



# Council Meeting

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**19 December 2018**

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## HASTINGS BOROUGH COUNCIL

Dear Councillor

You are hereby summoned to attend a meeting of the Hastings Borough Council to be held at the Muriel Matters House, Breeds Place, Hastings, East Sussex, TN34 3UY, on Wednesday 19 December, 2018 at 6.00 pm at which meeting the business specified below is proposed to be transacted.

Yours sincerely,

Chief Legal Officer

Muriel Matters House  
Breeds Place  
Hastings

12 December 2018

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### **AGENDA**

1. Apologies for Absence
2. To approve as a correct record the minutes of the Full Council meeting held on 17 October 2018
3. Declarations of Interest
4. Announcements from the Mayor and Leader
5. Questions (if any) from:
  - a) Members of the public under Rule 11
  - b) Councillors under Rule 12
6. Motion (Rule 14)

No motions were received.
7. Membership of Committees

To give effect to any request received from a political group for a

change in their representation on committee(s).

8. Audit Committee Report 2017/18
9. Previous Cabinet Meetings
10. Reports of Committees
  - a) To resolve that the public be excluded from the meeting during the discussion of any items considered while the public were excluded by the relevant committee because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in the respective paragraphs of Schedule 12A to the Local Government Act 1972 referred to in the minutes of the relevant committee.
  - b) To receive and consider the recommendations and any decisions of the following committees.

<b>Minute No.</b>	<b>Subject</b>	<b>Cabinet Member / Chair</b>
<b>SPECIAL CABINET – 23 JULY 2018</b>		
96. (E)	New Property Development & Purchase – Bexhill Rd (Part 2 report)	Chowney
<b>CABINET – 3 SEPTEMBER 2018</b>		
100. (E)	Site at West Marina (Part II)	Chowney
101. (E)	Unit 1 Bexhill Road Retail Park	Chowney
<b>CABINET – 1 OCTOBER 2018</b>		
107. (E)	Lower Tier Site, Bexhill Road	Chowney
108. (E)	Temporary Accommodation Purchase	Batsford
<b>CABINET – 5 NOVEMBER 2018</b>		
112. (C)	Review of Statement of Principles under the Gambling Act 2005	Fitzgerald
113.	Museum Committee Changes	Forward
114.	To Appoint a Member to WAG	Chowney
115.	Urgency – Potential Development of Football Stadium and Sports	Chowney

	Facilities at Tilekiln	
<b>CABINET – 3 DECEMBER 2018</b>		
119. (C)	Member's Allowance Index Review	Rogers
120.	Hastings Country Park Visitor Centre	Fitzgerald
121. (C)	Joint Waste Contract Tenders	Fitzgerald
123.	Commercial Property Purchases	Chowney
124.	Provision of Cash Flow Loan to White Rock Neighbourhood Ventures to Support the Purchase Process of the Observer Building	Chowney

Notes:

1. The Mayor will call over the minutes and members will rise and indicate those items which they wish to have discussed.
  2. No discussion shall take place at this stage upon part II minutes covered by the resolution 9a) above. Any such discussion shall be deferred to item X on the agenda.
11. To consider the recommendations and decisions of committees (if any) which the Council has resolved should be discussed after the exclusion of the public from the meeting.

Note: Nothing contained in this agenda or in the attached reports and minutes of committees constitutes an offer or acceptance of an offer or an undertaking or contract by the Borough Council

# Agenda Item 2

## FULL COUNCIL

17 OCTOBER 2018

Present: The Right Worshipful the Mayor (Councillor Nigel Sinden) in the Chair, Councillors Bacon, Barnett, Batsford, Battley, S Beaney, Berelson, Bishop, Charman, Chowney, Cox, Davies, Evans, Fitzgerald, Levane, Louise, O'Callaghan, Roberts, Rogers, Sabetian, Webb, Lee, Patmore, K Beaney, Beaver, Edwards, Foster, Marlow-Eastwood and Rankin

Apologies for absence were noted for Councillor Scott, Forward and Turner

### 21. DECLARATIONS OF INTEREST

No declarations were made.

### 22. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETINGS ON 11 JULY 2018 AND 23 JULY 2018

**RESOLVED** that the minutes of the council meeting held on 11 July 2018 and the minutes of the reconvened meeting on 23 July 2018 be approved and signed by the Mayor as a correct record of the proceedings.

### 23. ANNOUNCEMENTS FROM THE MAYOR AND LEADER

The Right Worshipful, the Mayor gave a speech in remembrance of Ion Castro, a former Councillor, who had sadly passed away. He stated achievements such as the creation of Happy Harold for the town. The council were then asked to hold one minute's silence.

There were no announcements from the Leader of the Council.

### 24. QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER RULE 11

A written question was received from a Mr Russell Hall, directed to Councillor Andy Batsford. The question was as follows:

*"The Prime Minister announced on 3 October 2018 that the Housing Revenue Account (HRA) borrowing cap for council house building will be lifted (see: <https://www.gov.uk/government/news/government-announces-new-generation-of-council-housing>). Hastings Borough Council does not have an HRA as there is no council housing in Hastings.*

*The council has chosen not build council housing itself, I believe due to the 'Right to Buy' undermining such an effort, so it will be unable to take advantage of the lifting of the HRA borrowing cap yet on 3 October our council Leader again decried the*

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*"desperate shortage of genuinely affordable housing" in Hastings. The developers and Housing Associations that the council relies upon to meet this need have clearly failed to do so.*

*Given the above, how does Hastings Borough Council plan to meet the need for new genuinely affordable housing?"*

The answer was as follows:

