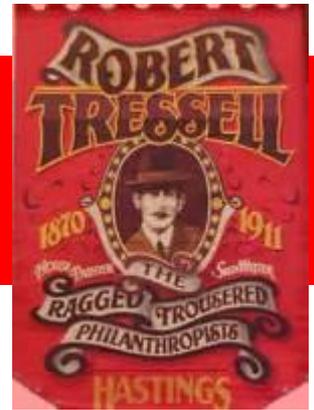


Tressell Ward councillor's report

from Peter Chowney

3rd October 2020



Back Again

After a lengthy absence during lockdown, my monthly report is back.

As I resigned as council leader back in March, this new version will be rather shorter, as it will focus on Tressell Ward issues rather than an overview of Hastings Council from the leader.

Cllr. Kim Forward is now leader - she has introduced a number of ways you can keep up-to-date with what the council's up to. Kim does a weekly video blog which you can see here:

<https://www.hastings.gov.uk/news/vlogs/>

Or there's now a weekly Hastings Council newsletter by email, which you can sign up for here:

<https://www.hastings.gov.uk/news/newsletter/>



'walkabout' in Tressell Ward, where we stroll around the ward, weather permitting, usually Tuesday mornings (that's the Tressell councillors along with Ali Roark, our Labour candidate for the 2021 Hastings Council elections). If you'd like to come along to those, let me know (email via the website). I've set up a 'Tressell Blog' on the website, where we report back on what we found on our walkabouts, and invite comments.

And of course, Kim still has her fortnightly Hastings Observer column, as I did.

I am still a member of the Hastings Council cabinet, where I hold the portfolio for Finance and Property Services. I will provide a short update on those issues in these reports too.

I have redesigned the Tressell Ward website, to make it a bit more up-to-date. There's a lot of information there now.

We have also begun a weekly(ish)

The Tressell Councillors website is at: www.tressell.org.uk. Please promote it to anyone you know who lives in the ward (or indeed anyone else!).

Frederick Road Site



This site has been derelict since the old St Helen's Hospital was demolished around 30 years ago. The old listed workhouse buildings were retained (now converted into housing), and the Cookson Gardens estate was built on part of it. The rest however has remained empty. Twenty years ago, there were plans to incorporate it in a Millennium Communities project that never materialised. At that time, a road

was built across the site – leading it to be known locally as the 'Road to Nowhere' site. A couple of years ago, the site was bought by Gemselect, a local housing developer. Their first planning application was rejected, so they revised it substantially and it received planning approval over a year ago.

Since then, Gemselect have been in negotiation with the council over the s.106 agreement for the development (the legal agreement that determines exactly what the developer has to do and what they have to provide), but that's about to be finalised. Development should begin soon after, although the planning permission remains in force for three years, during which development must commence, or the permission lapses.

Ore Business Park

This is an area of land between Farley Bank and Hurrell Road, formerly an employment area. The site was earmarked for housing development, and received planning permission a few years ago. It was bought by a Brighton developer who built houses at the bottom of the site (Bishop Avenue) but then abandoned the site, leaving much of it undeveloped and, having sold the completed houses, left without finishing the road, surface drains, and other planning requirements.



The site was, after a couple of years, sold to a new developer, who is now developing the rest of the houses on the site. However, as they have not applied for a new planning permission, they will need to complete all the requirements of the original permission, which includes completing the road and other outstanding items in the already occupied part of the site, as well as part of a cycle route (see later).

I have asked the planning enforcement team to make sure the developer completes all their obligations under the planning permission before the remaining homes are occupied.

Greenway Route

There has long been an aspiration for a greenway route from Frederick Road to Ore Station, which now could be in sight. The new housing development on Frederick Road (mentioned above) will include a cycle route across the site. That can be joined with another section of HBC-owned land to join it with the Ore Business Park development, along Hurrell Road, across the railways bridge, and then across the Broomgrove Power Station site (in Baird ward) when that's developed.

It's still a while off yet, but could be an important part of a more comprehensive greenway network that local campaigners have been promoting for years.

Speckled Wood



The history and status of this woodland is described in detail on the Tressell Councillors website (Speckled Wood page). Maintenance work in the woodland is carried out by Ore Community Land Trust, a group of local volunteers who maintain the paths, build steps, and are now setting up a small visitor centre and office in a converted shipping container, which is on the bit of land they own immediately below Ore village green. The

trust regularly does sessions to maintain paths and look after the woodland, and are always looking for volunteers - see their website for details:

<http://www.orecommunitylandtrust.org.uk/>

Hastings Council: Finance and Property

The anticipated shortfall in the council's finances for the current year is £2.7m, but that includes the £1.2m shortfall we already had. So the additional Covid-related costs, in terms of additional spending and lost income, comes to around £1.5m net, after taking account of the various government grants we've received for Covid costs and lost income. We have just over £6m in the general reserve, so it would be reasonable to use that money to cover the £1.5m if:

- We are reasonably convinced it's a one-off, and it won't recur in future years; and
- We replenish the reserve in future years, which amounts to an additional annual spending cost for a few years.

