform to the Prudential Framework as a whole. The Council's current treasury management, investment and capital expenditure plans are unlikely to see us impacted by this new legislation.

Timetable of Next Steps

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

Action	Key milestone	Due date (provisional)	Responsible
Cabinet	Report	3 July 2023	Chief Finance Officer
Audit Committee	Report	6 July 2023	Chief Finance Officer
Full Council	Report	19 July 2023	Chief Finance Officer

Wards Affected

None.

Implications

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

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

Additional Information

Treasury Management and Annual Investment Strategy 2022/23
CIPFA - Treasury Management Code of Practice
CIPFA - The Prudential Code

Appendix 1 – Prudential Indicators
Appendix 2 – Capital Expenditure 2022/23 (and amounts financed by borrowing)
Appendix 3 – Abbreviations used in this report

Officer to Contact

Officer Name: Simon Jones, Deputy Chief Finance Officer
Officer Email Address; simon.jones@hastings.gov.uk

Appendix 1 - Prudential Indicators

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

TREASURY MANAGEMENT PRUDENTIAL INDICATORS	2021/22	2022/23	2023/24	2024/25	2025/26
	£'000	£'000	£'000	£'000	£'000
Authorised Limit for external debt					
borrowing	110,000	110,000	135,000	135,000	135,000
other long term liabilities	5,000	5,000	5,000	5,000	5,000
TOTAL	115,000	115,000	140,000	140,000	140,000
Operational Boundary for external debt					
borrowing	105,000	105,000	130,000	130,000	130,000
other long term liabilities	5,000	5,000	5,000	5,000	5,000
TOTAL	110,000	110,000	135,000	135,000	135,000

The Council's external borrowing at 31 March 2023 amounted to £65,421,204 which is well within approved borrowing limits.

Interest Rate Exposures	2022/23 Upper	2023/24 Upper	2024/25 Upper
Limits on fixed interest rates based on **net** debt	100%	100%	100%
Limits on variable interest rates based on **net** debt	100%	100%	100%
Limits on fixed interest rates:			
· Debt only	100%	100%	100%
· Investments only	100%	100%	100%
Limits on variable interest rates			
· Debt only	30%	30%	30%
· Investments only	100%	100%	100%

Maturity Structure of fixed interest rate borrowing 2023/24	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 2023/24	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 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Financing Costs	£'000	£'000	£'000	£'000	£'000
1. Interest Charged to General Fund	1,825	1,862	2,811	3,681	3,665
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)	(1,141)	(824)	(618)	(618)
5. Amounts payable or receivable in respect of financial derivatives	-	-	-	-	-
6. Minimum Revenue Provision (MRP) / Voluntary Revenue Provision (VRP)	1,668	870	904	939	976
7. Depreciation/Impairment that are charged to the amount to be met from government grants and local taxpayers	-	-	-	-	-
Total	2,953	1,591	2,891	4,002	4,023
Net Revenue Stream Amount to be met from government grants and local taxpayers	14,253	13,370	13,637	13,910	14,188
Ratio **Financing Cost to Net Revenue Stream**	**21%**	**12%**	**21%**	**29%**	**28%**

Note: Outturn figures for 2021/22 and 2022/23 are unaudited

This prudential indicator shows that the ratio of financing costs to the net revenue stream is generally increasing. This is not unexpected given that the Council agreed a programme for over £61m of Capital expenditure over the period 2023/24 to 2025/26 - thus increasing borrowing costs.

Appendix 2 - Capital Expenditure Financing in 2022/23

Capital Expenditure 2022/23	2022/23 Outturn £	Finance by Borrowing £	Finance by Grants £	Finance by Capital Receipts £
Private Sector Renewal Support	13	0	13	0
Disabled Facilities Grant	1,328	0	1,328	0
Work on Harbour Arm and New Groynes	32	0	32	0
Further Sea Defence works	36	0	36	0
Playgrounds Upgrade Programme	38	0	0	38
Conversion of 12/13 York Buildings	63	0	63	0
Buckshole and Shornden Reservoirs	910	0	0	910
Churchfields Business Centre	3,021	0	976	2,045
Development / Furbishment of Lacuna Place	27	0	0	27
Cornwallis Street Development	237	0	0	237
Harold Place Restaurant Devt	9	0	0	9
Electric Vehicle Infrastructure	8	0	0	8
Castleham Car Park Resurfacing	1	0	0	1
Rough Sleeping Accommodation Programme	969	0	969	0
Castleham Industrial Units	121	0	0	121
MUGA Refurbishments	31	0	0	31
TFC - Enterprise & employment infrastructure	117	0	117	0
TFC - Green low carbon skills & economy	96	0	96	0
TFC - Hastings Castle world heritage destination	111	0	111	0
TFC - Town to sea creative quarter	1,055	0	1,055	0
TFC - Town centre core	840	0	840	0
TFC - Town centre public realm & green connections	66	0	66	0
TFC - Town living	39	0	39	0
TFC - Source/Courtyard Lift	65	0	65	0
RSI Mobile Health Unit	44	0	44	0
LC20 East Hill Cliff Railway	226	0	0	226
Hastings Retail Park	158	0	33	125
	9,661	**0**	**5,883**	**3,778**

Appendix 3 - ABBREVIATIONS USED IN THIS REPORT

CE: Capital Economics - is the economics consultancy that provides Link Group, Treasury solutions, with independent economic forecasts, briefings and research.

CFR: capital financing requirement - the council's annual underlying borrowing need to finance capital expenditure and a measure of the council's total outstanding indebtedness.

CIPFA: Chartered Institute of Public Finance and Accountancy – the professional accounting body that oversees and sets standards in local authority finance and treasury management.

CPI: consumer price index – the official measure of inflation adopted as a common standard by countries in the EU. It is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food and medical care. It is calculated by taking price changes for each item in the predetermined basket of goods and averaging them.

DLUHC: the Department for Levelling Up, Housing and Communities - the Government department that directs local authorities in England.

ECB: European Central Bank - the central bank for the Eurozone

EU: European Union

EZ: Eurozone -those countries in the EU which use the euro as their currency

Fed: the Federal Reserve System, often referred to simply as "the Fed," is the central bank of the United States. It was created by the Congress to provide the nation with a stable monetary and financial system.

FOMC: the Federal Open Market Committee – this is the branch of the Federal Reserve Board which determines monetary policy in the USA by setting interest rates and determining quantitative easing policy. It is composed of 12 members--the seven members of the Board of Governors and five of the 12 Reserve Bank presidents.

GDP: gross domestic product – a measure of the growth and total size of the economy.

G7: the group of seven countries that form an informal bloc of industrialised democracies--the United States, Canada, France, Germany, Italy, Japan, and the United Kingdom--that meets annually to discuss issues such as global economic governance, international security, and energy policy.

Gilts: gilts are bonds issued by the UK Government to borrow money on the financial markets. Interest paid by the Government on gilts is called a coupon and is at a rate that is fixed for the duration until maturity of the gilt, (unless a gilt is index linked to inflation); while the coupon rate is fixed, the yields will change inversely to the price of gilts i.e., a rise in the price of a gilt will mean that its yield will fall.

HRA: housing revenue account.

IMF: International Monetary Fund - the lender of last resort for national governments which get into financial difficulties.

MPC: the Monetary Policy Committee is a committee of the Bank of England, which meets for one and a half days, eight times a year, to determine monetary policy by setting the official interest rate in the

United Kingdom, (the Bank of England Base Rate, commonly called Bank Rate), and by making decisions on quantitative easing.

MRP: minimum revenue provision - a statutory annual minimum revenue charge to reduce the total outstanding CFR, (the total indebtedness of a local authority).

PFI: Private Finance Initiative – capital expenditure financed by the private sector i.e., not by direct borrowing by a local authority.

PWLB: Public Works Loan Board – this is the part of H.M. Treasury which provides loans to local authorities to finance capital expenditure.

QE/QT: quantitative easing – is an unconventional form of monetary policy where a central bank creates new money electronically to buy financial assets, such as government bonds, (but may also include corporate bonds). This process aims to stimulate economic growth through increased private sector spending in the economy and also aims to return inflation to target. These purchases increase the supply of liquidity to the economy; this policy is employed when lowering interest rates has failed to stimulate economic growth to an acceptable level and to lift inflation to target. Once QE has achieved its objectives of stimulating growth and inflation, QE will be reversed by selling the bonds the central bank had previously purchased, or by not replacing debt that it held which matures. This is called quantitative tightening. The aim of this reversal is to ensure that inflation does not exceed its target once the economy recovers from a sustained period of depressed growth and inflation. Economic growth, and increases in inflation, may threaten to gather too much momentum if action is not taken to 'cool' the economy.

RPI: the Retail Price Index is a measure of inflation that measures the change in the cost of a representative sample of retail goods and services. It was the UK standard for measurement of inflation until the UK changed to using the EU standard measure of inflation – Consumer Price Index. The main differences between RPI and CPI is in the way that housing costs are treated and that the former is an arithmetical mean whereas the latter is a geometric mean. RPI is often higher than CPI for these reasons.

SONIA: the Sterling Overnight Index Average. Generally, a replacement set of indices (for LIBID) for those benchmarking their investments. The benchmarking options include using a forward-looking (term) set of reference rates and/or a backward-looking set of reference rates that reflect the investment yield curve at the time an investment decision was taken.

TMSS: the annual treasury management strategy statement reports that all local authorities are required to submit for approval by the full council before the start of each financial year.

VRP: a voluntary revenue provision to repay debt, in the annual budget, which is additional to the annual MRP charge, (see above definition).

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Report to:	**Cabinet**
Date of Meeting:	**03 July 2023**
Report Title:	**Financial Monitoring Outturn Report for 2022/23 – to end of March 2023 (Period 12)**
Report By:	**Simon Jones** **Deputy Chief Finance Officer**

Purpose of Report

To provide a summary of the outturn position for services at the end of March 2023 (excluding recharges).

Recommendation(s)

To note the contents of the report, and the actions within the conclusion and management action section.

Reasons for Recommendations

To assist the Council in understanding the outturn financial position for the year end and particularly areas of over and under spend. The outturn position for 2022/23 can be used to inform budget monitoring for the 2023/24 financial year.

Key Strategic Points

- The anticipated use of the General Reserve has reduced by £1.16m from the position forecast in the 2023/24 budget working papers in February. Total usage is now expected to be £2.1m down from £3.26m.
- Reduced spending on Capital has led to no borrowing requirement for the year which in turn will lead to revenue savings in future years from lower MRP and interest payments.
- Of the £1.269m of savings identified in the 2022/23 PIER process 78% (£1.066m) of savings were achieved (82% or £401k for 2021/22).

Background

1. As part of the process of continuous improvement, and to provide more comprehensive financial monitoring, the format of the budget monitoring report has now been revised to not only include the monitoring of direct service expenditure but to also include details on debt repayment (Interest and MRP). Capital budgets are also monitored.

2. Further developments are planned for 2023/24 including monitoring and reporting of performance against Treasury Management Prudential indicators on a quarterly basis as required by the revised Prudential Code and monitoring of PIER savings agreed as part of the 2023/24 budget process.

3. In February 2022 the Council agreed a revenue budget for 2022/23 with total expenditure of £16,852,538 funded by government grants, Council Tax, Business Rates and contributions from reserves.

4. The table below shows the draft outturn position at the end of March 2023 (Period 12). As the accounts are still being closed the figures are subject to change and have not yet been audited.

Table 1: Forecast Revenue Outturn Position

March 2023 Outturn	2022/23 Original Budget £	2022/23 Draft Outturn £	2022/23 Variance £	2022/23 Variance %	February Forecast Variance £	Change £
Directorates						
Corporate Resources	2,634,310	3,271,965	637,655	24.2%	507,304	130,351
Operational Services	10,597,270	13,336,955	2,739,685	25.9%	3,039,891	(300,206)
Direct Service Expenditure	**13,231,580**	**16,608,920**	**3,377,340**	**25.5%**	**3,547,195**	**(169,855)**
Contingency Provision	300,000	0	(300,000)	-100.0%	(300,000)	0
Total Service Expenditure	**13,531,580**	**16,608,920**	**3,077,340**	**22.7%**	**3,247,195**	**(169,855)**
Minimum Revenue Provision (MRP)	1,741,200	870,251	(870,949)	-50.0%	(821,200)	(49,749)
Net Interest (Earnings) / Payments	1,579,758	663,074	(916,683)	-58.0%	(779,308)	(137,376)
Debt Repayment Costs	**3,320,958**	**1,533,325**	**(1,787,632)**	**-53.8%**	**(1,600,508)**	**(187,125)**
Total Expenditure	**16,852,538**	**18,142,246**	**1,289,708**	**7.7%**	**1,646,687**	**(356,980)**

5. As can be seen from the table above the draft outturn for Total Expenditure is £1,289,708 over budget at year end. This is a decrease of £356,980 on the overspend reported at the end of period 11 (February).