*"In 2017/18, 75 new affordable homes were created in the town, exceeding the target of 70. However, the council will need to continue to explore new ways of working with both private and social developers as part of its new Housing Strategy to increase the supply of all types of accommodation, but particularly affordable housing, to meet growing demand.*

*The council has recently appointed a Planning Development and Housing Enabling Officer to work closely with both private and social sectors in supporting the provision of affordable housing and ensure the number of units are maximised. The council also has plans to develop its own land for housing, including affordable housing, in line with its broader regeneration and income generation priorities. Development of key residential sites, such as Harrow Lane and the lower tier site at Bexhill Road, provide an opportunity to significantly improve housing supply and increase various forms of housing provision in future years if the council is able to successfully bring these sites forward. The council is also recruiting a Housing Development Manager, to advise the council and its housing company on the viability of potential development opportunities and secure funding to deliver a programme of residential development."*

### **25. QUESTIONS FROM COUNCILLORS UNDER RULE 12**

A written question was received from Councillor Foster, to the Leader of the Council, as set out below;

*"Given the Prime Ministers recent announcement that the Government will lift the borrowing cap on councils to help support more housebuilding. Once funding is available, what direction do you think this will take the council, regarding the overall housing strategy?"*

The answer to this from the Leader of the Council was as follows:

*"The changes recently announced by the Government, give local authorities with existing housing stock held in a Housing Revenue Account the ability to borrow more money to support the development of new housing. The borrowing capability of stock-holding authorities was based on an assessment of the size, value and condition of their existing stock. The difference between this figure and the actual levels of Housing Revenue Account was referred to as headroom, many councils had limited headroom left and were therefore unable to borrow funds to support new developments. The recent announcement indicates that the government is going to*

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remove this requirement and enable councils to borrow within their Housing Revenue Account at a level which is considered prudential.

The changes will have a limited impact on non-stock holding local authorities, including Hastings Borough Council, as we do not have a Housing Revenue Account (HRA). Re-opening a HRA would require approval by the Secretary of State, the council would also be open to the risk of the right to buy on any of the new units it developed, which authorities with existing stock are able to offset against their wider portfolio. As part of its broader income generation strategy, the council has established a housing company to acquire new accommodation. Properties owned by the housing company are exempt from the right to buy.

As part of the development of its Housing Strategy, the council is continuing to explore new ways of working with both private and social developers to increase the supply of all types of accommodation, but particularly affordable housing, to meet growing demand. This includes the development our own sites to provide residential accommodation, and work is currently underway to model the viability of opportunities in the town and secure additional funding.

If government policy should change to limit or get rid of the Right to Buy, and to allow councils with no existing stock to borrow and start building council housing again, then I would want us to pursue this option.”

Questions to the Leader, Deputy Leader and other Lead Members were asked and answered in accordance with rule 12.1 as follows:

Questioners and Councillor	Subject	Reply Given by Councillor
Lee	Commercial Property Purchase Plan: There is currently a limit to the funds in the plan on commercial property purchases. Is there a plan to increase the limit, and if so, by how much? Councillor Chowney replied that it depends on what is made available to use up. To use up any available funds, there would be an agreed increase, to attempt to reduce deficit.	Chowney
Sabetian	Mergers: The recent development of Eastbourne and Lewes merging in to one authority raises questions as to whether Hastings Borough Council will consider the same kind of plan. Councillor Chowney replied that currently, the smallest size of the town would have to be 300,000 people. He said that it would be an interesting possibility to look in to, but Hastings was a unique town in the county.	Chowney
K Beaney	Addressing Caravans: With caravans on the roads, with many people in them, with	Chowney

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	<p>seemingly no enforcement, the public health risks and anti-social behaviour, what is the situation on this? Councillor Chowney replied that this is the responsibility of highways at East Sussex County Council, and that it is a complicated issue. It was agreed with ESCC however, that they would take action on the issue.</p>	
Evans	<p>Station Plaza: Please could the Leader provide an update on the Station Plaza and the cuts to GPs. Councillor Chowney replied that keeping the station plaza treatment centre open was important, and supported by Hastings Borough Council, who had provided a petition to the CCG. However, this petition was currently deferred. The urgent treatment centres would be kept open for the time being.</p>	Chowney
O'Callaghan	<p>Homelessness: Please could Councillor Batsford provide an update on homelessness in the borough? Councillor Batsford gave an update, stating that the housing first scheme was underway. It would begin in early November. He also said that there was success in working with Seaspaces. Interventions were 88% successful. He gave a recommendation to use Streetlink (Streetlink.org) to report rough sleepers.</p>	Batsford
Patmore	<p>Review of income generation: With the risk of income generation, why has the board to review income generation been disbanded? Councillor Chowney replied that it has not been disbanded, but will need to undergo a review to its role in income generation, and how the group will work in the future from now on.</p>	Chowney
Levane	<p>Borrowing cap: With the lifting of the borrowing cap, what opportunities are there in the future for Hastings Borough Council? Councillor Batsford replied that he was delighted at the news, however becoming a housing association was not an option, however, investment in to the Right to Buy scheme would be sought after.</p>	Batsford
Beaver	<p>Fees and Charges: What would the benefit be to owners of beach chalets with the raises to fees and charges? Councillor Chowney replied by saying that raising fees and charges instead of putting in</p>	Chowney

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	cuts was the better option, however he saw that there was no reason as to why there was a ban on sub-letting beach chalets, and that the council should seek to change this at some point.	
Cox	Procurement of Waste Contract Update: Would Councillor Fitzgerald offer an update on the procurement of the new waste service contract? Councillor Fitzgerald replied with thanks to the officers in to their hard work. It was stated that there were workers' meetings and they seem positive at the change.	Fitzgerald

**26. MOTION (RULE 14)**

Councillor Rankin proposed a motion, as set out in the resolution below, which was seconded by Councillor Lee.