At the moment though, we have no idea really whether the Covid-related income losses will continue in future years or not. Drops in Council Tax and business rates collection won't hit the budget till next year. And of course, we still have to find savings/additional income to replace the £1.2m deficit we already had, as that's ongoing expenditure that can't be covered from reserves (or if you did, the reserves would disappear after three or four years).

This financial position isn't too bad compared to other councils – Eastbourne, for example, have reported a £10m shortfall with minimal reserves. Overall, many, probably most, councils are in a far worse financial position than Hastings Council. The government doesn't seem to have any plan to address this, and it's not at all clear what will happen when large numbers of councils simply run out of money, as some inevitably will.

Business Grant Schemes

All the business support grants administered by councils have closed now. The final situation was as follows ...

Main Small Business and Retail, Leisure and Hospitality Grants:

Total number of applications: 2,141

Total number of payments made: 1,739

Total number of expected applications: 1,974

% total number of payments to expected: 88%

Total amount paid out: £20,205,000

Total amount expected to pay out: £22,665,000

% of total paid out from expected: 89%

Total amount from central government: £27,782,000

% of total paid out from central government: 73%

Total number of rejected applications: 400

We had no local discretion over this scheme. The government gave us £27m for the scheme, but the total we could possibly have paid out, based on the number of eligible properties on the rates database, was £22.6m (ie the 'total amount expected' above).



From our original estimates of numbers of businesses, we have paid out the following numbers of companies from each grant level:

There are 235 businesses that we estimated could be eligible but have not applied. We tried to contact these businesses first through our own research and emails/phone calls from

the Revenues Team, then councillors and council officers visited them. Of these 235, 65 were found to be ineligible (either through state aid thresholds, businesses closed down, or buildings repurposed), and 86 have been contacted but didn't want to apply (very odd this – makes you question the legitimacy of the business and their tax arrangements!). That leaves 84 that we have not been able to speak to and have had no contact with.

Discretionary Grant Scheme

There were some national rules for this (in particular, the business had to be trading on 11th March, as for the business rate scheme) and a set of national guidelines, but the details of how we gave them out were determined locally, via a local scheme that was agreed under emergency powers during lockdown. This scheme was again targeted at business premises costs, as separate schemes for replacing lost income for self-employed people and of course the furlough scheme, plus a number of other schemes aimed at particular sectors, were run by central government. The scheme was also designed to pick up businesses that hadn't been eligible for the statutory business rates scheme, and to qualify businesses had to demonstrate that they had suffered a loss of income compared with the same period last year.

We advertised the scheme and publicised it on social media and through various business groups. The first round didn't get quite enough applicants to use it all up, so the scheme was modified to broaden its scope a little and re-advertised. We ended up with:

Total number of applications: 213

Total number of businesses paid: 114

Total amount paid out: £1,152,988

Total amount from central government: £1,153,000

% of total paid out from central government: 99.999%

Total number of rejected applications: 99

Of those businesses we weren't able to support under any of the schemes, the commonest types of business were:

- Businesses run from domestic premises - these include companies who have visitors to their premises (for example beauticians), and holiday lets/air BnB type properties that are registered for CT rather than NNDR;
- Manufacturing facilities that are not eligible for business rate grants (either two premises or too high a rateable value on one premises), including companies that manufacture and sell their products online as they are not considered a retail premises;
- Film companies (for example set designers, location companies, equipment hire);
- Foreign student related companies (for example companies who arrange accommodation);
- Travel companies (tour operators, agents, etc).

All of this leaves us with around £6m we can't distribute, because it was allocated for the statutory scheme but we didn't have enough eligible businesses to distribute it to. However, our discretionary scheme money was fully distributed.

We put out a press release saying that we had £6m left that we couldn't distribute, and called on the government to allow us to keep the money and distribute it through a revised discretionary scheme. Kim Forward wrote to the relevant minister about

this too. We (Kim and I) also had a meeting with our MP, who said she'd support that. For now, however, that's the end of Covid-related support to local businesses.

Commercial Property Purchases

Over the last five years, the council has developed a portfolio of mostly retail commercial properties, as an investment to raise money to replace the grant funding cut by the government. These include the Dunelm retail park on Sedlescombe Road, the TK Maxx retail park on Bexhill Road, the new Aldi and Costa stores on Bexhill Road, and the Co-op building in St Leonards Town Centre. These purchases



were bringing in a net profit of just over a million pounds, after loan repayments on the property purchases are taken into account. Some of these retail businesses have been hit by the Covid pandemic and lockdown, but we're anticipating that these purchases will still produce over £700,000 net profit.

These recent purchases are only a part of the council's overall property portfolio though. Hastings Council

also owns several shops and a pub in the town centre, as well as Castleham and Ponswood industrial estates. These properties are popular, mainly because the rents are relatively low. Most of the businesses in these premises have not been badly affected by lockdown, but there's a waiting list for them so there's usually no problem reletting them. So we're not expecting any significant reduction in rental income from them.

That'll do for now – if you'd like more information on any of this, email me:

cllr.peter.chowney@hastings.gov.uk.