

CABINET

7 JANUARY 2019

Present: Councillors Chowney (Chair), Batsford, Beaney, Fitzgerald, Rogers, lee and Patmore

125. APOLOGIES FOR ABSENCE

Apologies for absence were noted for Councillor Forward

126. DECLARATION OF INTERESTS

The following councillors declared their interests in the minutes as indicated:

Councillor	Minute	Interest
Peter Chowney	133. South East Local Enterprise Partnership Sector Support Fund	Prejudicial- He has become a permanent member of the Local Enterprise Partnership

127. MINUTES OF LAST MEETING

RESOLVED – that the minutes of the meeting held on 3rd December 2018 be approved as a true 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 129, 131, and 132 were agreed without being called for discussion.

128. GROUND MOUNTED SOLAR

The Chair moved this item up the agenda with agreement.

The Income Generation Manager presented a report to cabinet so that they can consider the high level business case to establish ground mounted solar arrays. Cabinet are invited to consider whether to proceed to the next stage of the project. This is the production of a detailed business case.

HBC has already agreed, as part of its Income Generation Strategy to invest in three policy objectives in a 'commercial' manner; one of those investment themes is energy generation.

HBC are looking at the possibility of establishing three separate 1 MWp ground mounted solar arrays. One of these will be located on the Council's property at Upper Wilting Farm, Crowhurst. The other two will be located on land close to The Milking Parlour, in Hastings Country Park, Fairlight.

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The Council has a good opportunity to establish these sorts of 'solar farms' because it is a significant landowner and has no land acquisition problems. The other two critical pre-cursors of a successful project are also in place:

1. The local energy grid, operated by the Distribution Network Operator (DNO) UK Power Network (UKPN) has capacity to accept generated power without unnecessarily high costs of connecting to its grid.
2. Through HBC's existing relationship with LASER (an energy broker) it has access to a range of customers for any energy that it produces.

Concerns were raised particularly about the sites in Hastings Country Park. This was due to the Country Park area being in the High Weald Area of Outstanding Natural Beauty, and adjacent to a site of Special Scientific Interest.

The sites identified aren't protected and are used for grazing, with no public access. These concerns were about the negative impact on the environment and wildlife present in this area. Natural England reports were cited that both identified neutral and negative impacts of Solar PV developments

Councillor Chowney proposed approval of the recommendations to the Director of Operational Services report, with the amendment that Natural England are consulted first as part of the feasibility study. This was seconded by Councillor Fitzgerald.

RESOLVED (by 5 votes for, to 2 against) that:

- 1. That delegated authority is granted to the Director of Operational Services, in consultation with the Leader, to develop a detailed business case for ground mounted solar arrays. Natural England are consulted first for professional comment. The detailed business case is to be presented to Cabinet in June 2019.**
- 2. That delegated authority is granted to the Director of Operational Services, in consultation with the Leader, to spend up to £80,400 to pay for professional studies and pre-planning consultations. The money will be sourced through bids to the Invest to Save fund and from reserves.**

The reason for this decision was:

The proposed ground mounted solar arrays have the potential to make a significant contribution to the objectives of the Income Generation and draft Energy Strategies.

A detailed business case will provide the information Cabinet will require when considering whether to further commit the Council to the proposed project; including a significant allocation in the Capital Programme.

A detailed business case will require a pre-planning application to be conducted with two planning authorities. In order to get value from that process professional comment from the sources detailed at para. 13 will be required.

Natural England will be the first approached to get professional comment due to concerns about environmental impact.

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129. TREASURY MANAGEMENT - MID-YEAR REPORT 2018-19

The Assistant Director, Financial Services and Revenues, submitted a report that advises the Cabinet of the Treasury Management activities and performance during the current year. It provides the opportunity to review the Treasury Management Strategy and make appropriate recommendations to Council to take account of any issues or concerns that have arisen since approving it in February 2018.

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

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

Under rule 13.3, the recommendations of the report were agreed without being called for discussion.

RESOLVED that:

1. Cabinet agree the Mid Year Report

The reason for this decision was:

The Code of Practice on Treasury Management requires, as a minimum, a mid-year review of the Treasury Management Strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved (February 2018). It is a requirement of the Code of Practice that the Mid-year review is considered by Cabinet and full Council.

The Council has increased its levels of income generation and this entails new borrowing over potentially long periods, with consequent risks in terms of asset valuations, credit worthiness, cash and reserve fund availability. Such risks cannot be considered in isolation of all the issues facing the Council now and potentially in the future.

130. COUNCIL TAX REDUCTION SCHEME 2019/20

The Assistant Director, Financial Services and Revenues, presented a report which sought member approval for the proposed council tax support scheme 2019/20.

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

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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. A public consultation was undertaken and comments were received from voluntary sector organisations.

The report recommended an option which delivered a scheme that is financially sustainable and minimised the impact on the majority of residents.

Councillor Rogers proposed approval of the recommendations of the Assistant Director, Financial Services and Revenues report. This was seconded by Councillor Batsford.