**RESOLVED (by 8 votes for, 21 against, with 0 abstentions) that:**

**The council do not accept the motion, as set out below;**

***“In order to assist in the process of setting sustainable budgets this council undertakes to establish a reasonable estimate of costs at an appropriate point each year for delivery of:***

***A - its statutory services (as required by law)  
and, if necessary:***

***B - its 'core offer' or desired objectives over and above it's legal requirements in item (a)”***

**27. MEMBERSHIP OF COMMITTEES**

Councillor Chowney proposed a motion regarding the membership of committees, as set out in the resolution below

**RESOLVED that the council adopt the following arrangements for the membership of committees:**

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1. Councillor Turner to resign from Planning Committee and be appointed to Overview and Scrutiny Committee
2. Councillor Webb be appointed to Planning Committee
3. Councillor Berelson to resign from Overview and Scrutiny Committee and to be appointed to Audit Committee.
4. Councillor Louise to resign from Audit Committee

### 28. REPORTS OF COMMITTEES

The Mayor having called over the minutes set out in the agenda, the undermentioned minutes were reserved for discussion.

It was agreed that all part 2 items would be deferred until the next Full Council meeting.

**RESOLVED** that only those items which were reserved were discussed, as follows: -

Meeting	Minute	Councillor
Cabinet – 3 September 2018	98 – Medium Term Financial Strategy	Patmore
Cabinet – 3 September 2018	99 – Site at West Marina (Part I)	Beaver
Cabinet – 1 October 2018	104 – Petition – No Marina at Rock a Nore	Louise
Cabinet - 1 October 2018	106 – Update on Temporary Accommodation	Battley

Councillor Lee, having declared a prejudicial interest in minute 99 of Cabinet on 3 September 2018, Site at West Marina (Part I), did not take part in the discussion.

No motions for reference for Overview and Scrutiny Committee or reference back to Cabinet were approved in respect of the items reserved for discussion and they were therefore received.

(The Chair declared the meeting closed at 7.35pm)

# Agenda Item 8



**Report to:** Council

**Date of Meeting:** 19 December 2018

**Report Title:** Audit Committee Report 2017/18 to Council

**Report By:** Tom Davies, Chief Auditor

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## **Purpose of Report**

Report from the Audit Committee on its annual review of the effectiveness of Internal Audit to Council.

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## **Recommendation(s)**

- 1. That the Audit Committee Report 2017/18 to Council is accepted.**

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## **Reasons for Recommendations**

Regulation 6 of the Accounts and Audit Regulations (England) 2015 requires relevant bodies to conduct an annual review of the effectiveness of its system of internal audit and for a committee of the body to consider the findings.

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## Background

1. Background Regulation 6 of the Accounts and Audit Regulations (England) 2015 requires Local Authorities to conduct a review at least once a year of the effectiveness of its system of internal control and publish a statement on internal control each year with the authority's financial statements.
2. This report, which follows the format recommended by the Chartered Institute of Public Finance and Accountancy, sets out the review of internal control and the assurance gathering process as required by the statute and accompanying guidance.
3. In addition, Regulation 6 of the Regulations requires relevant bodies to conduct an annual review of the effectiveness of its system of internal audit and for a committee of the body to consider the findings. Proper practices in relation to internal audit for relevant bodies may be found in the "Public Sector Internal Audit Standards". We are working with the Sussex Audit Group on a reciprocal basis to arrange a "peer" review of Internal Audit.

### **Principal statutory obligations and organisational objectives**

#### **Responsibility for Statutory Obligations**

4. The Council has formally established responsibilities for its statutory obligations through the Constitution that sets out individual officer and member responsibilities, delegations to officers and committees, and committee terms of reference. These records are accessible on the Council's website and through the Monitoring Officer.
5. Detailed officer responsibilities are set out in job descriptions and structure charts.
6. Directors are accountable for ensuring that responsibilities, authorities and any limits to authorities are appropriately and clearly established within their directorates. The Audit Committee receives internal and external audit reports and ensures that any non-compliance is remedied through appropriate recommendations, and where necessary, requires assurance that recommendations have been implemented.

#### **Organisational objectives and priorities**

7. The multi-functional nature of the Council means that there are a large number of mandatory and discretionary requirements and powers. Hastings Borough Council took action to identify its priority objectives resulting in a list of principles and priorities underpinning the Corporate Plan. The priority areas were then devolved through Directors to Service Managers in the form of Work Plan Summaries.
8. There is a Local Code of Corporate Governance. Audit Committee Terms of Reference clearly assign responsibility for the scrutiny of corporate governance arrangements to the Audit Committee.

## **Performance against planned outcomes**

9. The Authority knows how well it is performing against its planned outcomes through a comprehensive and effective performance management system. This system monitors performance against plans, targets, and financial budgets, with quarterly reports to the Overview and Scrutiny Committee.

## **Identifying principal risks to achieving the objectives**

10. 'Risk' is any obstacle, or potential obstacle, to the achievement of the Council's priority objectives or statutory duties. The purpose of risk management is to ensure the achievement of the Council's objectives with efficient use of resources.
11. By identifying high-risk groups or areas, corporate policies and service resources can be targeted on those groups or areas.
12. The Council has a formal Risk Management Framework that was approved by Cabinet. The Framework is designed to encourage managers to 'own' the risks associated with their areas of responsibility. Managers use a corporately agreed matrix for identifying and assessing risks and controls.
13. The council continues to ensure the identification of key risks from both a strategic and operational perspective. Using a process of self-assessment, senior management re-assessed the strategic risks (those to service provision, statutory compliance, and reputation) and services assessed operational risks (financial, physical and contractual risks).
14. During 2017/18 both the Strategic Risk Register and Operational Risk Registers were regularly updated.
15. Council has approved Terms of Reference for the Audit Committee giving it a clear remit to,  
  
"Review, evaluate and approve: The effectiveness of the Council's process for assessing significant risk exposures and the measures taken by management to mitigate risks to an acceptable level".
16. A large part of the internal audit plan is risk-driven.

