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CABINET

4 DECEMBER 2017

Present: Councillors Chowney (Chair), Forward, Batsford, Fitzgerald, Poole, Beaney, Lee and Patmore

46. DECLARATIONS OF INTEREST

The following Councillors declared an interest in the minutes:

Councillor	Minute Number	Interest
Beaney	52 – Sports Village Development	Prejudicial – she is a Director of Hastings Housing Company
Forward	52 – Sports Village Development	Prejudicial – she is a Trustee of the Education Futures Trust

47. MINUTES OF THE MEETING HELD ON 6 NOVEMBER 2017

RESOLVED that the minutes of the Cabinet meeting held on 6 November 2017 be approved as a correct record

RESOLVED the chair called over the items on the agenda, under rule 13.3 of the council's constitution, the recommendations set out in minute numbers were agreed without being called for discussion

48. COUNCIL TAX SUPPORT SCHEME

The Assistant Director, Financial Services and Revenues, submitted a report which sought member approval for the proposed council tax support scheme 2018/19.

Local authorities are required to adopt their own local council tax support schemes each year. The local scheme rules only apply to working age customers. The grant funding for the council tax support scheme is included within the revenue support grant and retained business rates.

When designing the scheme it is important to strike a balance between protecting those on low incomes and maintaining essential services. The current scheme sets a minimum weekly award of £5, removes second adult rebate and increases non-dependant deductions.

No changes of the scheme are proposed for 2018/19. However, all local authorities in East Sussex have agreed to undertake a comprehensive review before agreeing their

CABINET

4 DECEMBER 2017

schemes for 2019/20. The review will reflect recent changes to the welfare system, particularly the increasing impact of Universal Credit.

Under rule 13.3 of the council's constitution, the recommendations of this report were agreed without being called for discussion.

RESOLVED:

- 1. To recommend to Full Council that there will be now change to the existing council tax support scheme in respect of working age customers for 2018/19, and;**
- 2. To authorise the Assistant Director, Financial Services and Revenues, to uprate allowances and premiums, as required, when announced by the government together with any relevant changes to the prescribed legislation**

The reason for this decision was:

The local authority is required to approve a scheme for the provision of council tax support in respect of 2018/19 by 31 January 2018.

49. NATIONAL NON-DOMESTIC RATE (NNDR) RELIEF

The Assistant Director, Financial Services and Revenues, presented a report which sought Cabinet approval for a policy in respect of the level of discretionary business rate relief to be granted to certain defined ratepayers with Hastings Borough Council area.

Following a revaluation of premises in April 2017, a number of local business have seen an increase in the business rate liabilities. Under the localism act 2011, the council may grant discretionary business rate relief. The council has been awarded an additional grant by the government, to assist businesses affected by the revaluation.

The funding covers a 4 year period and a draft policy for administering the grant was appended to the report. In order to be eligible for funding, the business must have been occupying their premises on 1 April 2017. The council has consulted the major preceptors on the proposed scheme.

Around 300 potential recipients of the proposed scheme have been identified, and these businesses will be contacted directly, once the policy has been approved.

Councillor Chowney proposed approval of the recommendations to the Assistant Director, Financial Services and Revenues report, which was seconded by Councillor Lee.

RESOLVED (unanimously) that:

CABINET

4 DECEMBER 2017

- 1. The draft policy attached to the report is approved, and;**
- 2. The Assistant Director, Financial Services and Revenues, is authorised, in consultation with the Leader of the Council, to make any necessary changes to the policy, if there are changes or likely to be changes in legislation, or if the total relief being granted could result in the total payments exceeding the level of grant**

The reason for this decision was:

The council needs a policy to set out how they will allocate the grant monies received from central government to help local businesses affected by the revaluation.

50. AN ENERGY TRANSITION FOR HASTINGS

The Income Generation Manager presented a report which updated the council on income generation opportunities through the generation and supply of renewable energy. The report set out outcomes which may be achieved over the short, medium and long term and the levels of investment required to assess these opportunities further.