RESOLVED (unanimously) that:

- 1. Cabinet recommend to full Council that the preferred option in respect of the working age CTRS for 2019/20, is option 3.**
- 2. To authorise the Assistant Director, Financial Services and Revenues to uprate allowances, as required, when announced by the Government, and any relevant changes to the Prescribed Regulations.**
- 3. To approve the Council Tax Discretionary Reduction in Liability Policy for future years**

The reason for this decision was:

The local authority is required to approve a Council Tax Reduction Scheme in respect of 2019/20 by 11 March 2019.

The recommended option retains 100% support for those most in need and at a total cost that is estimated to be similar to that of 2018/19.

131. COMMUNITY PARTNERSHIP FUNDING PROGRAMME 2019-2021

The Assistant Director, for Regeneration and Culture, submitted a report to set out the recommendations for Community Partnership Funding (CPF) 2019-2021 programme.

The current round of CPF comes to an end in March 2019. The previous round was agreed and commissioned in 2016 covering the 2017-18 & 2018-19 programme.

The current CPF Programme priorities are as follows:

- a. Housing, legal, welfare and debt advice
- b. Support for victims of domestic violence
- c. Advice and support to organisations (voluntary sector infrastructure support)
- d. Rough sleepers outreach support
- e. Advice and support to migrant and newly settled communities

The CPF application process opened on 3rd September 2018 and closed on 18th October 2018. In total eight proposals were received for the five priority services identified above

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The CPF Grants Panel was established to review and evaluate all proposals. The Panel included the Lead Member for Regeneration, Planning & Culture, the Housing Policy and Performance Officer, the Economic Development Manager, the External Funding Manager and the Programme Compliance Monitoring Officer.

The panel recommends that the following grant applications are approved;

Organisation	CPF priority	CPF amount 2019-2021	% of total fund allocated (£371,341)
Change Grow Live	Support for victims of domestic violence	£44,703	12.0%
Citizens Advice 1066	Housing, legal, welfare and debt advice	£80,466	21.7%
Hastings Advice & Representation Centre (HARC)	Housing, legal, welfare and debt advice	£121,292	32.7%
Hastings Voluntary Action	Advice and support to organisations	£35,763	9.6%
Seaview	Rough sleepers outreach support	£62,295	16.8%
The Links Project/HVA	Advice and support to migrant and newly settled communities	£26,822	7.2%

Under rule 13.3, the recommendations of the report were agreed without being called for discussion.

RESOLVED that:

- 1. Cabinet approves the CPF Grants Panel's recommendations as set out in this report subject to the decisions of the Budget Cabinet meeting in February 2019.**
- 2. Delegation is given to the Director of Operational Services or his nominee in consultation with the Lead Member for Regeneration, Planning & Culture, to agree final contractual outputs, outcomes and grants.**

The reason for this decision was:

The current round of CPF comes to an end in March 2019. The proposals set out in this report follow the current commissioning approach for the existing priorities.

132. CULTURAL DEVELOPMENT FUND

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The Assistant Director, for Regeneration and Culture, submitted a report which presents a consortium bid to the Department for Digital, Culture, Media and Sport /Arts Council England Cultural Development Fund led by Hastings Borough Council and request match funding.

The Cultural Development Fund (CDF) is a new fund supported by the Department for Digital, Culture, Media & Sport (DCMS), administered by Arts Council England (ACE).

The aim of the CDF is to support towns and cities to develop transformative culture led economic growth and productivity strategies by investing in place-based cultural initiatives and the creative industries outside of London. Place-based initiatives are about bringing local people together to utilise their skills and knowledge to create places where people want to live, work and do business.

ACE advises that Hastings does not represent a big enough area to apply alone. Hastings has formed a partnership with a range of organisations from the cultural sector and local authority partners across coastal East Sussex. Hastings Borough Council is the proposed lead body for the bid.

The grant value amounts to £4,500,000, of which £365,000 is for management and administration and at least £1,005,000 (revenue) grant funding for Hastings borough. The total project budget is £19,299,016 which includes 77% match; 64% public, 30% private and 6% in-kind. This will support 270 businesses, create and safeguard 573 jobs, have an audience reach of 2,982,880 and provide skills training to 816 participants.

Three new project team roles funded by the bid will be hosted by Hastings Borough Council. Hastings Borough Council will also deliver several projects itself.

The projected revenue implication for the £50,000 creative workspaces match is £11,500 p.a., assuming an indicative 3% interest rate per annum over a 5 year term for the cost of borrowing.

Hastings Borough Council will be the accountable body for the total grant amount of £4,500,000 and will be responsible for reporting on the full budget of £19,299,016.

Under rule 13.3, the recommendations of the report were agreed without being called for discussion.

RESOLVED that:

- 1. To support the submission of the bid and the Council's leadership of the project should we be successful.**
- 2. That the council shall sign the legal agreements with Arts Council England accepting CDF funding including commitment to the match for administration and management identified in paragraph 9.**
- 3. To support the recruitment of the project team as outlined in paragraph 13.**
- 4. To agree an amount of £50,000 capital (£11,500 p.a. additional revenue cost including interest and repayment) as match funding to the project at**

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Hastings Museum (total value £350,000) as per the attached business case.