## **Key controls for managing principal risks**

17. To ensure that its controls are fully up to date with the current operating environment, Financial Operating Procedures provide the framework within which Members and Officers must operate and compliance is routinely checked through audit reports to the Audit Committee.
18. In addition, the Council has these controls in place:
  - a. The Council has adopted the CIPFA Code on Treasury Management to ensure compliance with the Prudential Code.
  - b. An Anti-Fraud and Anti-Corruption Strategy (Fighting Fraud Locally).

- c. A Whistle-blowing Policy.
- d. Codes of Conduct for Members and Officers.
- e. Registers of Interests for Members and Officers.
- f. Risk Registers (reviewed by Audit Committee) are updated on an ongoing basis.
- g. Performance is monitored through quarterly Performance Reviews.
- h. A Corporate Health and Safety system of monitoring and review is in place.
- i. A Corporate compliments and complaints procedure operates.

### **Sources of assurance**

19. Sources of assurance on the adequacy and effectiveness of the Council's controls over key risks include:
20. a. An Audit Committee that is a fully constituted Committee of the Council.
- b. An Internal Audit and Investigations service that is independent in planning, operating, and reporting, and that reports to the Audit Committee.
- c. A Chief Finance Officer with responsibility for ensuring the proper administration of the Council's financial affairs.
- d. Processes for maintaining internal control include a framework of regular management information, Financial Rules and Finance Operating Procedures, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability.
- e. A performance management system that includes commentary on service-level risk, the setting of targets for service delivery and monitoring of performance against targets and plans.
- f. A strategic Corporate Plan setting out the Council's priorities, which cascades to operational plans at service and project level, including consideration of risks.
- g. An annual budget and quarterly reviews of actual expenditure to budget.
- h. A Local Code of Corporate Governance agreed by Cabinet.
- i. A project management methodology for major projects.
- j. A Risk Management Framework.
- k. Declaration of related party transactions forms for members.
- l. Codes of Conduct for Members and Officers.
- m. A Staff Health & Safety Group that monitors insurable and public liability risks.

- n. A Corporate Risk Management Group that meets periodically.
- o. Risk management processes designed to ensure that Directors and Managers retain ownership of the risks and internal controls associated with their areas of responsibility. Directors and Managers are therefore an important source of assurance on the effectiveness of controls for managing risks.
- p. The Internal Audit service carries out audit and risk reviews of high-risk areas to provide assurance that major risks have been identified and are being actively managed, and that the internal control environment is adequate.
- q. The Assistant Director Financial Services and Revenues in his role provides a source of assurance that the requirements of the Local Government Act 1972 Section 151 are being met.
- r. The Monitoring Officer, undertakes the relevant statutory duties and provides a source of assurance that the Council's affairs are conducted in compliance with relevant legislation and Codes of Conduct.
- s. External audit provides a source of assurance on the operation of internal controls in that BDO inspects internal audit work at each annual external audit.

## **Evaluation of assurances and identification of gaps**

### **Internal Audit**

- 21. On the basis of the audits reported to the Audit Committee by Internal Audit, the audit conclusion is that during the year 2017/18, all of the Council's operations that were audited incorporate control systems that are 'Satisfactory' or better.
- 22. In financial systems, the audit aims to evaluate the strength of controls for ensuring the proper administration of financial resources. In the audit of non-financial areas, the audit aims to evaluate the strength of controls for ensuring that external obligations are met and that the success criteria of the activity under review are achieved. The following table shows the audit conclusion for each of the main audits carried out in 2017/18.

23.

Audit Conclusion	No of Audits
A: Good More than the key controls are in place and work effectively. While improvement may be possible, there are no significant audit concerns	3
B: Satisfactory The key controls are in place and work effectively. Improvement is possible but there are no significant audit concerns	4
C: Adequate but with reservations in some areas Some controls in place are adequate but there are audit concerns in some areas	0
D: Poor Controls are not adequate or not present or not adequately complied with. Improvement is essential	0
Total audits	7

24. This compares with previous years as follows:

Audit Conclusion	2014-15	2015-16	2016-17	2017-2018
	No of audits	No of audits	No of audits	No of audits
A, B: Good / Satisfactory	7	8	5	7
C, D: Adequate / Poor	0	0	0	0

25. The Internal Audit Service was unable to complete the whole audit plan before 31 March 2018 due to long term unanticipated sick leave in the third quarter. The non-completed work has either now been completed or is in progress. It expects to be on profile by the end of quarter 3, 2018/19.

26. The audit conclusions are defined in the service's own Internal Audit Manual.

27. Based on the audit work undertaken by Internal Audit, the Authority's overall internal control system is considered to be satisfactory.

### External Audit

28. External audit is carried out by BDO and is an important source of assurance on the adequacy of the Council's arrangements for ensuring proper arrangements for its financial affairs. During 2017/18 and to 30 September 2018 the Audit Committee received the following reports:

29. Report Title	Date Issued
Report on Final Accounts (completion report)	September 2017
Housing Benefit Grant Subsidy for year ended 31 March 2017	September 2017
Annual Audit Letter 2016/17	October 2017
External Audit Plan to the Audit Committee	April 2018
Report on Final Accounts 2017/2018 (completion report)	July 2018
Annual Audit Letter 2017/18	August 2018

30. BDO gave an unmodified opinion on the Council's accounts for 2016/17 and 2017/18 and an unmodified opinion on value for money for both years too.