In summer 2017, the council commissioned an energy options study. The study recommended a number of efficiency measures which the council could implement on the buildings it owns to reduce energy consumption and associated costs. The recommendations will be implemented as part of the council's renewals and maintenance plans.

The study also identified potential opportunities for the council to gain additional income by the generation and supply of renewable energy. These opportunities would require further investigation, and it was recommended that the council develop an energy strategy to co-ordinate and prioritise this work and provide a framework for joint working and exploring funding opportunities.

Members commented that many of the opportunities described in the report could provide economic, social and environmental benefits to the people and businesses of the borough, as well as generating additional income for the council.

Councillor Chowney proposed approval of the recommendations to the report, which was seconded by Councillor Beaney.

RESOLVED (unanimously):

- 1. To note the progress already made in achieving energy efficiencies.**
- 2. To make provision within the Capital Programme of £1.76m for the purchase and installation of solar photovoltaic arrays.**
- 3. That delegated authority be given to the Chief Financial Officer, in consultation with the Leader to authorise the procurement of design and installation of solar photovoltaic arrays as outlined at para. 19-23.**

CABINET

4 DECEMBER 2017

4. That a position of Project Support Officer is created for a fixed term until Mar 2019 (with an option to extend) to assist delivery. This position will be paid for through a bid to the Invest to Save Fund.
5. To continue work to develop plans to bring forward large scale wind generation for the Borough. This will include a review of gaps in planning policy and a bid to the Invest to Save fund to erect wind monitoring masts to check the national database wind assumptions; with a further report to follow in April 2018.
6. To continue work to develop plans to bring forward district heat networks for the Borough; including submitting a bid to the Heat Networks Delivery Unit for a grant funding to conduct feasibility studies, with match funding of up to 33%. A further report to follow in April 2018.
7. To continue work to develop plans to bring forward an alternative energy generation and supply model for Hastings; including submitting a declaration of interest to the European Regional Development Fund to trial a smart grid. A further report to follow in Apr 2018.
8. To enter into informal dialogue with energy supply licence holders about a potential partnership with Hastings Borough Council which could bring offer a tariff underpinned by local generation. A further report to follow in Apr 2018.
9. To develop an Energy Strategy for Hastings Borough, the first draft to be considered in April 2018.

The reason for this decision was:

Implementing the recommendations in this report will help the Council deliver its Corporate Priorities, as follows:

- a. **Economic and physical regeneration** – generating and supplying energy locally keeps money in the local economy. Supporting local businesses by retaining them to deliver some of the recommendations in this report could help safeguard and create new skilled jobs.
- b. **A greener town** – if they are all implemented following due diligence the measures in this report have the potential to contribute to the Councils climate change ambitions namely, to reduce emissions of greenhouse gases. We will establish an appropriate target to monitor the energy generated and the greenhouse gases saved through our planned activities. This will be established in the context of national carbon reduction targets as set by the Climate Change Act 2008 (to reduce emissions by at least 51% by 2025 and 80% by 2050 based on 1990 levels).
- c. **Intervention where it's needed** – the energy industry is in the throes of transition. There are various reasons for this but a major one is the increasing cost of distributing energy. It is for this reason that UK Power Networks, the District Network Operator for the area including Hastings has publically declared its move

CABINET

4 DECEMBER 2017

to a new model of doing business. The Council has a leadership role to play in this transition to ensure that the Borough derives maximum benefits as the transition rolls out.

- d. **Changing the way we work** – it is unlikely that all of the opportunities identified in this report can be brought forward. If, after due diligence they are all implemented they could generate an annual contribution of up to £1.156m for an investment of up to £9.98m; this represents a gross Return on Investment (ROI) of 11.57%. The Income Generation Strategy is far more cautious and, after discounting the more challenging aspects of the programme calls for a return of £630k for an investment of £6m, or a gross ROI of 10.6%.

51. APPOINTMENT OF EXTERNAL AUDITOR

The Chief Auditor submitted a report which sought Cabinet approval to accept the Public Sector Audit Limited (PSAA) appointment of Grant Thornton (UK) LLP as the council's external auditor.