5. Delegated authority is given to the Director of Operational Services, or his nominee, in consultation with the lead member for regeneration to:
- a. Negotiate and conclude legal agreements with the managing authorities to implement and deliver the programme
 - b. Negotiate and conclude legal agreements with project delivery partners and with successful grant applicants once the programme is commenced
 - c. Approve and release funds to the project delivery partners up to a value of £3,835,000
 - d. Deliver the HBC-led projects outlined in the bid.
 - e. Deliver further HBC projects or vary those outlined if funding becomes available from within the programme or additional match funding.

The reason for this decision was:

This fund has the potential to make a significant contribution to our cultural regeneration ambitions, through supporting key cultural sector partners and Council-led activity.

133. SOUTH EAST LOCAL ENTERPRISE PARTNERSHIP SECTOR SUPPORT FUND

Councillor Chowney having declared a prejudicial interest in this matter left the chamber for this item. Councillor Batsford took the chair.

The Director of Operational Services, presented a report;

1. To brief members on the success of the Coastal Communities Group of the South East Local Enterprise Partnership (SELEP) in securing Sector Support funding to develop a prospectus/supplement to complement the SELEP Economic Strategy Statement (previously known as the Strategic Economic Plan) and the forthcoming Local Modern Industrial Strategy of £40k matched against funding from a number of local authorities.
2. To seek authority to procure the consultants to develop and deliver this work on behalf of the Coastal Group.

SELEP is the Local Enterprise Partnership covering the local authorities within East Sussex, Kent, Essex, Southend, Thurrock and Medway. It has the responsibility for leading and co-ordinating economic growth within the region and is a channel for government funds.

The SELEP structure is a federated one. A central accountability board exists to assess bids for funding to ensure funds are directed at regionally appropriate and deliverable projects. A Strategic Board exists which is primarily intended to consider regional strategic issues and have oversight of the organisations work.

A more long term and strategic approach to coastal issues is required. There have been considerable successes but the fact remains that SELEPs coast contains many

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places that continue to underperform economically but also offer great potential for improvement – and to raise the overall performance of the SELEP region. This is due to the unique challenges coastal towns face.

Councillor Fitzgerald proposed approval of the recommendations of the Director of Operational Services report. This was seconded by Councillor Rogers.

RESOLVED (unanimously) that:

- 1. That the Director of Operational Services or his nominees are authorised to procure contractors to undertake the work of developing a SELEP Coastal Communities prospectus.**
- 2. The Chief Legal Officer is authorised to sign the contractual relationship to secure this work.**
- 3. That agreement is given to the acceptance of grant aid via SELEP/East Sussex County Council and contributions from other councils towards this work.**
- 4. That authority is given for the expenditure for this project up to a maximum value of £60k.**

The reason for this decision was:

The work proposed is undertaken on behalf of a wider body of local coastal authorities with the aim of increasing support for regeneration and investment in the SELEP coastal communities. The Economic Strategy Statement and Local Modern Industrial Strategy are likely to be highly influential on future SELEP priorities. Future UK Shared Prosperity Funds are likely to be informed by these documents.

The work is intended to lead to enhanced co-operation between coastal partners and the development of more strategic relationships with potential funders, such as Arts Council, Heritage Lottery Fund and Big Lottery as well as the SELEP funding opportunities.

134. NOTIFICATION OF ADDITIONAL URGENT ITEMS

135. URGENT ITEMS (IF ANY)

135.1 Business Rate Pilot - 75% retention

The Assistant Director, Financial Services and Revenues, presented a report to agree to enter into a Business Rates Pilot for 75% business rates retention as part of the East Sussex Business Rates Pool.

The pilot will last a year and will involve joint working and pooling with East Sussex County, Borough, and District Councils and the East Sussex Fire Authority.

The government's safety net for Pilot authorities at 95% provides a higher level of protection than the 92.5% that is available to authorities that are not in a pool or pilot.

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Currently it is estimated that Hastings Borough Council will gain £40,000- £80,000 additional income from this scheme although the final calculation will be completed at the end of January.

Whilst the forecast gains are not as significant for Hastings BC as the other authorities in East Sussex they are much needed. The Council will also benefit with additional resources being available to neighbouring authorities, the County and the Fire authority.

Being part of the scheme would also give opportunity to supply feedback to the government.

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

RESOLVED (unanimously) that:

- 1. The Cabinet confirm the Council will participate in the 75% business rates retention Pilot.**
- 2. Agree that the finalisation of the Memorandum of Understanding and any other arrangements are delegated to the Chief Finance Officer.**

The reason for this decision was:

Local authorities are free to come together to form pools for Business Rates purposes, as the Council has done for 2018/19. In this financial year the government asked for Pools to apply to be pilots of 75% rates retention (currently 50%). In such cases tariffs and top-ups are combined – and this should result in lower payments being made to the government.

Authorities within such arrangements need to agree how risks and benefits are shared. A pilot pooling arrangement could result in additional resources being retained within East Sussex. The estimates identify sums of £4.3m in 2018/19 which would be shared between authorities and used for financial stability and economic development purposes.

(The Chair declared the meeting closed at. 7.32 pm)