**Areas of audit concern arising from internally conducted audits**

31. There were no major concerns arising from internally conducted audits.

**Areas of audit concern arising from External Audit**

32. The key findings reported in their Annual Audit Letter (October 2017):

- (i) "We issued an unmodified true and fair opinion on the financial statements for the period ended 31 March 2017 on 28 September 2017.
- (ii) No material misstatements were identified through the audit. Management did make a number of audit corrections that reduced the deficit for the year and increased net assets by £124,000.
- (iii) We issued an unmodified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources on 28 September 2016.
- (iv) While there is a significant savings requirement and continued planned support from reserves, we are satisfied that the council has sufficient balances to support services in the medium term and to remain financially sustainable".

33. The key findings reported in their Annual Audit Letter (August 2018):

- (i) "We issued an unmodified true and fair opinion on the financial statements for the period ended 31 March 2018 on 31 July 2018.
- (ii) We issued an unmodified conclusion on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources on 31 July 2018.
- (iii) The 2018/19 and 2019/20 budgets reflect further reductions in Government support and requires £1 million from reserves in each year to deliver a balanced budget. In the medium term, there are budget shortfalls of £1.9 million in 2020/21 and £2.4 million in 2021/22 that will need to be addressed.

The Council holds significant reserves to support the budget shortfalls in the coming years although there remains a challenge to close the funding gap in the medium term.

- (iv) While there is a recognised funding gap in the MTFS, we are satisfied that the Council has appropriate arrangements to continue to remain financially sustainable over the period of the MTFS.

34. For ease of reference, the full version of both Annual Audit Letters can be found on the website at:

[https://www.hastings.gov.uk/content/my\\_council/budgets\\_finance/budgets\\_finance/Annual\\_Audit\\_Letter\\_2016-17.pdf](https://www.hastings.gov.uk/content/my_council/budgets_finance/budgets_finance/Annual_Audit_Letter_2016-17.pdf)

[https://www.hastings.gov.uk/content/my\\_council/budgets\\_finance/budgets\\_finance/Annual\\_Audit\\_Letter\\_2017-18.pdf](https://www.hastings.gov.uk/content/my_council/budgets_finance/budgets_finance/Annual_Audit_Letter_2017-18.pdf)

for the years ended 31 March 2017 and 31 March 2018 respectively.

### **Risk Management**

35. This report has referred to the way that the council manages its risks.

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## Wards Affected

None

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## Policy Implications

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

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## Additional Information

External Audit Annual Governance Report 2016/17  
Annual Audit Letter 2016/17  
External Audit Annual Governance Report 2017/18  
Annual Audit Letter 2017/18

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## Officer to contact

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# Agenda Item 9

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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# Agenda Item 10

## CABINET

23 JULY 2018

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

Apologies for absence were noted for Councillor Forward and Fitzgerald

### 94. DECLARATION OF INTERESTS

There were no declarations of interest.

### 95. MINUTES OF THE CABINET MEETING HELD ON 2 JULY 2018

**RESOLVED that the minutes of the Cabinet meeting held on 2 July 2018 be approved as a correct record.**

### CONFIDENTIAL BUSINESS

Councillor Chowney proposed a motion for the exclusion of the public from the meeting, seconded by Councillor Rogers.

### 96. NEW PROPERTY DEVELOPMENT & PURCHASE - BEXHILL RD (PART 2 REPORT)

Peter Grace, Assistant Director, Financial Services and Revenues presented a report on a New Property Development & Purchase on Bexhill Road. The purpose of the report was for Cabinet to consider the potential financing and development of a site at Bexhill Road, Hastings and subsequent lease to a company and other parties.

The proposal would be for a demolition of a building, and subsequent redevelopment of that site, and two units in addition. There would be potential benefits for the future development of the Council's existing lands both north and south of Bexhill Road should it prove to be capable of development in the future.

It was stated that there was an opportunity to help regenerate a part of the town and help ensure that key areas remain attractive for the future to ensure people and businesses are attracted to, and remain in Hastings. There was however, to be a low economic return.

Councillor Chowney proposed approval of the motion, seconded by Councillor Batsford.

**RESOLVED (by 4 votes for, 2 against) that:**

**1. Cabinet consider whether the Council should provide the financing to develop and subsequently lease the properties to interested parties.**

## CABINET

23 JULY 2018

**2. If the answer were to be yes, delegated authority is given to the Chief Finance Officer in consultation with the Leader of the Council to arrange and agree the financing, site acquisition and ongoing lease agreements at the best possible price up to a figure detailed in the part 2 exempt report, and additional costs as detailed in the part 2 exempt report.**

The reasons for these recommendations were:

The site in question is a prime site that occupies a prominent position on Bexhill Road and is considered to be an area that would benefit from regeneration. There would be potential benefits for the future development of the Council's existing land both north and south of Bexhill Road should it prove to be capable of development in the future. This is an opportunity to help regenerate a part of the town and help ensure that key areas remain attractive for the future to ensure people and businesses are attracted to, and remain in, Hastings – particularly so as the Council will need to ensure business rate growth in the future. It is envisaged that a development in this location with a long term lease will be an attractive proposition for the community as well as providing significant additional employment opportunities (estimated at some 50 new jobs).

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 further diversify its property holdings and manage the overall risk exposure within the portfolio as well as secure an additional income stream either directly or through business rates retention.