6. The overspend of £3,377,340 on Direct Service Expenditure is offset in part by savings on contingency, MRP and Net Interest payments. Further details on the different elements are given below.

Direct Service Expenditure

7. The 2022/23 Direct Service Expenditure budget agreed by Council was £13,231,580. These figures exclude the contingency budget (£300,000) which is held separately and recharges.

8. Table 2 below details the current forecast outturn position for Direct service Expenditure.

Table 2: Revenue Direct Service Expenditure Position

Directorate	2022/23 Original Budget	2022/23 Draft Outturn	Variance	Trf to / (Use) of Reserves	2022/23 Draft Outturn Variance
	£	**£**	**£**	**£**	**£**
Corporate Resources	2,634,310	3,072,422	438,112	199,543	**637,655**
Operational Services	10,597,270	13,637,160	3,039,890	(300,205)	**2,739,685**
Total	**13,231,580**	**16,709,582**	**3,478,002**	**(100,662)**	**3,377,340**

9. The outturn overspend on Direct Service Expenditure has reduced by £169,855 since the February forecast. The most notable net variance causing this charge are:

- A new variance of £454,148 overspend on Housing Benefits. The budget for the recovery of Housing Benefits Overpayments was set at £896,440 which is in line with previous years. In the last 4 years this cost centre has benefited from an annual reduction in the bad debts provision leading to a credit (income), however this year a £466,960 increase in the provision was required leading to this variance arising. This area is not specifically monitored throughout the year and hence there has been no prior warning of this variance. Quarterly monitoring will need to be undertaken during 2023/24 to insure we are aware of any future variance.
- An increase of £342,000 on Homelessness expenditure due to rising costs of temporary housing and increasing number of clients presenting as homeless. This variance is in part due to the new year end transfer between Housing Benefits and Homelessness to compensate HB for overpayments which are not covered by subsidy. This is a result of a change made by the Homelessness Taskforce which is bringing in additional income to the council but results in some anomalies on the year end benefits return which need to be corrected by this internal recharge. This recharge is now being closely monitored going forward.
- Increased overspend of £76,000 on Revenues and Benefits Service in relation to additional audit fees accrual of £21,000 and £55,000 of income not being received from ESCC which had been expected but will not actually be received.
- Additional overspend of £63,900 on Corporate Expenses due to software costs (Capita system still needed for some payment methods) and systems consultancy work.

Offset by:

- A reduction of £187,400 on Development Management forecast overspend due to additional income being identified which had been miscoded on the ledger. This missing income led to the forecast income being lower and was not identified earlier due to the volume of transactions.
- A increase of £171,200 in the underspend forecast on Financial Services Other Expenditure and Income. There has been a unbudgeted credit of £118,600 due to the writing-off of old balances held on the ledger system which were no longer required. The remainder is due to not all the severance budget being required.
- A reduction of £106,000 on the forecast overspend for Properties and Estates. The Rents and service charges expenditure budget was set based on the prior year which included some backdated invoices for other years.
- Grant income of £90,800 from the Household Support Fund to cover the council's costs of implementing the scheme. This income had not previously been budget for.
- Additional income of £76,000 on Muriel Matter House due to additional rental and service charge income and the cost of cleaning sitting within the DSO budget.
- A reduction of £65,800 in the forecast overspend for Housing Renewal due to Disabled Facility Grant funds being used to cover staff salaries.
- A saving of £64,800 on Cemetery & Crematorium due to greater than forecast levels of income in February and March.
- An additional £132,700 underspend for off-street car parking due to better than forecast parking permit income £50,000 and reduced recharge to Foreshore Trust £75,000.
- A savings of £60,700 on Public Conveniences due to the new contractor charging less and a refund on business rates.

10. Appendix 1 provides a more detailed analysis of each directorate, and this report seeks to provide further narrative on the main variations identified.

11. At the time of writing inflation remains elevated and wage growth demands, and energy costs are high. These factors are having a substantial impact on the Council's budgets and have led to significant unavoidable additional expenditure.

12. The figures and estimates contained in this report were produced based on the latest available information, and as such could potentially be subject to further change and the statement of accounts is finalised and then audited.

13. The salary costs in the report include the agreed 2022/23 pay increase of £1,925 per Full Time Equivalent (FTE) which has now been paid to staff in full. The salaries budget for 2022/23 had assumed an increase of 1% at a cost of £119k. The agreed pay offer has cost the Council £750k. As only £119k was budgeted for this represents an unbudgeted overspend of £631k. The impact of this increase is offset to some extent by vacancies that have occurred and the recruitment freeze.

Corporate Resources

14. The service shows a forecast overspend of £637,655 after transfers from reserves.

15. Accountancy and Exchequer Services is showing an underspend of £40,819 due to salary slippage on vacant posts.

16. Revenues and Benefits are showing an overspend of £264,831 due to a delay in the planned restructure of the service. This has led to the continuation of the temporary staffing structure and reliance on additional agency members of staff longer than anticipated, coupled with additional demand placed on the team to deal with extra grant schemes throughout the financial year. A full restructure is currently in process and will be concluded in the next financial year.

17. Corporate Expenses is showing £78,860 additional spend on software due to a general increase in costs across the board and the need to continue with our current service provider to take payments over the counter and telephone. There has also been additional expenditure on consultancy costs to implement the new Pay360 software.

18. Unit Factories is showing an additional savings of (£34,303), this is mainly due to contract cleaning being done by the Building Cleaning DSO (£22,000) and a saving on the Business Rates budget of (£17,000). Repairs are showing an underspend of (£18,500) which is being used to part offset the repairs overspend in Properties and Estates. Rents are £18,000 down against budget due to some vacant periods and some minor rent free agreements.

19. Properties and Estates are showing an overspend of £72,198. An overspend of £90,900 has occurred on the repairs budget to cover additional works identified. Insurance excess of £7,200 has been paid. There is a reduction in rental income of £78,000 mainly due to a rent free period negotiated by tenants. Business rates for Lacuna Place have been paid for a vacant unit costing an additional £33,900 against the budget. Rents and Service charges payable are showing an underspend of (£113,500). Costs have been recovered for surveyors' fees relating to Harrow Lane (£38,000). The rest of the cost centre is made up of various smaller overs and unders.

20. St Mary in the Castle is showing an overspend of £14,250 on essential costs while the building is vacant.

21. Housing Benefits is showing an overspend of £454,148. This is in relation to lower than budget income for Housing Benefits Overpayments (HBOP). The budget was set at £896,440 which is in line with previous years, however the charge to the bad debts provision was larger than budget for. In the last 4 years this cost centre has benefited from an annual reduction in the bad debts provision leading to a credit (income), however this year a £466,960 increase in the provision was required leading to this variance arising. This area is not specifically monitored throughout the year and hence there has been no warning of this variance. Quarterly monitoring will need to be undertaken during 2023/24 to insure we are aware of any future variance.

22. Finance Other Expenditure and Income is showing an underspend of (£214,334). Various accounts on the balance sheet have been reviewed and old balances written off resulting in a credit of (£118,600). Underspend of (£55,800) is due to recovery from an insurance claim paid out in 2021/22. The severance budget was underspent by (£53,200). The rest of the variance is made up of various smaller over and underspends.

23. Corporate Management Costs is showing an overspend of £131,371, of this £90,000 is due to consultancy work undertaken by the Councils Treasury Advisors to perform a review on the current method of calculating Minimum Revenue Provision (MRP) payments and to provide suggested alternative methods. This review has identified in year savings of approximately £837k which have been added to the monitoring with the savings shown under the “Provision for the Repayment of Principal (MRP)” line. Additional external audit costs of £58,800 have been accrued for the audits taking place for 2021/22 and 2022/23. The cost of the audit work is partly offset by a grant of (£18,400) that has been received. The rest of the variance is made up of various smaller over and underspends.

24. Personnel and Business Support is showing an underspend of (£44,901) due to salaries slippage on vacant posts.

25. Corporate Policy and Partnerships is showing an underspend of (£20,276) due to salary savings on the Continuous Improvement and Democratic Services Manager post. These savings are being used to fund a Transformation Officer post in the Transformation Team (£31,600). Pay award increases of £10,200 are also showing here.

26. Legal Services are showing an additional (£34,366) due to a late (£30,000) refund received from the Ministry of Justice.

27. The Transformation Team is showing a £52,968 overspend on salaries as it is using the salary savings mentioned above in Corporate Policy and Partnerships to fund a Transformation Officer post £26,700. Pay award increases of £5,000 and regrade of post of £21,500 are also showing here.

28. Corporate Personnel Costs is showing an overspend of £33,158 on staffing costs.

29. Muriel Matter House is showing an underspend of (£78,559) due to additional rentals for the 2nd Floor including the service charge (£30,000) and the cleaning contract now being taken over by the Building Cleaning DSO (£40,000), spend for this is in the Building Cleaning DSO cost centre.

30. Decorative lighting is showing an overspend of £24,350 due to increased electricity prices. Project Costs of £44,280 for the Sticks of Rock project in the Decorative Lighting budget have been carried forward from 2021/22 and financed from reserves. Works are dependent on ESCC as decorative lights are replaced once ESCC has replaced the whole lamppost.

31. Information Technology Division is showing a £20,304 overspend due to the staff pay award being higher than the budgeted figure.

32. The remaining balance is made up from various other variances which are shown in Appendix 1.

Operational Services

Environmental Health

33. The service is forecasting an underspend of (£19,192) against the budget.

34. Environmental Management and Admin is forecasting an underspend of (£12,700). There are salary savings of (£42,000) from the Senior Management restructure but also an increase of £24,000 expected for the pay award. There are savings on travel and systems costs of around (£3,000) each which largely makes up the remaining balance.

35. Local Licensing is showing an additional (£19,309) due to a reduction in signage and Disclosure Barring Service costs (£9,000) and (£10,000) additional income from taxi licensing.

36. The remaining balance is made up from various other variances which are shown in Appendix 1.

Parking Services

37. The Parking Service is showing a overspend of £100,833 against the budget.

38. The parking income is showing reduced income of £84,264. This is mainly due to lower fee income received at the sport centre car parks £50,000, the closing of Cornwallis car park £70,000 and a reduction in season ticket sales £25,000. This is partly offset by (£75,000) underspend as the recharge to the Foreshore Trust was lower due to reduced income being received.

39. Salaries are underspent by (£15,900) as the £23,000 increase in costs from the pay award has been offset by (£38,900) in salary slippage for the vacant posts.

40. The Fixed Penalty Notices income is showing reduced income of £19,015 due to the lapse in legislation regarding dog related fines.

41. The remaining balance is made up from other minor variances.

Waste

42. The service is showing an underspend of (£69,543).

43. The DSO service is showing a saving of (£57,783). Of this (£65,000) is due to salary slippage and staff turnover, we are currently still in need of filling 3 posts. The remainder is mainly made up from savings on vehicle repairs (£17,000) and vehicle fuel (£5,000). The Foreshore Trust recharge was £29,500 lower than anticipated resulting in less income.

44. Greenwaste is showing increased income of (£52,568) due to a larger customer base.

45. The Refuse Collection budget is overspent by £43,316. Of this £22,000 is due to changes in indexation, budgeted at 5% but came in at 5.89%. Another £20,000 is from increased costs for purchases of bins due to higher prices. Bulky Waste income came in (£6,800) under budget. Stock adjustment credit for the bins has resulted in a (£10,000) saving against the equipment budget.

46. The Public Convenience budget is showing an underspend of (£90,396). This is mainly due to the new contractor coming in at a lower rate but also savings have been made on Business Rates (£12,000). The Foreshore Trust income recharge came in (£5,000) above the budget.

47. The Building Cleaning DSO is showing spend of £115,185 for the year, this is covered by savings on contract cleaning across various services with an overall saving of over (£20,000).

48. The remaining balance is made up from other variances minor variances which are shown in Appendix 1.

Amenities

49. The service is showing additional spend of £4,259 against the 2022/23 budget once carry forwards and transfers from reserves are taken into account.

50. The Open Space Management Team is showing savings of (£11,405). The Parks and Open Spaces Manager reducing from 5 days to 3 days per week is showing a saving of (£23,100). An increase for the pay award of £12,900 is also here.

