

**Agenda Item:**

**Report to:** Cabinet

**Date:** 4 October 2004

**Report from:** Deputy Chief Executive and Director of Finance

**Title of report:** **HASTINGS AND BEXHILL RENAISSANCE LTD (SEA SPACE)**

**Purpose of report:** To formally agree to become a member of the company that will be delivering projects for the Hastings and Bexhill Taskforce.

**Recommendations:** The Borough Council becomes a member of Hastings and Bexhill Renaissance Ltd (Sea Space).

Councillor Jeremy Birch, Leader of the Council, be nominated to serve as Director of the company.

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## 1.0 Background

- 1.1 Members will be aware of the work the Council has been involved with over the last couple of years with the Hastings and Bexhill Taskforce. The Leader of the Council and the Chief Executive are both members of the Task Force Steering Group, which has guided the developments of the Five Point Plan and the work achieved to date. Other members of the Steering Group are the Leaders and Chief Executives of East Sussex County Council and Rother District Council, South East England Development Agency (SEEDA) and English Partnerships.
- 1.2 The delivery of the projects agreed by the Steering Group will be by an Executive Delivery Vehicle known as the Hastings and Bexhill Renaissance Limited (Sea Space). This report is mainly about the company and the Council's participation in it.
- 1.3 At your meeting on 24 November 2003, you resolved that the Business Plan of Hastings and Bexhill Renaissance Ltd (Sea Space) be approved and endorsed.
- 1.4 In order to progress matters SEEDA have established the company. It is a company limited by guarantee, which means there is no share capital and therefore no dividends can be paid. Trading surpluses can, however, be realised.
- 1.5 It is the intention to achieve full participation in the Company by the main interested parties; these being Hastings Borough Council, Rother District Council, East Sussex County Council, SEEDA and English Partnerships. This will be achieved by amending the Memorandum and Articles of Association to reflect the details shown below.
- 1.6 You are recommended to formally agree that the Council becomes a member of the company and to nominate one person to serve as a Director. That person must be an elected member or officer.
- 1.7 The first meeting of the company is scheduled for 11 October 2004.

## 2.0 Company Details

- 2.1 Members will be divided into three classes of membership, being classes A, B and C, as follows:-

A members	each of the Councils
B member	SEEDA
C members	all other members (but in the first instance, solely English Partnerships)

2.2 Initially, the Board is to comprise the following:-

	<u>Number of Directors</u>	<u>Voting Rights</u>
A members	3	19.9%
B member	5	20.0%
C member	1	60.1%

2.3 Of more import than the relative voting rights will be two particular articles of the company, which ensure the company operates by consensus:-

- Before the Business Plan (or any amendment to it) is approved and implemented, it must first be approved by (i) the Hastings and Bexhill Taskforce Steering Group and (ii) the B member and all of the A members.
- The members shall use their respective powers to ensure that no action or decision relating to key matters is taken by the company without prior agreement of all of the A members and the B member unless such action is expressly contemplated in the Business Plan.

2.4 There will eventually be a number of C members, e.g. developer(s), financial organisation(s), etc. SEEDA are looking at the most appropriate mechanisms to change voting rights as other C members join the Board.

2.5 If the company is wound up, then the assets will be distributed by decision of the Board to such organisation(s) that will carry on or promote activities closely associated with the Company's objectives, or which are most likely to improve the social, physical and economic environment of the region.

2.6 Every member must undertake to contribute such amount as may be required to the Company's assets if it should be wound up. The amount, however, is not to exceed £1.

## Policy Implications

Equalities & Community Cohesiveness  
Crime and Fear of Crime (Section 17)  
Risk Management  
Environmental issues  
Economic / Financial implications  
Human Rights Act  
Organisational Consequences


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### Officer to Contact

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### Background Documents

Letter from SEEDA - 05/08/04

Memorandum of Association and Articles of Association of Company