(The Chair declared the meeting closed at 4:41pm)

## CABINET

3 SEPTEMBER 2018

Present: Councillors Chowney (Chair), Forward (Vice-Chair), Batsford, Fitzgerald, Rogers, S Beaney, Lee and Patmore.

### 97. DECLARATION OF INTERESTS

Councillor	Minute Number	Interest
Lee	100 – Site at West Marina	Prejudicial – He is good friends with one of the developers.
Forward	100 – Site at West Marina	Personal – She has a beach hut near this site.

### 98. MINUTES OF THE SPECIAL CABINET MEETING HELD ON 23 JULY 2018

**RESOLVED** that the minutes of the Special Cabinet meeting held on 23 July 2018 be approved as a correct record.

**RESOLVED** the chair called over all items on the agenda. No items were agreed without discussion under Rule 13.

### 99. MEDIUM TERM FINANCIAL STRATEGY

Peter Grace, Assistant Director, Financial Services and Revenues, presented a report on the Medium Term Financial Strategy. This report came to cabinet as the council looks to forecast its financial position over the medium term in order to ensure it can align corporate objectives with available resources. The Medium Term Financial Strategy seeks to identify the financial risks that will affect the annual budgets for each of the next 4 years (2019/20 to 2022/23) in order that key priorities can be matched to expected funding.

The Assistant Director, Financial Services and Revenues stated that the Council had previously accepted the government's offer for a four year settlement up to 2019/20 in order to provide some certainty on part of the Council's funding stream.

In readiness for 2020/21 the results of the Fair Funding Review and retention 75% of business rates should be announced by December 2020. This may well impact on the remaining income streams, such as New Homes Bonus and Discretionary Housing Payments.

The Council allowed around 2% overall for inflation on its main contracts in 2018/19. With some £5m of major outsourced contracts, inflation assumptions remain important for budget planning purposes.

## CABINET

3 SEPTEMBER 2018

The Council is planning to spend £32,938,000 on capital projects during 2018-19. Of this £27,160,000 is due to be funded from borrowing, £4,247,000 by grants and contributions, £1,255,000 from capital receipts and £276,000 from reserves

He stated in brief, there are many variations within individual budgets, some of which are identified above.

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

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

**1. Approve the Medium Term Financial Strategy.**

**2. The Council take the robust actions necessary in this financial year and throughout the 2019/20 and 2020/21 budget processes to achieve a sustainable budget.**

Reasons for Recommendations:

The council matches its available resources to its priorities across the medium term.

The report provides the opportunity to assess the council's resources to assist the review of corporate priorities given the continued reductions in funding and the need to continually ensure limited resources are properly aligned to targets.

### **100. SITE AT WEST MARINA**

Councillor Lee left the council chamber having declared his prejudicial interest in the item.

Peter Grace, Assistant Director, Financial Services & Revenues presented a report on the site at West Marina. This was to determine a preferred bidder and agree the way forward in order to make a recommendation to cabinet in the autumn to accept or reject a developer for the site.

He stated that at Cabinet on 2 November 2015 it was agreed to add the site to the Land and Property Disposal Programme and to appoint agents to market the site.

Full marketing commenced in June 2017 and the deadline for the first round of informal tenders was 2 March 2018. A total of four bids from three developers/joint developers were received by the required deadline.

After analysing the bids it was agreed to proceed to a second and final round of bidding with Charterhouse and Countygate/Sunley. The bidders were invited to submit bids on the basis of a Capital sum or alternatively revenue streams based upon the Council retaining ownership of some parts of the development. The option remaining that the Council further invests its own monies for housing acquisitions as identified in the current Capital programme.

## CABINET

3 SEPTEMBER 2018

Three compliant bids were received.

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

**RESOLVED (by 6 votes for, 1 against) that:**

- 1. To reject the offer from Charterhouse; and**
- 2. To agree County Gate/Sunley are the preferred bidder and to instruct our agents to negotiate further to agree Heads of Terms in order to make a recommendation to Cabinet.**

The reasons for these recommendations were:

The site has been vacant for some 30 years and the Council has looked to develop the site a number of times over the period. In the last few years, with changing economic circumstances, improvements to property values, and a number of reports and investigations to de-risk the site, the opportunity is available to develop the site and provide a mixed development including 152 residential units (25% affordable) as identified in the local plan.

The actions taken over the last three years have managed to identify, engage and retain the interest of major development companies resulting in a viable and attractive proposition to transform the West Marina site into a destination point in line with the objectives of the seafront strategy, provide enhanced leisure opportunities and see much needed investment in the area. The Council's agent, Carter Jonas, recommends proceeding with the offer from County Gate/Sunley.

### **CONFIDENTIAL BUSINESS**

Councillor Fitzgerald proposed a motion for the exclusion of the public from the meeting, seconded by Councillor Rogers.

#### **101. UNIT 1 BEXHILL ROAD RETAIL PARK**

Peter Grace, Assistant Director, Financial Services & Revenues presented a report on Unit 1 Bexhill Road Retail Park. The purpose of this report was to advise Cabinet on the outcome of the rent review.

There was urgency in doing this as otherwise it could have been referred to third party determination which would have incurred costs and the outcome may not have been as positive. The decision was made in accordance with the Council's Special Urgency Provisions.

This is an increase in annual revenue to the Council. The new rent is backdated to March 2018.

## CABINET

3 SEPTEMBER 2018

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

**RESOLVED (unanimously) that:**

- 1. To note the rent review has been settled at the sum as detailed in the part two report.**

The reason for this recommendation was:

The Council's Financial Rules require Cabinet to determine rent reviews over £100,000. In this instance a decision was taken under Special Urgency Provisions in conjunction with the Leader of the Council and is being reported to Cabinet as required.