51. Cemetery & Crematorium is showing additional income of (£15,410). Fees and Charges have achieved £111,000 additional income above the budget however this has been partly offset by a £95,600 overspend on gas and electricity costs.

52. Welfare Funerals is showing an overspend of £16,938 due to the write-off of uncollectable debts.

53. Arboriculture is £9,893 overspent. There have been additional health and safety works required for Ash Dieback this year of £10,000. This is in addition to the £15,250 carry forward required to deal with a backlog of work following damages from the storms in February and March 2022. The other variance on this cost centre is the pay award.

54. Parks and Gardens is showing an overspend of £20,995. The Grounds Maintenance indexation for November to March means an additional £10,000 costs here. Rents are anticipating a shortfall of £22,000 due to an adjustment for the West Hill Café for dilapidations. There are (£12,000) savings on the cleaning contract as this is now done by the Building Cleaning DSO.

55. Hastings Country Park is showing an under spend of (£10,619). This is mainly due to (£12,700) savings on the cleaning contract as this is now done by the Building Cleaning DSO. There are some minor overs on utilities which make up the balance.

Marketing and Major Projects

56. The service is showing an underspend of (£18,477).

57. Marketing and Comms is showing a salaries overspend of £4,800.

58. Community Awareness has an underspend of (£12,753) due to additional income form advertising on the seafront.

59. Tourist Information Centre / Visitor Centre has an underspend of (£7,944) for salaries due to closing the site.

60. Filming has seen an increase in activities leading to additional income of (£9,198).

61. Midsummer Fish Festival is overspent by £8,853, there was reduced footfall this year caused by train strikes and adverse weather.

62. The remaining balance is made up from various other minor under and overspends which can be found in Appendix 1.

Regeneration

63. The service is showing an underspend variance of (£136,213).

64. Planning Policy underspent (£21,368) due to a Technician vacancy and the Senior Planner being on Maternity Leave.

65. Cultural Activities are showing an underspend of (£17,641) due to a vacant post for Arts & Cultural Regeneration Officer.

66. External Funding Initiatives is showing an underspend of (£9,052) due to a vacant position.

67. Renewable Energy Solutions has an underspend of (£62,649) due to vacancies.

68. Wayfinding has and underspend of (£9,561) which is external funding to offset staff time for the project.

69. UK shared prosperity fund (£20,000) Contribution from the project towards Development Management and admin costs during the year.

70. The remaining balance is made up from various other minor under and overspends which can be found in Appendix 1.

Leisure

71. The service is showing an overspend of £16,785

72. Sports Centres is showing an overspend of £3,770 which is due to agreed reduction in rent for Bowls £5,000 and leisure management fee not requested. Due to the lasting impact of Covid-19 and the large increase in energy costs faced by Freedom Leisure the council has chosen to waive the £30,000 leisure management fee due for 2022/23 to help support Freedom Leisure. The Council is looking at installing PV arrays at Summerfields Leisure Centre to reduce the energy costs faced by Freedom Leisure. The repairs budget was unspent by (£31,000).

73. Active Hastings overspent by £13,100 due to additional staff to cover maternity leave

Resort Services

74. The service is showing an underspend of (£136,598).

75. Sports Management is showing an underspend of (£28,979) mainly due to vacant post and additional income.

76. Cliff Railways is showing an underspend of (£62,417). Income was up during the year which allowed the lift to be closed for repairs.

77. Seafront was underspent by (£23,510) as the repairs budget was not fully utilised.

78. Chalets & Private Hut Sites was underspent by (£10,784). Repairs were underspent by (£4,900) and additional income of (£6,500) have been partly offset by other minor net overspend of £600.

79. White Rock Theatre was overspent by £26,560 due to additional repairs

80. The Museum is currently showing an underspend of (£58,855). The vacant manager post and a staffing restructure that has taken place has led to an underspend of (£35,000). Income achieved more than budgeted by (£36,000). A number of other minor under and overspends make up the balance on this cost centre.

81. The remaining balance is made up from various other minor under and overspends which can be found in Appendix 1.

Housing and Built Environment

82. The service is showing an overspend of £2.997m against the 2022/23 budget.

83. Management & Admin cost Centre is showing an overspend of £29,727 mainly due to Additional cost of S184 Officer and Agency Staff.

84. Dangerous Structures work at Battle Road was expected to cost £522,500 to be funded from the General Reserve. £60,000 was remaining at the end of 2021/22 and requested to be carry forward. With this taken into account there is an adverse variance of £407,706 for the year.

85. Planning Management & Admin is showing a underspend of (£54,735), This arises from a in year staff vacancy (£10,000) and additional receipts (£44,000).

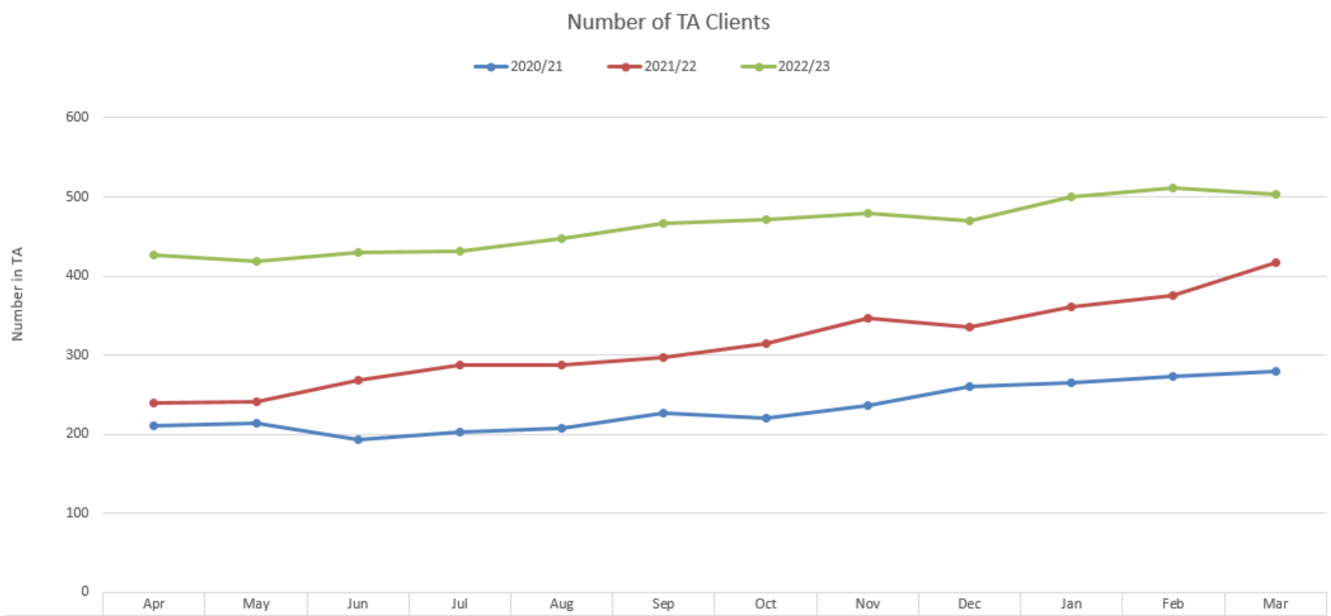
86. Development Management is showing an overspend of £125,506 against the original budget. This arises from two additional staff agreed mid-year by CMG at a cost of £53,000 each. In the financial year agency staff were being used to cover vacant posts costing £100,000. These overspend are offset in part by a number of small underspends including Legal Fees (£13,200) and Postage (£10,500). Employment of agency staff ended in this financial year.

87. The Homelessness budget is forecasting an overspend of £2,384,699. This is due to the rising costs of temporary housing coupled with the number of clients presenting as homeless increasing.

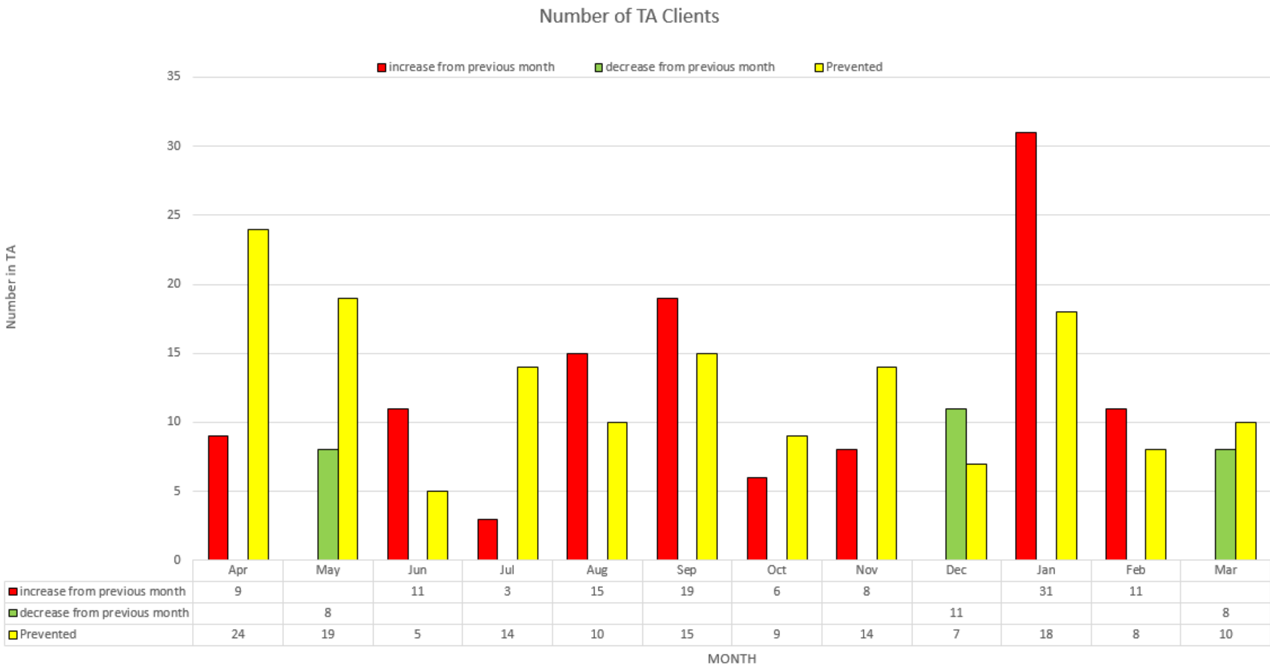
88. HBC Owned properties have cost £52,407 after allocation of homeless reduction grant, this is the first year of splitting these costs from the leased Social Lettings cost centre. Minor repairs cost £45,000.

89. Rough Sleepers cost an additional £147,795 due to the continuation of the "off the street" discretionary placements offer.

90. The first graph below demonstrates the growth in the number of Temporary Accommodation clients over the current year and past two years.
The second graph shows successful preventions from entering Temporary Accommodation and the increase/ decrease from the previous month figure.



	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2020/21	211	214	194	202	208	226	220	236	261	265	273	279
2021/22	240	241	269	287	287	297	315	347	335	361	376	417
2022/23	426	418	429	432	447	466	472	480	469	500	511	503



91. Household Support Fund is underspent by (£90,830). This is the administration element the council is allowed to keep to offset the costs of implementing the scheme.

92. The remaining balance is made up from various other minor variances which are shown in Appendix 1.

Debt Repayment Costs

93. Table 3 below shows the debt repayment costs position. A underspend of £1,787,633 has been achieved. This is comprised of a number of items which are discussed below.

Table 3: Debt Repayment Costs Position

Net Interest (Earnings) / Payments	Original Budget 2022/23	Draft Outturn 2022/23	Draft Year End Variance
Gross Interest Payable	2,137,124	1,862,230	(274,894)
Gross Interest Received	(503,366)	(1,140,936)	(637,570)
Net Investment Properties Income	(64,000)	(68,470)	(4,470)
Fees	10,000	10,250	250
Net Interest (Earnings) / Payments	**1,579,758**	**663,074**	**(916,684)**
Provision for the Repayment of Principal (MRP)	1,741,200	870,251	(870,949)
Total Debt Repayment Costs	**3,320,958**	**1,533,325**	**(1,787,633)**

Gross Interest Payable

94. The Council currently has 22 separate loans with the Public Works Loan Board (PWLB). These loans are a combination of maturity and annuity loans and are all at fixed rates, so the council is protected from any rises in interest rates.