The council is part of a national scheme for auditor appointment, which is organised by PSAA. PSAA appointed Grant Thornton (UK) LLP to Hastings Borough Council. The Audit Committee raised no objection to this appointment at its meeting held on 21 September 2017.

Under rule 13.3 of the council's constitution, the recommendations of this report were agreed without being called for discussion.

RESOLVED to accept the recommendation for Grant Thornton (UK) LLP as the council's external auditor

The reason for this decision was:

Part 3 of the constitution of the council (responsibility for functions) states that the Audit Committee should "recommend to the Cabinet any change of the external audit provider".

52. SPORTS VILLAGE DEVELOPMENT

Councillors Beaney and Forward, having declared a prejudicial interest in this matter, left the chamber during the debate on this item.

The Director of Operational Services presented a report which sought authority for the sale of land at less than market value in order to enable the construction of a new sports village on council owned land at Bexhill Recreation Ground.

The council has been approached by Bohemia LLP seeking the sale of council owned land at Elphinstone Road and land at lower tier of Bexhill Road Recreation Ground for housing development. Profits from the sale of the housing would be used to support the creation of a multi-use sporting and leisure facility on council-owned land at

CABINET

4 DECEMBER 2017

Bulverhythe. All of these schemes would require separate planning approval and the satisfactory completion of assessments of flood prevention measures of the sites. However, the developer required an assurance of the council's agreement in principal to the sale of these sites, before proceeding further.

Members commented that this proposal provided a significant opportunity to improve the sporting and leisure facilities in the town. The development of land at Elphinstone Road and Bexhill Road would also provide much-needed affordable housing. There may also be an opportunity for the council's housing company to purchase some units of accommodation.

Councillor Chowney proposed approval of the recommendations to the report, which was seconded by Councillor Lee.

RESOLVED (unanimously):

- 1. Cabinet agree to recommend to Full Council the sale of land to Keepmoat Ltd and/or Bohemia LLP as detailed under para 4 of this report:**
 - i. The freehold of the current Hastings United Football Ground and Hastings United Sports and Social Club site**
 - ii. A 999 year leasehold at Bulverhythe for the construction of the proposed Sports Village**
 - iii. The freehold of land at the lower tier of Bexhill Road Recreation Ground for housing development.**

These sales being on the basis of the Local Government Act 1972 which allows sale of less than best consideration on the basis of social, economic or environmental wellbeing.

- 2. That any sale is on the basis of the conditions set out in paras 4, 5 and 35 of this report.**
- 3. The Director of Operational Services, Assistant Director Financial Services & Revenues and Chief Legal Officer agree final terms on the basis of this report in consultation with the Leader of the Council.**

The reason for this decision was:

To enable the promoters to bring forward detailed planning applications for housing and sports facilities as outlined in the report.

The Leader of the Council proposed a motion for the exclusion of the public from the meeting, which was unanimously agreed as follows:

RESOLVED that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to

CABINET

4 DECEMBER 2017

them of “exempt” information as defined in the paragraphs of schedule 12A to the Local Government Act 1972 referred to in the relevant report.

53. WHITE ROCK THEATRE

The Assistant Director, Regeneration and Culture, presented a report which proposed a way forward for the management of the White Rock Theatre beyond the expiry of the present contract in January 2019, which will deliver ongoing cultural provision, achieve budget savings and allow for a strategic approach to the development of cultural provision.

Councillor Chowney proposed approval of the recommendations to the report, which was seconded by Councillor Forward.