(The Chair declared the meeting closed at 7:11pm)

## CABINET

1 OCTOBER 2018

Present: Councillors Chowney (Chair), Forward (Vice-Chair), Batsford, S Beaney, Fitzgerald and Rogers

Apologies for absence were noted for Councillors Lee and Patmore

### 102. DECLARATION OF INTERESTS

Councillor	Minute Number	Interest
Forward	105 – Update on Temporary Accommodation	Personal – She has a property in the social lettings agency
Beaney	105 – Update on Temporary Accommodation	Personal – She is a member of the board of the Hastings Housing Company

### 103. MINUTES OF LAST MEETING

**RESOLVED** that the minutes of the Special Cabinet meeting held on 3 September 2018 be approved as a correct record.

**RESOLVED** the chair called over items 4, 5, and 9a on the agenda. Under rule 13.3 of the council's constitution, everything else was agreed without discussion.

### 104. PETITION - NO MARINA AT ROCK A NORE

Julia Hilton, the lead petitioner spoke for the allotted five minutes on the petition.

Simon Hubbard presented a report, which responded to a submitted petition of 1100 signatures regarding a possible Marina at Rock a Nore.

It was stated that on 11 September 2017 the Cabinet agreed to delegate authority to develop a strategic case for the construction of a Harbour Quarter at Rock a Nore, as well as for the Chief Legal Officer to conclude a development agreement in consultation with the Leader, Deputy Leader, Chair of the Foreshore Trust and Director of Operational Services.

This decision was made so that the proposal from the developers to build a marina at Rock a Nore could be examined before any decision could be made. The Council's expectations had been laid out, and these safeguards remain. The original scheme had since been withdrawn.

## CABINET

1 OCTOBER 2018

Councillor Chowney proposed approval of the recommendations which was seconded by Councillor Batsford.

### **RESOLVED (unanimously) to:**

- 1. Note the initial marina proposal that was the subject of the petition is being withdrawn by the sponsor.**
- 2. Confirm that the council will consider any further proposed developments for the Stade area as and when they arise, taking into account their feasibility, environmental sustainability, the economic and social benefits to Hastings, and contribution to achieving the council's overall priorities.**

The reason for this recommendation was:

1. The council should take its decision on the basis already agreed in the Cabinet report of September 2017. This will be done when there is sufficient information to either support development of proposals or it is clear that there is no purpose for the investment of further resources.

### **105. URGENT ITEM - APPOINTMENT OF A MEMBER**

Christine Barkshire-Jones, Chief Legal Officer presented an item, about an appointment to a committee. This item was called on urgency provisions, as the decision to appoint a member needed to be made.

The Cabinet decided to appoint Councillor O'Callaghan to Environment and Safety Committee.

Councillor Chowney proposed the recommendation, seconded by Councillor Forward.

### **RESOLVED (unanimously) that:**

- 1. Councillor Margi O'Callaghan be appointed to Environment and Safety Committee by the Cabinet.**

The reason for this recommendation was:

Environment and Safety committee required an extra member of representation to be appointed.

### **106. UPDATE ON TEMPORARY ACCOMMODATION**

## CABINET

1 OCTOBER 2018

Andrew Palmer, Assistant Director, Housing and Built Environment presented a report, with an update on temporary accommodation. The purpose of the report was to advise Cabinet on the latest position with regards to homelessness pressures and its impact upon the demand and supply of temporary accommodation in the town.

It was stated that the council had taken steps to increase temporary accommodation supply to meet the increasing demand. However it was recognised that only by increasing the supply of longer term housing solutions could the pressure be reduced. Temporary accommodation was both costly to the Council and was likely to impact negatively upon those accommodated in it for any length of time, particularly those more vulnerable households.

It was stated that the impact of reductions in public sector services and welfare reforms together with rising accommodation costs were making it difficult for people to maintain and resolve their housing difficulties. The report stated that the total cost of temporary accommodation at the end of 2017/18 was £926,080. The projected year-end spend for 2018/19 is £960,000, £156,000 over the original budget. This has resulted in a projected overspend on the homelessness budget of £98,947.

This overspend will be partially offset by a contingency of £39,000 within the flexible homelessness support grant budget for 2018/19.

Councillor Batsford proposed approval of the recommendations which was seconded by Councillor Forward

### **RESOLVED (unanimously) that:**

- 1. To acknowledge the trends in demand and supply of temporary accommodation in the town and note efforts to increase the supply of units and manage the cost to the council**
- 2. To agree the purchase of a property for use as temporary accommodation, as set out in part II of this report.**
- 3. That subject to the successful acquisition of the initial temporary accommodation unit referred to above, to amend the council's capital programme to an amount referred to in the part 2 report, for the purchase of further additional temporary accommodation units**
- 4. To delegate authority to the Assistant Director, Housing and Built Environment to complete the further purchases of additional units of temporary accommodation in line with the council's capital programme.**
- 5. That a supplementary budget as referred to in the part 2 report is allocated to cover a projected overspend on the homelessness budget in 2018/19, resulting from the increased use and cost of temporary accommodation**

Reasons for these recommendations:

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1 OCTOBER 2018

Hastings has seen a significant increase in demand for temporary accommodation, in line with broader national and regional trends. This report updates Cabinet on options to manage the supply and cost of temporary accommodation, as well as opportunities to reduce its use in the long term.

### **107. LOWER TIER SITE, BEXHILL ROAD**

Andrew Palmer, Assistant Director Housing & Built Environment submitted a report on a Lower Tier Site Development. The purpose of the report was to seek agreement and associated funding to progress the development of the site.