95. When setting the budget for 2022/23 a certain amount of borrowing was assumed to fund the capital programme. Due to delays from Covid-19 and changes to plans the Council borrowed less than anticipated. This has resulted in an underspend of £274,894 on expenditure on interest repayments. This is a decrease of £15,030 since the February budget monitoring.

Gross Interest Receivable

96. The Council currently has c£30m in investments. At the time of setting the budget interest rates were low and forecast investment returns were minimal. Since the budget was set in February 2022 the Bank of England base rate has increased from 0.5% to 4.25% (as at 23rd March 2023) and further increases are forecast. These increases in rates, and hence investment returns, have led to an additional £637,570 in income. This is an increase of £147,936 since the February forecast. The income has kept rising as investments mature and are reinvested at higher rates.

Net Investment Properties Income

97. The Council has a few properties categorised as investment properties. These do not include the various industrial units and retail parks that the Council owns which are categorised as operational assets. The net income (i.e. income after all costs have been deducted) from Investment properties is £68,4700 which is above the budget by £4,470. This is due to lower than anticipated deductible expenses.

Fees

98. The £10,250 expenditure on fees is in relation to the fees we pay our treasury management advisors for the advice they give us. This includes guidance on investment and borrowing strategies, interest rate forecasts, counter party risk analysis and many other technically complex areas. A minor overspend of £250 against the £10,000 budget has been incurred.

Provision for the Repayment of Principle (MRP)

99. The Council is required to make a Minimum Revenue Provision (MRP) payment in respect of its borrowing – to ensure the debt liability is repaid over an appropriate period.

100. As identified earlier in the report the Council engaged its treasury management advisors to undertake a review for our MRP policy. The review has now been concluded and a new method of calculating MRP has been identified which is not only considered more prudent, fairer to taxpayers and inline with suggested practice from CIPFA but also produces savings in the early years of adoption. The

MRP calculation for 2022/23 has been completed and a total saving of £870,949 has been achieved compared to the budget.

101. As the actual level of borrowing in 2021/22 was less than forecast and this resulted in a savings of £34,200 on the MRP payments that need to be made for 2022/23. The remainder of the saving (£836,749) has come from the MRP policy change.

Capital Programme

102. The revised Capital Budget for 2022/23 is £13,958,000 once carry forwards and budget revisions amounting to (£7,788,000) have been allowed for.

103. As Table 4 below shows, the spend to the end of March was £9.661m resulting in an underspent of £4.297m.

104. Further details are included in Appendix 2.

Table 4: Capital Programme (Gross expenditure)

Directorate	Original Budget 2022/23	Carry forwards & adjustments	Adjusted Budget	Draft Outturn	Variance to Adjusted Budget
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Operational Services	9,457	79	9,536	6,025	(3,511)
Corporate Resources	12,289	(7,867)	4,422	3,636	(786)
Total	**21,746**	**(7,788)**	**13,958**	**9,661**	**(4,297)**

105. The main variances against the adjusted budget are discussed below:

- Disabled Facilities Grant (£603k underspend). This is a demand led service and if fully financed by government grant. Any underspend will be transfer to the DFG earmarked reserve for use in future years where demand is greater than that years grant allocation.
- Road at Pelham Arcade (£603k underspend). No expenditure has occurred in this year.
- Harbour Arms & New Groynes (£234k underspend). Only minimal expenditure of £32k has occurred this financial year. The underspend will need to be carried forward into the new financial year.
- Playgrounds upgrade programme (£44k underspend). Expenditure of £36k has been incurred on children’s play equipment.
- Energy Generation (£638k underspend). No expenditure has occurred in this year. The underspend will need to be carried forward into the new financial year.
- Buckshole and Shornden Reservoirs Statutory Protection Works (£81k underspend). Expenditure of £910k has occurred this financial year.

- Priory Street Works (£41k underspend). No expenditure has occurred in this year.
- Next Steps Accommodation Pathway (£745k underspend). Expenditure of £969k has occurred in the year. The underspent budget will be carried forward into the next financial year to continue the programme of purchases. This scheme is 100% grant funded.
- Bexhill Road South (£1,075k underspend). No expenditure has occurred in this year.
- MUGA Refurbishments (£49k underspend). Expenditure of £31k has been incurred on two refurbishments.
- Towns Fund Projects (£360k overspend). Some projects do not have budgets in this year but have still incurred expenditure and others have overspent on their budgets. At this stage all expenditure is grant funded.
- Cliff Railways (£226k overspend). The budget for this project is in 2023/24 however some initial costs have been incurred early. The 2023/24 budget will be underspent due to this early expenditure.
- Conversion of 12/13 York Buildings (£47k overspend). Although all work is now completed, we are still receiving retention payments requests from suppliers. Some of the payments were not expected until 2023/24 so the budget sits in that year.
- Priory Meadow - Contribution to capital works (£250k underspent). No request for contributions to capital expenditure have been received for this year.
- Churchfields Business Centre (£359k underspend). Expenditure of £3,021k has been incurred in this financial year. The unspent budget will be carried forward to the next financial year to complete the project.
- Development / Refurbishment of Lacuna Place (£114k underspend). Expenditure of £27k was made during the year).
- Cornwallis Street Development (£42k underspend). Expenditure of £238k has occurred during the year. The unspent budget will be carried forward to the next financial year to continue the project.
- Castleham Industrial Units roofing repairs (£204k underspend). Expenditure of £121k has been incurred for the year. The unspent budget will be carried forward to the next financial year to continue the project.
- Hastings Retail Park (£158k overspend). Expenditure has been incurred but there was no budget. Part of these costs can be reclaimed from the tenants.

Reserves

106. The forecast movement on reserves is shown in the table below:

	Balance at 1 April 2022 £'000	Movement 2022-23 £'000	Balance at 31 March 2023 £'000
General Reserve	(9,698)	2,099	(7,599)
Capital Reserve	(150)	0	(150)
Renewal and Repairs Reserve	(1,471)	(185)	(1,656)
Risk Management Reserve	(315)	0	(315)
Information Technology Reserve	(206)	(68)	(274)
On-Street Car Parking Surplus Reserve	(40)	0	(40)
Section 106 Reserve (Revenue)	(418)	(8)	(426)
Revenues & Benefits Reserve	(394)	139	(255)
Local Authority Parks Improvement	(6)	6	0
Countryside Stewardship Reserve	(21)	(7)	(28)
Monuments in perpetuity	(46)	0	(46)
Ore Valley Reserve	(250)	0	(250)
Invest to save and efficiency Reserve	(127)	40	(87)
Resilience and Stability Reserve	(1,000)	100	(900)
Redundancy Reserve	(665)	100	(565)
Safer Hastings Partnership Reserve	(100)	2	(98)
Carry-forwards	(933)	933	0
Revenue Hardship Fund	(80)	80	0
Disabled Facilities Grant	(1,374)	0	(1,374)
Syrian Resettlement Programme	(17)	17	0
Selective Licensing Reserve	(144)	144	0
Housing Licensing reserve	(390)	113	(277)
Community Housing Reserve	(55)	44	(11)
Controlling Migration	(116)	0	(116)
Towns Fund	(236)	0	(236)
Section 31 - Grant Reserve	(12,354)	6,018	(6,336)
Rounding	2	(2)	0
Total	**(30,604)**	**9,565**	**(21,039)**

107. Most reserve movements have now been agreed and finalised however as work on closing the accounts is still ongoing the balance on the General Reserve is likely to change but the most accurate estimate possible has been given at this stage.

108. The 2022/23 yearend forecast use of the General Reserve is £2.1m. This is £1.16m less than the £3.26m forecast outturn used in the 2023/24 budget papers agreed by Council in February. This is a result of Total Service Expenditure being £981,000 below the £17.2m forecast outturn in the budget papers and also the transfer of some unnecessary reserve balances to the General Reserve.

Review of PIER savings

109. In the 2016/17 Audit Completion Report from BDO the then external auditors observed that PIER savings are planned in detail within the council's annual budget process reports and savings identified are removed from the budgets once approved by Cabinet. They commented that there is opportunity to enhance reporting to Cabinet further by stating actual savings achieved compared to the original estimate.

110. It was recommended that management include the actual savings achieved against each PIER scheme following their implementation when reporting the outturn variance. This recommendation was accepted by the Council and Appendix 3 details the achievement of the savings in 2022/23.

111. The 2022/23 budget identified PIER savings of £1,368,580 and it has been calculated that £1,066,110 of savings or 78% were achieved within the year. The variance is an underachievement of £302,470 (22%) of the targeted savings. This is a similar situation to 2021/22 where an underachievement of savings of 17% (£83,000) occurred, however this was against a smaller savings target of £484,000.

112. Some of the savings can be hard to quantify and for these accountants have provided commentary to help in the understanding of the figures. The savings have also been colour coded (Red, Amber, Green) to enable quick identification of where savings were not fully achieved. Appendix 3 only considers the PIER savings and does not look at other savings generated within the year or identify any non-related overspends.

Conclusion and Management Action

113. The revenue outturn is that an additional £1,289,708 has been spent compared to the budget this financial year. All service managers, but in particular those predicting year end overspends were asked to identify savings to offset the variances where possible. This has reduced the level of the overspend that would have been incurred had remedial work not taken place. Further savings were achieved by a recruitment freeze that led to only essential posts being filed when they became vacant. The overspend will need to be financed using reserves.

114. The rise of inflation, particularly in relation to energy costs, is a cause for concern for the council and has had a significant impact on the year end outturn position. However, future risk of any increase has been mitigated by a new energy contract which will lead to fixed rates to allow better stability in forecasts and mitigate price changes.

115. The recent Finance Peer Review by the LGA in March has provided additional support and advice for dealing with the current financial position. It should be noted that piece of work was completed before the final financial position for 2022/23 was finalised, but the SLT (Senior Leadership Team) have already started implementing a number of key action areas.

116. The monitoring position has been greatly helped by the change in the MRP policy which has generated a in year saving of £787,000.

117. A number of unidentified under and overspend have materialised in the last month of the year which could have been foreseen earlier. Greater scrutiny of budgets will need to be undertaken to ensure variances are reported at the earliest possible opportunity.

118. As part of the commitment to greater budget awareness and the roles of different committees, all staff and Councillors will have training on a number of crucial areas including budget management, Risk & Audit, Treasury Management and Scrutiny.

119. If it wasn't for the overspend on Homelessness (£2.384m) the council would be reporting an underspend of £1.095m for the year. The council has setup the Homelessness Taskforce to cross departmental boundaries and identify and implement solutions to reducing the spiralling costs. This is recognised as a key corporate objective and work continues in this area.

120. If the position is not immediately addressed and the costs continue to grow at the current rate for Temporary Accommodation and the Council is not able to control this area and stay within budget whilst also achieving the savings identified as part of the budget setting process then the impact on the MTFP will be greater use of reserves than forecast and the CFO (Chief Finance Officer) will have no option other than to issue a Section 114 notice.

121. Whilst Appendix 4 provides an update to the MTFP (Medium Term Financial Plan), this is based on the original figures used as part of budget setting and updated with the latest outturn figures from 2022/23 included in this report along with some key additional updates at the time of writing. Further updates to the plan will be provided in the next and future monthly financial reports, which will also include Savings (in year) progress as well as the crucial indicator of Quarter one forecasts, in particular Housing.

122. Capital is underspent by £4.297m. Expenditure on many of the schemes will still be incurred but will slip into the next financial year. Slippage on the capital programme will result in interest and MRP charges being pushed out into future years.

123. The further use of reserves to balance the budget reduces the potential to use reserves to fund future expenditure and will necessitate greater cuts to services and staff in future financial years to achieve a balanced budget and keep reserves at or above minimum recommended levels. There is a review of Reserves currently underway and the results and recommendations will be shared in a future report in more detail when the work is completed.