RESOLVED (unanimously):

- 1. That the council should as its first preference negotiate terms for the extension of the current contract with HQ Theatres & Hospitality for a period of 5 years**
- 2. That the council begins an OJEU procurement process to secure a new operator in order to ensure continued operation should detailed negotiations with HQ Theatres & Hospitality for an extension prove to be unsuccessful.**
- 3. That both processes be delegated to the Director of Operational Services or his nominee working with the Assistant Director Financial Services & Revenues and Chief Legal Officer in consultation with the Leader of the Council.**
- 4. That the council should develop a firm long term view of the type of cultural programme it is seeking and wishes to subsidise beyond this period, and develop the ideas and vehicles needed to deliver these aspirations.**

The reason for this decision was:

- 1. To achieve the budget savings required by the council’s financial position.**
- 2. The negotiated approach allows for the continuity and effective management of the facility whilst allowing the scope for more refined options to be considered and developed in the future for cultural activity to be developed.**
- 3. Procurement is the appropriate legal and business approach if the contract extension cannot be negotiated satisfactorily**
- 4. Refined legal advice has clarified that the negotiated pathways are possible. This presents the council with a more flexible approach than procurement.**

54. PROPERTY PURCHASE

CABINET

4 DECEMBER 2017

The Assistant Director, Financial Services and Revenues, presented a report to consider the purchase of a commercial property.

Since the report had been submitted, the vendor had re-negotiated the terms of the lease with the existing tenant to remove the first break clause. Members were advised that the asking price for the property had been increased and that the figure within the second recommendation should be increased by £150,000 (which was agreed).

Councillor Chowney proposed approval of the amended recommendations, which was seconded by Councillor Fitzgerald.

RESOLVED (by 6 votes for, to 2 against) that:

- 1. Cabinet resolve to purchase the property, and;**
- 2. Delegated authority is given to the Assistant Director, Financial Services and Revenues, in consultation with the Leader of the Council to purchase the best possible price, up to the amount discussed at the meeting (plus stamp duty, land tax, registration fees and agents fees plus associated costs)**

The reason for this decision was:

The site is adjacent to the council owned retail park. It is a prime site that occupies a prominent position and is considered to be a low density site. There would be potential synergies for future development/ redevelopment in conjunction with the council's existing site as and when current leases expire. It remains important to Hastings that there is sufficient affordable land retained in the town to ensure there are attractive locations for companies to base them themselves. The council needs to ensure that key areas remains attractive for the future to ensure businesses are attracted to, and remain in, Hastings – particularly so as the council will need to ensure business rate growth in the future.

The council would have the opportunity to have a direct involvement in the long term future of this site to help ensure the continued economic and regeneration of the town. The acquisition would also assist the council to diversify its property holdings and manage the overall risk exposure within the portfolio. The council would also secure an additional income stream.

55. PROPERTY PURCHASE

The Assistant Director, Financial Services and Revenues, presented a report which considered the retail property in the town centre.

Councillor Chowney proposed approval of the recommendations set out in the report, which was seconded by Councillor Batsford.

RESOLVED (unanimously) that:

CABINET

4 DECEMBER 2017

- 1. Cabinet agree to purchase the property, and;**
- 2. Delegated authority is given to the Assistant Director, Financial Services and Revenues, in consultation with the Leader of the Council to purchase the property at the best possible price up to the figure set out in the report (plus stamp duty, land tax, registration fees, and agents fees plus associated costs) – the yield is on the actual investment being some 6.25%**

The reason for this decision was:

The property is the only significant department store in the town. It occupies a central position and remains a key asset for the town in attracting footfall and contributing towards making Hastings a good place to live and work. It remains important to Hastings that there is sufficient affordable retail space retained in the town to ensure there are attractive locations for companies to base them themselves. The premises are currently fully occupied by Debenhams on lease expiring in 2034.

The council needs to ensure that key areas remains attractive for the future to ensure businesses are attracted to, and remain in, Hastings – particularly so as the council will need to ensure business rate growth in the future.

Many retailers are under threat from internet shopping and it is expected that department stores will need to adapt further to survive. The acquisition of the property provides the council with the opportunity to have a direct involvement in the long term future of this site to help ensure the continued economic and regeneration of the town. The acquisition would also assist the council to diversify its property holdings and manage the overall risk exposure within the portfolio. The council would also secure an additional income stream.

(The Chair declared the meeting closed at. 7.33 pm)

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