Timetable of Next Steps

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

Action	**Key milestone**	**Due date (provisional)**	**Responsible**
Continued monthly and	Each financial	Relevant CAP	Deputy Chief

quarterly monitoring	quarter	meetings	Finance Officer
Production of 2023/24 outturn Report	Financial year end (31/03/2024)	July 2024	Chief Finance Officer / Deputy Chief Finance Officer

Wards Affected

None

Implications

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

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

Additional Information

Appendix 1 Operational Services and Corporate Resources – Revenue Summary P12
Appendix 2 Operational Services and Corporate Resources – Capital Summary P12
Appendix 3 PIER Proposals 2022/23 - Achieved/ Not Achieved
Appendix 4 – MTFP Update

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Corporate Resources **Appendix 1**

GENERAL FUND REVENUE MONITORING

General Fund Activities	Cost Centre	Original Budget excl. Recharges £'s	Actuals £'s	Total Full year Variance excl. Recharges (Original) £'s	Transfer to / from reserves including carry forwards	Total Full year Variance on General Fund £'s
Estates Services	20104	244,090	243,794	(296)	0	**(296)**
Managing Director	20101	201,400	202,437	1,037	0	**1,037**
Internal Audit Services	20107	251,800	260,624	8,824	0	**8,824**
Accountancy & Exchequer Services	20109	863,930	823,111	(40,819)	0	**(40,819)**
Revenues and Benefits Service	20110	1,391,690	1,656,521	264,831	0	**264,831**
Fraud Joint Working Initiative	20108	2,300	2,660	360	0	**360**
Corporate Expenses	20120	444,700	523,560	78,860	0	**78,860**
Employment Areas	20130	(409,020)	(431,517)	(22,497)	0	**(22,497)**
Unit Factories	20131	(1,616,870)	(1,651,173)	(34,303)	0	**(34,303)**
Properties & Estates	20132	(3,380,830)	(3,308,632)	72,198	0	**72,198**
St.Mary-in-the-Castle	20133	11,820	26,070	14,250	0	**14,250**
Housing Benefit Payments	20126	(116,590)	337,558	454,148	0	**454,148**
Fin.Serv.-Other Expend.& Income	20135	171,720	(141,890)	(313,610)	99,276	**(214,334)**
Corporate Management Costs	20124	126,200	257,571	131,371	0	**131,371**
Corp. Man. Non-distributed Costs	20125	653,600	635,294	(18,306)	0	**(18,306)**
Tax Collection Costs	20129	(244,170)	(250,205)	(6,035)	0	**(6,035)**
Personnel and Business Support	20111	489,420	444,519	(44,901)	0	**(44,901)**
Corporate Policy and Partnerships	20102	187,310	167,034	(20,276)	0	**(20,276)**
Election Services	20103	142,720	146,951	4,231	0	**4,231**

Corporate Resources **Appendix 1**

GENERAL FUND REVENUE MONITORING

General Fund Activities	Cost Centre	Original Budget excl. Recharges £'s	Actuals £'s	Total Full year Variance excl. Recharges (Original) £'s	Transfer to / from reserves including carry forwards	Total Full year Variance on General Fund £'s
Legal Services	20106	465,710	431,344	(34,366)	0	**(34,366)**
Transformation Team	20115	115,370	168,338	52,968	0	**52,968**
Corporate POD Expenses	20112	124,520	157,678	33,158	0	**33,158**
Admin.Bldgs.-Town Hall	20116	25,630	(5,562)	(31,192)	24,724	**(6,469)**
Admin.Bldgs.- Murial Matters House	20117	251,330	154,521	(96,809)	18,250	**(78,559)**
Admin.Bldgs.-General Expenses	20118	56,000	32,639	(23,361)	16,097	**(7,264)**
Registration Of Electors	20136	76,430	80,100	3,670	0	**3,670**
Cost Of Democratic Processes	20138	382,060	377,445	(4,615)	0	**(4,615)**
Borough Council Election Expenses	20139	75,000	96,092	21,092	0	**21,092**
Contact Centre	20113	528,250	523,917	(4,333)	0	**(4,333)**
Building Surveyors	20105	143,730	149,680	5,950	0	**5,950**
Shelters and Seats (Highway)	20148	39,730	34,113	(5,617)	(7,459)	**(13,076)**
Naming and Numbering Streets	20149	10,320	7,639	(2,681)	0	**(2,681)**
Decorative Lighting	20150	77,580	146,210	68,630	(44,280)	**24,350**
Information Technology	20121	540,850	561,154	20,304	0	**20,304**
IT Reserve Expenditure	20122	214,000	121,065	(92,935)	92,935	**0**
Land & Property Systems-GIS	20123	29,540	29,484	(56)	0	**(56)**
Communications and Design	20324	121,270	120,509	(761)	0	**(761)**
Foreshore Trust	Various	(58,230)	(58,230)	0	0	**0**
Directorate Total		**2,634,310**	**3,072,422**	**438,112**	**199,543**	**637,654**

Operational Services **Appendix 1**

GENERAL FUND REVENUE MONITORING

General Fund Activities	Cost Centre	2022/23 Original Budget excl. Recharges	Actuals	2022/23 Total Full year Variance excl. Recharges	Transfer to / from reserves including carry forwards	2022/23 Total Full year Variance on General Fund
Environment Management & admin	20169	617,990	646,580	**28,590**	(41,290)	**(12,700)**
Food Safety	20276	18,970	17,347	**(1,623)**	0	**(1,623)**
Health & Safety Enforcement	20277	(2,160)	(238)	**1,922**	0	**1,922**
Environmental protection	20279	9,890	11,384	**1,494**	0	**1,494**
Health & Safety Corporate	20278	22,800	23,841	**1,041**	0	**1,041**
Pest Control	20280	44,620	47,741	**3,121**	0	**3,121**
Local Licensing	20281	(47,400)	(66,709)	**(19,309)**	0	**(19,309)**
Scrap Metal Licensing	20282	(380)	(501)	**(121)**	0	**(121)**
Liquor Licensing	20283	(84,400)	(80,722)	**3,678**	0	**3,678**
Gambling Licensing	20284	(17,500)	(11,975)	**5,525**	0	**5,525**
Neighbourhood Safety	20299	86,050	81,466	**(4,584)**	0	**(4,584)**
Safer Hastings Partnership	20300	0	1,907	**1,907**	(1,907)	**0**
Emergency Planning	20286	50,630	52,994	**2,364**	0	**2,364**
Environmental Health Total		**699,110**	**723,115**	**24,005**	**(43,197)**	**(19,192)**
Parking and Enforcement Team	20317	499,460	483,560	**(15,900)**	0	**(15,900)**
Off Street Car Parking	20287	(1,315,320)	(1,216,458)	**98,862**	(14,598)	**84,264**
Horntye Car Park	20288	(3,360)	(3,206)	**154**	0	**154**
CCTV Control Room	20290	70,000	82,716	**12,716**	0	**12,716**
Stray Dog Service	20285	35,560	35,160	**(400)**	0	**(400)**
Waste and Environmental Enforcement Team	20297	(20,000)	(985)	**19,015**	0	**19,015**
Abandoned Vehicles	20289	2,630	3,614	**984**	0	**984**
Parking Services Total		**(731,030)**	**(615,600)**	**115,430**	**(14,598)**	**100,833**

Operational Services **Appendix 1**

GENERAL FUND REVENUE MONITORING

General Fund Activities	Cost Centre	2022/23 Original Budget excl. Recharges	Actuals	2022/23 Total Full year Variance excl. Recharges	Transfer to / from reserves including carry forwards	2022/23 Total Full year Variance on General Fund
Waste Services Management and Administration	20316	290,760	307,189	**16,429**	0	**16,429**
Administrative Buildings - DSO Operational Building	20119	38,960	26,213	**(12,747)**	0	**(12,747)**
Public Conveniences	20315	340,380	249,984	**(90,396)**	0	**(90,396)**
Refuse Collection	20293	1,146,970	1,190,286	**43,316**	0	**43,316**
Street Cleansing	20295	11,740	(30)	**(11,770)**	0	**(11,770)**
Street Cleansing - DSO	20323	1,316,920	1,259,047	**(57,873)**	0	**(57,873)**
Recycling	20294	956,380	942,706	**(13,674)**	0	**(13,674)**
Greenwaste	20296	(315,230)	(367,798)	**(52,568)**	0	**(52,568)**
Together Action	20298	19,000	13,555	**(5,445)**	0	**(5,445)**
Building Cleaning	20347	0	115,185	**115,185**	0	**115,185**
Waste Services Total		**3,805,880**	**3,736,337**	**(69,543)**	**0**	**(69,543)**
Open Space Management	20170	239,190	227,785	**(11,405)**	0	**(11,405)**
Hastings Country Park - Parking	20312	(50,130)	(56,418)	**(6,288)**	0	**(6,288)**
Watercourses	20302	13,700	14,180	**480**	(480)	**0**
ESCC Highway Tree Maintenance	20291	(3,000)	1,202	**4,202**	(5,000)	**(798)**
Cemetery & Crematorium	20303	(683,960)	(749,034)	**(65,074)**	49,664	**(15,410)**
Welfare Funerals	20304	8,240	25,178	**16,938**	0	**16,938**
Travellers Costs	20305	18,640	19,767	**1,127**	0	**1,127**
Town Centre	20306	12,200	8,469	**(3,731)**	0	**(3,731)**
Allotments	20307	(23,930)	(24,284)	**(354)**	0	**(354)**
Ecology	20308	7,000	2,000	**(5,000)**	5,000	**0**
Arboriculture	20309	132,530	157,673	**25,143**	(15,250)	**9,893**
Parks & Gardens	20310	1,093,620	1,054,507	**(39,113)**	60,108	**20,995**
Hastings Country Park	20313	85,240	102,767	**17,527**	(28,146)	**(10,619)**
Countryside Stewardship	20314	24,000	12,709	**(11,291)**	11,291	**0**

Operational Services **Appendix 1**

GENERAL FUND REVENUE MONITORING

General Fund Activities	Cost Centre	2022/23 Original Budget excl. Recharges	Actuals	2022/23 Total Full year Variance excl. Recharges	Transfer to / from reserves including carry forwards	2022/23 Total Full year Variance on General Fund
Local Parks Improvement Funding Grant	20330	0	5,700	**5,700**	(5,700)	**0**
Hastings Country Park Visitor Centre	20339	20,000	23,910	**3,910**	0	**3,910**
Amenities Services Total		**893,340**	**826,113**	**(67,227)**	**71,487**	**4,259**
Marketing & Comms.Division	20178	214,130	218,930	**4,800**	0	**4,800**
Meteorological Expenses	20239	1,420	2,992	**1,572**	0	**1,572**
Civic & Ceremonial Expenses	20240	14,400	14,557	**157**	0	**157**
Community Awareness	20226	1,900	(10,853)	**(12,753)**	0	**(12,753)**
1066 Country Campaign	20222	96,640	142,618	**45,978**	(45,978)	**0**
Tourist Information Centre	20225	40,850	32,906	**(7,944)**	0	**(7,944)**
R.T.P. - Hastings Week	20230	1,500	177	**(1,323)**	0	**(1,323)**
Jack-in-the-Green	20231	10,000	7,933	**(2,067)**	0	**(2,067)**
Old Town Carnival	20232	4,130	3,749	**(381)**	0	**(381)**
Events - Chess/ St Leonards Festival	20233	18,000	18,060	**60**	0	**60**
Trolley Bus	20234	2,000	0	**(2,000)**	0	**(2,000)**
Town Crier Competition	20235	1,960	2,636	**676**	0	**676**
Filming	20241	(10,000)	(19,198)	**(9,198)**	0	**(9,198)**
Midsummer Fish Festival	20237	6,090	14,943	**8,853**	0	**8,853**
Seafood and Wine	20228	3,410	4,480	**1,070**	0	**1,070**
Marketing and Major Projects Total		**406,430**	**433,931**	**27,501**	**(45,978)**	**(18,477)**

Operational Services **Appendix 1**

GENERAL FUND REVENUE MONITORING

General Fund Activities	Cost Centre	2022/23 Original Budget excl. Recharges	Actuals	2022/23 Total Full year Variance excl. Recharges	Transfer to / from reserves including carry forwards	2022/23 Total Full year Variance on General Fund
Regeneration Management & Admin	20177	121,170	122,710	**1,540**	0	**1,540**
Regeneration Activity	20208	168,860	310,164	**141,304**	(141,470)	**(166)**
Planning Policy	20211	201,270	179,902	**(21,368)**	0	**(21,368)**
Local Plan	20341	201,820	313,101	**111,281**	(111,287)	**(6)**
Cultural Activities	20212	71,530	53,889	**(17,641)**	0	**(17,641)**
External Funding Initiatives	20214	77,400	67,898	**(9,502)**	0	**(9,502)**
Community Cohesion	20215	27,310	27,310	**(0)**	0	**(0)**
Youth Activities	20221	5,000	5,000	**0**	0	**0**
Renewable Energy Solutions	20321	104,710	42,061	**(62,649)**	0	**(62,649)**
Externally Funded:						
Towns Fund	20166	28,000	27,995	**(5)**	0	**(5)**
CHART CLLD	20269	67,000	67,000	**0**	0	**0**
Wayfinding	20335	0	(9,561)	**(9,561)**	0	**(9,561)**
CHART Churchfields	20333	0	3,147	**3,147**	0	**3,147**
UK Shared Prosperity Fund	20354	0	(20,000)	**(20,000)**	0	**(20,000)**
Regeneration Total		**1,074,070**	**1,190,614**	**116,544**	**(252,757)**	**(136,213)**
Leisure & Cultural Dev. Div.	20175	118,900	123,004	**4,104**	0	**4,104**
Play Pathfinder	20267	3,000	2,654	**(346)**	0	**(346)**
Falaise Hall	20258	38,230	34,347	**(3,883)**	0	**(3,883)**
Sports Centres	20259	(6,430)	(2,660)	**3,770**	0	**3,770**
Active Hastings	20264	(4,320)	8,820	**13,140**	0	**13,140**
Leisure Services Total		**149,380**	**166,165**	**16,785**	**0**	**16,785**

Operational Services **Appendix 1**

GENERAL FUND REVENUE MONITORING

General Fund Activities	Cost Centre	2022/23 Original Budget excl. Recharges	Actuals	2022/23 Total Full year Variance excl. Recharges	Transfer to / from reserves including carry forwards	2022/23 Total Full year Variance on General Fund
Resort Services Management and Admin	20176	55,390	57,057	**1,667**	0	**1,667**
Sports Management	20257	(13,910)	(42,889)	**(28,979)**	0	**(28,979)**
Cliff Railways	20245	(150,660)	(213,077)	**(62,417)**	0	**(62,417)**
Seafront	20250	102,190	78,680	**(23,510)**	0	**(23,510)**
Chalets & Private Hut Sites	20248	(278,600)	(289,384)	**(10,784)**	0	**(10,784)**
Coast Protection Sea Defences	20242	7,000	7,849	**849**	0	**849**
Navigational Aids	20243	1,380	2,641	**1,261**	0	**1,261**
Environmental Schemes (Net Huts)	20244	12,070	25,187	**13,117**	(5,000)	**8,117**
Hastings Castle	20246	(23,970)	(23,385)	**585**	0	**585**
St Clements Caves	20247	(10,000)	(10,000)	**0**	0	**0**
White Rock Theatre	20249	245,330	286,390	**41,060**	(14,500)	**26,560**
Museums & Art Galleries	20251	378,580	302,324	**(76,256)**	20,000	**(56,256)**
Fisherman's Museum	20252	2,450	3,876	**1,426**	0	**1,426**
Museums & Schools Project	20327	0	4,884	**4,884**	0	**4,884**
Resort Services Total		**327,250**	**190,152**	**(137,098)**	**500**	**(136,598)**

Operational Services **Appendix 1**

GENERAL FUND REVENUE MONITORING

General Fund Activities	Cost Centre	2022/23 Original Budget excl. Recharges	Actuals	2022/23 Total Full year Variance excl. Recharges	Transfer to / from reserves including carry forwards	2022/23 Total Full year Variance on General Fund
Housing Management & admin	20172	500,010	563,407	**63,397**	(33,670)	**29,727**
Local Land Property Gazetteer & Admin	20173	40,200	(14,535)	**(54,735)**	0	**(54,735)**
Local Land Charges Register	20181	(138,090)	(148,333)	**(10,243)**	0	**(10,243)**
Development Management	20180	434,680	560,186	**125,506**	0	**125,506**
Homelessness	20182	2,712,970	5,097,669	**2,384,699**	0	**2,384,699**
SWEP (Severe weather Emergency Protocol)	20358	0	8,751	**8,751**	0	**8,751**
Housing Register	20186	11,500	12,500	**1,000**	0	**1,000**
Youth Homelessness	20188	13,810	8,322	**(5,488)**	0	**(5,488)**
Social Lettings	20184	78,420	78,420	**0**	0	**0**
Homelessness Strategy	20185	59,330	44,766	**(14,564)**	0	**(14,564)**
Deposits funded by ESCC and Discretionary Housing payments	20187	(45,700)	(45,700)	**0**	0	**0**
Building Control	20179	69,610	69,610	**0**	0	**0**
Housing Solution Services	20197	(5,170)	(5,170)	**0**	0	**0**
Housing Renewal	20191	214,950	166,196	**(48,754)**	0	**(48,754)**
Housing Licensing Team	20196	143,980	65,287	**(78,693)**	78,693	**0**
Dangerous Structures	20200	2,500	470,891	**468,391**	(60,685)	**407,706**
Housing Company	20322	0	110	**110**	0	**110**
HBC Owned TA	20351	0	52,407	**52,407**	0	**52,407**
EXTERNAL FUNDED						
Controlling Migration Fund	20193	0	158	**158**	0	**158**
Flexible Housing Support Grant	20183	9,500	9,484	**(16)**	0	**(16)**
Rough Sleepers Prevention	20207	0	147,795	**147,795**	0	**147,795**
Syrian Resettlement Programme	20206	(82,640)	(82,640)	**(0)**	0	**(0)**
Afghan Resettlement Programme	20344	(47,020)	(45,350)	**1,670**	0	**1,670**
Housing Development Projects	20350	0	62,918	**62,918**	0	**62,918**
CHART - Live work Thrive	20334	0	14	**14**	0	**14**
Household Support Fund	20346	0	(90,830)	**(90,830)**	0	**(90,830)**
Housing and Built Environment		**3,972,840**	**6,986,333**	**3,013,493**	**(15,662)**	**2,997,831**
OPERATIONAL SERVICES DIRECTORATE TOTAL		**10,597,270**	**13,637,160**	**3,039,891**	**(300,205)**	**2,739,685**
DIRECT SERVICE EXPENDITURE TOTAL (CORPORATE AND OPERATINAL COMBINED)		**13,231,580**	**16,709,582**	**3,478,002**	**(100,662)**	**3,377,340**

Operational Services and Corporate Resources **Appendix 2**

Capital Summary - 2022/23 Period 12 (1st April 2022 to 31st March 2023)

Cost Centre	Description Of Scheme	Service Area	Original Budget £000's	Carry forwards & adjustments £000's	Revised Gross Budget £000's	Draft Outturn £000's	Forecast Variance to Adjusted Gross Budget £000's
71227	Private Sector Renewal Loans	Housing	0	6	6	13	7
71228	Disabled Facilities Grant (DFG)	Housing	2,056	(125)	1,931	1,328	(603)
71229	Empty Homes Strategy	Housing	50	(50)	0	0	0
71231	Restoration of Pelham Crescent and Arcade	Housing	33	(33)	0	0	0
71232	Road at Pelham Arcade	Housing	561	42	603	0	(603)
71241	Harbour Arms & New Groynes	Regeneration	265	1	266	32	(234)
71242	Further Sea Defence works	Regeneration	34	0	34	36	2
71249	Playgrounds upgrade programme	Environment	38	45	83	38	(44)
71256	Energy Generation	Regeneration	538	100	638	0	(638)
71258	Buckshole and Shornden Reservoirs Statutory Protection Works	Environment	666	325	991	910	(81)
71271	Lower Bexhill Road	Housing	3,061	(3,060)	1	0	(1)
71279	Electric Vehicle Infrastructure	Environment	0	0	0	8	8
71280	Priory Street Works	Environment	0	41	41	0	(41)
71281	Castleham Car Park resurfacing	Environment	0	0	0	1	1
71284	Next Steps Accommodation Pathway	Housing	0	1,714	1,714	969	(745)
71288	Bexhill Road South (Housing & Car Park)	Housing	1,075	0	1,075	0	(1,075)
71289	Mayfield E (Housing)	Housing	1,000	(1,000)	0	0	0
71290	MUGA Refurbishments	Environment	80	0	80	31	(49)
71291	Town Fund - Enterprise & employment infrastructure	Regeneration	0	117	117	117	(0)
71292	TFC - Green low carbon skills & economy	Regeneration	0	0	0	96	96
71293	Town Fund - Hastings Castle world heritage destination	Regeneration	0	111	111	111	0
71294	Town Fund - Town to sea creative quarter	Regeneration	0	959	959	1,055	96
71295	Town Fund - Town centre core	Regeneration	0	737	737	840	103
71296	Town Fund - Town centre public realm & green connections	Regeneration	0	66	66	66	(0)
71297	Town Fund - Town living	Regeneration	0	39	39	39	(0)
71298	Town Fund - Source/Courtyard Lift (Town Deal)	Regeneration	0	0	0	65	65
71299	Rough Sleeper Initiative Mobile Health Unit	Housing	0	44	44	44	0
71303	Cliff Railways	Regeneration	0	0	0	226	226
Operational Services			**9,457**	**79**	**9,536**	**6,025**	**(3,511)**
71253	Conversion of 12/13 York Buildings budget approved Cabinet 3 April 2017	Estates	0	16	16	63	47
71259	Priory Meadow - Contribution to capital works £250,000	Estates	250	0	250	0	(250)
71272	Churchfields Business Centre	Estates	3,310	70	3,380	3,021	(359)
71273	Development / Furbishment of Lacuna Place	Estates	141	0	141	27	(114)
71275	Cornwallis Street Development	Estates	6,835	(6,555)	280	238	(42)
71276	Harold Place Restaurant Devt	Estates	1,613	(1,583)	30	9	(21)
71285	Castleham Industrial Units	Estates	140	185	325	121	(204)
71305	Hastings Retail Park	Estates	0	0	0	158	158
Corporate Resources			**12,289**	**(7,867)**	**4,422**	**3,636**	**(786)**
Grand Total			**21,746**	**(7,788)**	**13,958**	**9,661**	**(4,297)**

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Priority Income and Expenditure Review Proposals 2022/23 - Achieved/ Not Achieved

KEY
Saving Achieved
Partially Achieved
Not Achieved

PIER Savings identified for 2022/23	Projected Savings (£) 2022/23	Saving Achieved (£) 2022/23	Achieved / Not Achieved Comment
PIER Savings identified in previous years for 2022/23			
Senior Management Restructure (remainder - £260k p.a.in total when completed)	£54,000	£54,000	Achieved - Assistant Director for Environment and Place
Theatre - Reduced Contribution	£100,000	£100,000	Achieved - Contribution reduced
Land sales - Interest generated by proceeds from land sales/Use of capital receipts	£75,000	£75,000+	Achieved - Sale of Harrow Lane site led to large capital receipt which has generated additional investment returns initially and then used to finance the capital programme reducing MRP and borrowing costs.
Rental Space - Muriel Matters House	£13,000	£13,000+	Achieved - Rental of 2nd floor means additional income.
	£242,000	**£242,000**	
PIER Savings identified for 2021/22 onwards following review of 2020/21 final accounts and 2021/22 budgets			
Off Street Car Parking - Business Rates Appeal - Priory St	£26,000	£26,000	Achieved - Refund in 2021-22, bills now reduced
Off Street Car Parking - Premises Insurance	£10,570	£10,570	Achieved - Budget reduced as too high
Off Street Car Parking - cash collection contract	£5,000	£5,000	Achieved - there were further savings but these are cancelled out by increases on fees for Chip and Pin and Ringo.
Hastings Country Park - Parking Charges - volume increase	£6,800	£6,800	Achieved - Income has steadily been increasing
Cemetery & Crematorium - premises Insurance	£3,320	£3,120	Achieved - Only £200 over new budget
Refuse Collection - fees and charges - volume	£10,000	£3,000	Partially Achieved - Bulky Waste Collection budget
Audit - Supplies and services	£12,730	£12,730	Achieved - Joint funded Fraud post with Rother stopped
DSO - Waste and Cleansing service - Equipment and materials	£20,010	£20,010	Achieved - Budget reduced and saving achieved
Greenwaste - additional income - volume increase	£35,000	£35,000	Achieved - Actually came in £50k over budget due to increased customer base.
Parks & Gardens - Routine Mtce - s106 profiling	£20,000	£20,000	Achieved - Budget went £7k over but this was due to a £10k higher than budgeted indexation increase which covers November to March.
Parks & Gardens - Premises Insurance	£5,250	£5,250	Achieved - Budget reduced as too high
Parks & Gardens - IT link to Alexandra park removed	£2,200	£2,200	Achieved
Building Surveyors - Revised Budget	£5,000	£5,000	Achieved - Salary correction, pay increase means overspend but original saving achieved
Administrative Buildings - Muriel Matters House - Business Rate Appeal	£8,000	£8,000	Achieved - Refund in 2021-22, bills now reduced
Non-distributed Costs - unfunded pension costs - decrease	£102,400	£102,400	Achieved - Budget reduced as too high
Hastings Contact Centre - Team leader post	£39,000	£39,000	Achieved - Reduction in Team Leaders from three to two, vacant post removed.
Housing Management & admin - reduced insurance, postage & systems costs	£8,000	£8,000	Achieved - Budget savings for postage & systems
Renewable Energy Solutions - hired and contracted services	£50,000	£50,000	Achieved - Budget saving
	£369,280	**£362,080**	
Savings - including Selected Expenditure Freeze in 2021/22 (Nov 2021 - March 2022)			
Hastings Contact Centre - Reduced hours by a staff member	£10,000	£10,000	Achieved - Vacant post removed
Admin Bldgs - Town Hall - including £500 pwk/ Rental of Rooms	£24,000	£24,000	Achieved - Additional rentals
Transformation team - End of two fixed term posts	£62,000	£62,000	Achieved
Corporate Personnel Expenses - revised training budget	£20,000	£20,000	Achieved - Budget reduced and saving achieved
Revenues And Benefits - (Including, Doc Mail £15k, legal Services £6k)	£15,000	£15,000	Achieved - On these items but over on salaries
Waste and Environmental Enforcement Team - Wardens - recruitment of 2 posts postponed one to be filled	£25,000	£25,000	Achieved - Further savings from salary slippage on vacant post
Housing - new external funding of rental deposits	£50,000	£50,000	Achieved - External funding scheme
White Rock Area Development - supplies and services	£30,000	£30,000	Achieved - Scheme finished
	£236,000	**£236,000**	
New PIER Savings for 2022/23 Budget			
Civic and ceremonial - Transport	£1,000	£1,000	Achieved
Filming - additional Income (HBC Share)	£6,000	£6,000	Achieved
White Rock Area Development - Staffing - covered by external grants (staff transferred)	£35,000	£35,000	Achieved - Scheme finished
Cultural Activities - Stade Saturdays - funded by external grant in 2021/22 - then ends	£5,000	£0	Not Achieved - Activity continued
External funding initiatives (salaries met by Towns Fund)	£25,000	£25,000	Achieved - Staff member moved to new external funded project

PIER Savings identified for 2022/23	Projected Savings (£) 2022/23	Saving Achieved (£) 2022/23	Achieved / Not Achieved Comment
Regeneration Activity - Locate East Sussex - end in 2023/24 unless funding secured	£10,000	£10,000	Achieved - Contribution reduced
Marketing & Communications Post - transfer to regeneration - (Town Fund)	£32,000	£0	Not Achieved - offset by growth on Manager position in Communications Team
Admin buildings - MMH - Shred it - Less often/ Water bottles/ Audio Visual / Cleaning	£4,000	£4,000	Achieved
Street cleaning DSO - No annual hire of Mechanical Sweeper	£10,000	£10,000	Achieved
Regeneration Manager Secondment -Post partially backfilled	£24,000	£0	Not Achieved - Additional work required around future external funding Bids
Revenues And Benefits - reorganisation 2022/23 - Incl Agency Staff reduction	£175,000	£0	Not Achieved - Restructure delayed until 2023-24
Youth Activities (Young Persons Council) £5k to £3k	£2,000	£0	Not Achieved - Activity continued
	£329,000	**£91,000**	
Asset Sales: Revenue implications			
Harrow Lane - Use of Capital receipt in place of new borrowing vs investment (£5.5m)	£75,000	£75,000+	Achieved - Sale of Harrow Lane site led to large capital receipt which has generated additional investment returns initially and then used to finance the capital programme reducing MRP and borrowing costs.
Remove groyne refurbishment works (HBC funded) in 2022/23 and all carry forwards (£105k)	£6,300	£6,300	Achieved
Civic Silver/regalia - limited sale - receipt	£30,000	£0	Not Achieved
Hometrack - Housing Prices information - Supplies and services	£4,000	£1,730	Partially Achieved
Information Technology Reserve - temporarily reduce annual contributions- hardware /software	£25,000	£0	Not Achieved - May reduce in future years
R&R contributions - end of vehicle contributions (now leasing)	£8,000	£8,000	Achieved - Contribution reduced
Public Convenience Cleaning contract	£36,000	£36,000	Achieved - Additional savings found
Grounds Mtce - end flower towers in Wellington Square	£8,000	£8,000	Achieved - Budget went £7k over but this was due to a £10k higher than budgeted indexation increase which covers November to March.
	£192,300	**£135,030**	
TOTAL PIER SAVING	**£1,368,580**	**£1,066,110**	

Report To:	**Cabinet**
Date of Meeting:	**3 July 2023**
Report Title:	**Appendix 4 – MTFP Update**
Report By:	**Kit Wheeler**
	Chief Finance Officer
Key Decision:	**No**
Classification:	**Open**

Purpose of Report

To update Cabinet on the impact on the Medium Term Financial Plan (MTFP) after the latest Financial Outturn Position for 2022/23.

Introduction

1. The Medium Term Financial Plan (MTFP) seeks to identify the financial risks that will impact the annual budgets for each of the next 3 years, and the anticipated resources that will be available to the Council.

2. It should be aligned to the latest Corporate Plans and objectives and will need to be updated regularly as latest information becomes available. Given the financial position of the Council, a regular updated MTFP will be included as a separate Appendix in all future financial reports to aid future budget discussions and provide a consistency and information flow from these reports to others that are produced throughout the year.

3. Since the budget was agreed back in February 2023 there have been a number of changes which will have a significant impact on the reserve position and financial future of the Council which were estimates at the time of producing the original MTFP and budget. These include the final outturn position at the end of the 2022/23 financial year.

4. The previous MTFP was included as part of the Budget papers agreed by Council in February 2023.

Changes from previous MTFP Forecast (2022/23)

5. Table A below is an extract from Appendix G – Revenue Budget Forward Plan which was included in the 2023/24 Budget papers agreed by Council.

<u>Table A</u>

Revenue Budget Forward Plan	2022-23 Projection £000's	2023-24 Projection £000's	2024-25 Projection £000's	2025-26 Projection £000's	2026-27 Projection £000's
Direct Service Expenditure (Net)	**17,217**	**14,527**	**13,219**	**11,517**	**10,747**
Funding Commitments:-					
Reimbursement of Election Costs (bi-annually)		0	(70)	0	0
Fees and Charges		0	(367)	(587)	(734)
Other:					
Contingency Provision	0	300	300	300	300
Interest (net of Fees) & other Adjustments	985	1,933	3,009	2,994	3,103
Minimum Revenue Provision (excl. Inc Gen Adj)	920	995	1,397	1,760	1,760
Contribution to Reserves	689	689	689	689	689
Net Use of Earmarked Reserves	(3,082)	(1,916)	(1,916)	(1,916)	(1,916)
Net Council Expenditure	**16,729**	**16,528**	**16,261**	**14,757**	**13,949**
Funding					
Contribution To General Fund	**(13,369)**	**(13,997)**	**(14,742)**	**(15,068)**	**(15,403)**
Funding Shortfall / (Surplus)	**3,360**	**2,531**	**1,518**	**(311)**	**(1,454)**
(Use of) / Trf to General Reserve	(3,260)	(1,631)	(1,518)	311	1,454
Use of Resilience and Stability Reserve	(100)	(900)	0	0	0
Net Funding Shortfall / (Surplus)	**0**	**0**	**0**	**0**	**0**
General Reserve Balance (31st March)	6,438	4,807	3,289	3,600	5,053

6. As can be seen from table A above, we were originally forecasting that there would be a Net Direct Service Expenditure at the end of 2022/23 of **£17.217m**. However, from the latest finance report (Table 1) we can see that this figure was **£16.608m**. This represents a financial improvement of **£609k** compared to budget forecast.

7. Table A also shows that we were originally forecasting that there would be net Interest Expenditure of **£985k** in total at the end of 2022/23 financial year. However, from the latest finance report (Table 1) we can see that this figure was **£663k.** This represents a financial improvement of **£322k** compared to budget forecast.

8. Table A also includes MRP forecast costs of **£920k** for the financial year 2022/23. The actual MRP (Minimum Revenue Provision) was **£870k** for the financial year of 2022/23. This represents a financial improvement of **£50k** compared to budget forecasts.

9. Therefore, in total, there were positive financial outcomes in total of **£981k** for 2022/23 financial year compared to revenue budget forecasts.

Earmarked and General Reserve Changes from previous MTFP Forecast (2022/23)

10. The General Fund Balance is the only reserve that is in effect not earmarked for a specific purpose. It is set at a level recommended by the Chief Financial Officer and currently as part of the Reserves policy for Hastings Borough Council this is set as a minimum recommended level of £6m. It represents a working balance of resources that could be used at very short notice in the event of a major financial issue.

11. As part of the Reserve Review piece of work, this level of recommended minimum balance will be reviewed along with all Earmarked Reserves based on the latest Risks and pressures facing the Council.

12. The estimated remaining balance of the General Reserve at the end of 2022/23 financial year was expected to be **£6.438m**. The actual balance is **£7.599m**. This represents a financial improvement of **£1.161m.**

13. Earmarked Reserves are those that have been set aside for a specific purpose e.g. DFG (Disabled Facilities Grant) and should only be used for specific intended purposes only. Effectively everything else other than the General Reserve.

14. The estimated Earmarked Reserves balance at the end of 2022/23 financial year was **£12.787m.** The Actual balance is **£13.440m.** This represents a financial increase of **£653k.** However, unlike the General Reserve and the revenue budget position, this change relates to a number of different specifically identified areas and does not mean that any underspend will lead to a reduced spend in those areas. It could be slippage of spend from one financial year to the next, or income received in advance of spend.

15. A full Reserves review process will cover the use of, and the number of, Earmarked Reserves to ensure that we are fully mitigating the risks to the Council.

16. It should be noted that the Council has still not had an Audit opinion on its 2020/21, 2021/22 and now 2022/23 accounts, so these figures could potentially change and are therefore considered draft until those opinions are provided by our External Auditors Grant Thornton.

Changes from previous MTFP Forecast (2023/24 onwards)

17. The end of 2022/23 provided some welcome improvements in the areas mentioned within this report. However, there are a number of unwanted financial pressures that were previously not included in the MTFP that we are anticipating for 2023/24 onwards.

18. Since the budget was set in February, ongoing negotiations between unions and the LGA are continuing around the level of staff pay increases. With no confirmed figure being agreed we are still having to use best estimates at this stage.

19. This has come at the same time as Pension contribution rates and the way they are calculated by actuaries and accounted for by the Employers mean the employer contribution rates have increased. This added to the best estimate for staffing pay awards would mean an additional charge of **£458k.**

20. There are also a number of other areas of concern and pressures for future years additional costs or loss of income which have not been identified or included, such as proposed legislation changes around Food Waste collection and Garden Waste charging, of which details are still not fully known.

21. There is also the ongoing concern around the Temporary Accommodation costs continuing to increase and threat of numbers of people presenting as homeless not decreasing in the way we would have hoped, resulting in savings needing to be increased in other areas to respond to this.

22. The SLT (Senior Leadership Team) have met to discuss the £1m savings in the budget, including options for the Capital Programme which will be presented to Lead Officers in due course. Some of which could potentially lead to savings in Capital Borrowing costs and MRP assumptions, but until we have more detailed information and conversations and the Asset Management Plan is in place the figures wont be updated at this stage. They will however, be updated as we progress throughout the financial year.

23. The Quarter 1 Finance report will provide a much needed and anticipated update around forecasts and outturn predictions for not just Service area spend but also tracking of identified savings targets. Again, this Appendix will be updated accordingly when those reports are presented so that they are all consistent but no changes have been made at this time.

24. Income forecasts for Fees and Charges, Council Tax, Grant funding and any others will be updated when those areas have more detailed work behind them to feed into this update.

25. Table B below shows the revised MTFP based on the currently known figures and any subsequent changes being documented within this report for transparency purposes.

Table B

Revenue Budget Forward Plan	**2022-23 DRAFT Actual £000's**	**2023-24 Projection £000's**	**2024-25 Projection £000's**	**2025-26 Projection £000's**	**2026-27 Projection £000's**
Direct Service Expenditure (Net)	**16,608**	**14,985**	**13,677**	**11,975**	**11,205**
Funding Commitments:-					
Reimbursement of Election Costs (bi-annually)		0	(70)	0	0
Fees and Charges		0	(367)	(587)	(734)
Other:					
Contingency Provision	0	300	300	300	300
Interest (net of Fees) & other Adjustments	663	1,933	3,009	2,994	3,103
Minimum Revenue Provision (excl. Inc Gen Adj)	870	995	1,397	1,760	1,760
Contribution to Reserves	689	689	689	689	689
Net Use of Earmarked Reserves	(1,348)	(1,916)	(1,916)	(1,916)	(1,916)
Net Council Expenditure	**17,482**	**16,986**	**16,719**	**15,215**	**14,407**
Funding					
Contribution To General Fund	**(15,283)**	**(13,997)**	**(14,742)**	**(15,068)**	**(15,403)**
Funding Shortfall / (Surplus)	**2,199**	**2,989**	**1,976**	**147**	**(996)**
(Use of) / Trf to General Reserve	(2,099)	(2,089)	(1,976)	(147)	996
Use of Resilience and Stability Reserve	(100)	(900)	0	0	0
Net Funding Shortfall / (Surplus)	**0**	**0**	**0**	**0**	**0**
General Reserve Balance (31st March)	7,599	5,510	3,533	3,386	4,382

26. As can be seen from Table B above, the General Reserve balance has improved for 2022/23, but due to the estimated staffing award and pension increases the general reserve balance is now showing £4.382m at the end of 2026/27 compared to originally showing £5.053m. This represents a negative change of £671k overall.

Section 151 Officer - Conclusion

27. The current financial position is still incredibly precarious. There will always be unexpected cost pressures that cannot be predicted, and that is what the General Reserve is effectively there to mitigate against the risk of.

28. The General reserve balance is currently predicted to fall below the current minimum recommended level within the next financial year and stay there for the length of this MTFP. That should be addressed as quickly as possible.

29. However, as stated previously there are a number of discussions ongoing at present that could well lead to significant savings above those already identified which would have a positive impact on the MTFP.

30. Therefore, I expect future balances to potentially look healthier as decisions are confirmed and numbers changed accordingly including around Capital Programme and Assets.

31. One such example which hasn't been included yet would be the contract agreement for Energy costs which could save the Council £400k over the next few years which we are currently waiting to be confirmed. Once the numbers are confirmed then the MTFP will be updated accordingly.

32. This is all set against the backdrop of the current year's forecasts remaining in line with budget expectations and the Council staying within its approved budget. Any deviation to those budgets and savings targets will have further negative impact.

33. For example, in the last two financial years the savings targets have a **78%** success rate in 2022/23 and **82%** success rate in 2021/22. If the savings identified as part of budget setting for 2023/24 achieve **c.80%** in the 2023/24 financial year, then additional in year savings of c.**£300k** would need to be found to remain in line with the forecasts contained in Table B above.

34. A **90%** achievement against target would mean additional in year savings of c.**£150k** are required. However, lower savings achieved compared to target in 2023/24 such as **75%,** would mean additional in year savings of c.**£350k**. This outlines just how important it is to monitor our savings progress as part of the monthly finance reports and to take corrective action if needed as soon as possible.

Wards Affected

All

Policy Implications

Equalities and Community Cohesiveness No

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

Additional Information

None

Officer to Contact

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To Councillor Patmore
Chair of Overview and Scrutiny Committee

ACCESS TO INFORMATION RULES
KEY DECISIONS
RULE 26.20 –general exceptions.

NOTICE is hereby given under Rule 26 of the Access to Information Rules contained in the Council's Constitution that the following key decision will be taken at Cabinet on: -

Cabinet – 3 July 2023 White Rock Theatre Options			
Decision	Consultation and Timetable	Working Papers and files	Responsible Officer / Portfolio Holder
Decision on future arrangements for White Rock Theatre once current contract ends in January 2024	To set out the options and recommendation for the operation of the White Rock Theatre, after the current contract expires on the 31st January 2024.	Report will be circulated in time for Cabinet publication	Victoria Conheady *(Deputy Chief Executive & Director of Place)* Cllr Andy Batsford *(Health and Culture Portfolio Holder)*

Signed: Dated: 12 June 2023
Mary Kilner - Chief Legal Officer

Note:
Rule 26.20 General Exception
If a matter which is likely to be a key decision has not been included in the forward plan, then subject to Rule 26.21 (special urgency), the decision may still be taken if:

(a) the decision must be taken by such a date that it is impracticable to defer the decision until it has been included in the next forward plan and until the start of the first month to which the next forward plan relates;
(b) the Chief Legal Officer has informed the chair of a relevant overview and scrutiny committee, or if there is no such person, each member of that committee in writing, by notice, of the matter to which the decision is to be made; and
(c) the Chief Legal Officer has made copies of that notice available to the public at the offices of the Council; and
(d) at least five clear days have elapsed since the Chief Legal Officer complied with (b) and (c).

Where such a decision is taken collectively, it must be taken in public.

Report To:	**Cabinet**
Date of Meeting:	**Monday 3rd July 2023**
Report Title:	**White Rock Theatre Options**
Report By:	**Victoria Conheady, Deputy Chief Executive & Director of Place**
Key Decision:	N
Classification:	**Open**

Purpose of Report

To set out the options and recommendation for the operation of the White Rock Theatre, after the current contract and lease with Trafalgar UK Theatres Hastings Ltd. (Trafalgar) expires on the 31st January 2024.

Recommendation(s)

THAT:

1. **cabinet note the options analysis undertaken on the future of the White Rock Theatre from the end of January 2024.**
2. **cabinet instruct the Property & Commercial Assets Manager, under existing delegated powers, and in consultation with the Deputy Chief Executive and the Lead Councillor for Health and Culture to:**
    a) **market the theatre building for lease**
    b) **instruct specialist leisure agents to conduct the marketing and due diligence process**
    c) **agree terms for lease with a successful bidder to enable continuous use of the building for its intended use from 1st February 2024**

Reasons for Recommendations

1. The council needs to make an urgent decision about the future use of the White Rock Theatre from the end of January 2024 when the current lease and management contract with Trafalgar ends.
2. Officers have conducted an options appraisal to identify the best legal and financially viable options open to the council for the future of the White Rock Theatre beyond January 2024.

Introduction

3. The contract and lease with Trafalgar to run the White Rock Theatre (WRT) expires on 31st January 2024. The original contract was for 10 years and allowed for an extension of five years, which has been used. No further extensions are permitted under the terms of the contract. The contract enabled Trafalgar to run a theatre offer, provide for community use of the Sussex Rooms, and required that they take responsibility for repairs and maintenance of the building.

4. Not unusually, the provision of the theatre operation required a significant subsidy from the council. Due to the council's financial situation, the level of subsidy has reduced over the last five-year period of the contract from £550k per year to £125k per year.

5. In preparing for the end of the Trafalgar contract, a number of options have been explored including:

    a. Short extension to Trafalgar contract
    b. Re-tendering the contract on similar terms
    c. Seek interest in a long-term lease of the building (without a management contract)
    d. Mothball for a period of time
    e. Sell the building

6. The council's financial position means that each of the options had to be tested against the council's ability to support any subsidy or investment at the present time.

Options

Short management and lease contract extension to Trafalgar

7. The original contract (with HQ Theatres, taken over by Trafalgar in 2021) was for 10 years and allowed for an extension of five years, which has been used. No further extensions are permitted under the terms of the contract, and legal advice is that any further period of extension is not permissible.

Re-tender contract on similar terms

8. It is very likely that any contractor would require a subsidy significantly higher than the council is able to afford at present. In addition, the timescales required to retender the contract and lease to operate the WRT would be expected to take 12-18 months. Without an alternative interim solution, the venue would be closed for many months, during which period some maintenance and other 'caretaking' work would be required.

Long term lease/rent

9. Securing the future of the theatre by means of a longer-term lease or renting out of the building has been explored. The viability of this option depends on the proposed use of the building by a leaseholder. There are a number of planning restrictions on the use of the building, which would limit uses other than for its intended purpose of a theatre.
   The council has received interest for the leasing of the building for its intended use. Therefore, the option for undertaking a transparent process of offering the building for lease to interested parties has been explored. Theatres are a specialised area so in pursuing this option, it would be necessary to appoint an agent who has the required expertise in Leisure to undertake the marketing and ensure appropriate due diligence could be undertaken.

Offering the building for lease/rental could provide a relatively quick solution, minimising the financial burden on the council and ensuring the continued use of the venue for live performance. **This is the preferred option that officers are recommending**.

Mothball for a period of time

10. If there are no viable alternatives, the council would have to ‘mothball’ the theatre after the current contract ends. There are different levels of ‘mothballing’ from cold mothballing when effectively everything is switched off and the very bare minimum is carried out, to warm mothballing where the building is kept in a state of readiness with services functioning and tested regularly to allow operations to re-start fairly easily.
    Warm mothballing is not cheap, but would be essential if the building is to be brought back into use in a relatively short period of time.
    Whilst not recommended at this time, this option remains a possibility if an alternative use for the building cannot be found in time for a continuous use from January 2024.

Selling the building

11. Whilst the council has no desire to cease the use of the building as a theatre, the council’s financial position requires that officers explore the option of what would be involved in selling the building for alternative use. The Planning Services Manager has advised that any plans to redevelop the site into non-theatre use would be challenging due to the restrictions placed on the use of the building and addressing these would be both time-consuming and costly. This option has not therefore been explored further.

Conclusion

12. It is officer’s view, based on a review of the options listed above, and taking account of all the information we have, that the only practical way forward is to find a tenant for the theatre building.

13. HBC has recently been approached by a potential operator interested in taking on the WRT for a lease, given this approach, and in order to ensure the best outcome for the town, officers recommend that a marketing exercise be undertaken and an external specialist leisure agent be appointed to manage this process.

14. Depending on what interest is received this could either provide a short term or more sustainable long-term use. If the interest is short term, then more detailed work would need to be undertaken to identify a long-term use.

Urgency

15. Under Rule 26 this decision is required to be made under urgency provisions in order to secure a viable alternative to the theatre closing at the end of the current contract. A decision is required urgently in order to allow time to conduct the market testing of the interest in leasing the theatre, and if this is positive, to allow time for the new lessee to mobilise activity before the end of January 2024.

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
Cabinet Paper	Agreement to progress	3rd July 2023	Cabinet/ Deputy Chief Executive
Instruct Agents	Instruct agents as outlined in recommendation	Before 31st July 2023	Property & Commercial Assets Manager
Marketing	Particulars released and marketed for 6-8 weeks	August 2023	
Heads of Terms agree for lease	Agree terms with successful bidder	October2023	Property & Commercial Assets Manager
Legal instructed on new lease	Lease completed	31 December 2023	Property & Commercial Assets Manager and Legal Services
New lease commences		1st February 2024	Property & Commercial Assets Manager

Wards Affected

(All Wards);

Policy Implications

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

Equalities and Community Cohesiveness Yes
The venue, which is accessible, is widely used by the local community, and provides opportunities for those from disadvantaged background to participate in event production. It is also the only major indoor event venue operational in Hastings, so allowing local residents to visit the theatre without having to travel out of town. It also employs a number of locally based permanent staff, and many more locally based casual staff

Crime and Fear of Crime (Section 17) Yes
An open, programmed theatre supports the evening economy in the town centre and seafront, mitigating fear of crime to some extent.

Risk Management Yes
Short of disposal the WRT will remain on our risk registers as an ageing asset

Environmental Issues & Climate Change Yes
The theatre has recently had new boilers installed, more efficient than the ones which had failed. Given its nature the venue will always be a high energy consumer

Economic/Financial Implications Yes
The theatre will cost the Council c£125k this financial year, down from c£600k a few years ago, this is the management fee paid to Trafalgar. Should there be a wish to review the options in the future for a management contract the cost of that will likely be in the same or higher per year, as is current.

Human Rights Act No

Organisational Consequences Yes
Whichever route is chosen there will be impacts on staff resources in the following departments: Estates and property management, Surveyors, Regeneration and Culture, Legal and Finance.

Local People's Views Yes
As the only major indoor events venue in the borough, it's future is of significant interest to the residents of Hastings. It holds several significant local and well supported/nationally/internationally recognised events and festivals: Hastings Fat Tuesday and The Hastings international Piano Competition. It is also heavily utilised by a number of schools in and around the local regions, for example the 'a time to dance' festival.

Anti-Poverty Yes
The theatre currently employs a number of local people, its youth theatre supports the development of employability skills in dramatic arts, and backstage jobs (carpentry, lighting engineering, Sound technicians etc).
Creative experiences for individuals from deprived communities' aids in developing alternative routes to employment, raises productivity, and aspiration).

Legal Yes
As the body of this reports advises, the legal options have been considered in writing this report. Should the recommendation be approved legal colleagues will work with Estates in developing the marketing pack and in entering into lease agreements.

Additional Information

N/A

Officer to Contact

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