The land had originally been identified for housing development as part of the proposed Sports Village planned for Bulverhythe. Homes England had allocated funds for flood remediation measures through its Marginal Viability Fund (MvF). Unfortunately, the main development partner withdrew from the scheme and an alternative partner was not forthcoming.

As the site no longer formed part of the developer's plans it is now proposed that the council take on a key role in the residential development of the Lower Tier site in order to ensure that housing opportunities, revenue generation and benefits for the local community were maximised.

It was further proposed that the council secure a joint venture partner to take forward the development providing development expertise and sharing risk with the Council.

Cabinet was also advised that the Council had managed to secure an increased level of funding through the Homes England Accelerated fund

Under Rule 13.3 of the council constitution, this item was agreed without being called for discussion.

#### **RESOLVED that:**

- 1. That officers procure a joint venture partner to take forward development of the Lower Tier site at Bexhill Road with a view to enabling a mixed tenure housing scheme.**
- 2. That subject to a resolution of the Town or Village Green (TVG) application, the council/partners submit a planning application for the comprehensive redevelopment of the site.**
- 3. That the council enters into a funding agreement with Homes England so that it can secure funding from the Local Authority Accelerated Construction fund to enable plans for flood remediation and other infrastructure measures to be undertaken.**

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1 OCTOBER 2018

**4. That a budget is allocated from General Reserves to obtain expert advice regarding appropriate joint venture structures.**

**5. Subject to the above, that a further report is brought to a future Cabinet seeking the necessary development funding to take the scheme forward.**

The reasons for these recommendations were:

1. By taking forward the above recommendations, the council will ensure that the borough benefits from Homes England funding up to the value of £6.9m which has been awarded to bring forward the residential development of the Lower Tier site at Bexhill Road. The council will be a lead partner and have the ability to influence the development of the site, including the affordable housing provision, environmental considerations and requirements for onsite local employment. Extensive remediation work is required to bring the site up to a marketable value, which is not viable without external funding.
2. The funding provides an opportunity to develop circa 170 new homes that would otherwise not be possible these homes will make a significant contribution to local housing need across a range of tenures. With the development of the council's Housing Company, an opportunity also exists to purchase properties for the company, creating a new income stream and an ongoing.

### **108. TEMPORARY ACCOMMODATION PURCHASE**

Andrew Palmer, Assistant Director, Housing and Built Environment presented a report on a Temporary Accommodation Purchase. The purpose of the report was to consider the purchase of a property as detailed in the part 2 report.

The council has seen a significant increase in demand for temporary accommodation over recent years, in line with broader national and regional trends.

Under Rule 13.3 of the council constitution, this item was agreed without being called for discussion.

**RESOLVED that:**

- 1. Cabinet to approve the purchase of a property for use as temporary accommodation**
- 2. Delegated authority is given to the Assistant Director, Housing and Built Environment and Assistant Director Financial Services and Revenues to complete the purchase at the best possible price up to a maximum detailed in the part 2 report.**

The reason for these recommendations was:

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**1 OCTOBER 2018**

There has been a significant increase in demand for temporary accommodation in Hastings. Purchasing its own temporary accommodation will help to manage costs to the council and provide greater flexibility over the management of the property. The council has the opportunity to purchase a property. The property is already used for temporary accommodation.

(The Chair declared the meeting closed at 6.30pm)

## CABINET

5 NOVEMBER 2018

Present: Councillors Chowney (Chair), Forward (Vice-Chair), Batsford, S Beaney, Fitzgerald, Rogers, Lee and Patmore

### 109. DECLARATION OF INTERESTS

Councillor	Minute	Interest
Patmore	113 – Museum Committee Changes	Personal – He is a member of the Museums Committee
Rogers	115 – Urgency – Potential Development of Football Stadium and Sports Facilities at Tilekiln.	Personal – She works in the sports industry.

### 110. NOTIFICATION OF ADDITIONAL URGENT ITEMS

There were no additional urgent items.

### 111. MINUTES OF THE CABINET MEETING HELD ON 1 OCTOBER 2018

**RESOLVED** that the minutes of the Cabinet meeting held on 1 October 2018 be approved as a correct record.

**RESOLVED** the chair called over items all items on the agenda.

### 112. REVIEW OF STATEMENT OF PRINCIPLES UNDER THE GAMBLING ACT 2005

Mike Hepworth, Assistant Director Environment and Place presented a report on the Review of Gambling Statement of Principles, under the Gambling Act 2005. The purpose of the report was to inform councillors of the results of the recent statutory review of the Council's amended Gambling Act Statement of Principles and seek their approval for Cabinet to recommend that Full Council approves the updated statement of principles for publication by 3 January 2019 and reaffirms the existing "No Casino" resolution for the borough.

The statement of principles must be adopted by the Licensing Authority and kept under review. The policy must be fully reviewed and consulted upon at least every

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three years. The next date for a full review to have been completed and published is 3 January 2019.

It was said that in the statutory consultation on this, there was not much feedback however some was received that helped strengthen the review, with the amendments that were suggested adopted in to the report.

The Assistant Director, Environment and Place noted that the reaffirming of the “No Casino” resolution does not have to happen. He also stated that no appeals had ever been received.

Councillor Fitzgerald proposed the recommendations, which was seconded by Councillor Batsford.

The chair decided to take the recommendations in two separate votes, one for each recommendation as requested by Councillor Lee.

### **RESOLVED (unanimously) that:**

- 1. To agree the updated Gambling Act Statement of Principles at appendix B and recommend that Full Council approve it for publication by 3 January 2019 in order that it can take effect on 31 January 2019**

### **RESOLVED (by 6 for, 2 against) that:**

- 2. To recommend that Full Council should reaffirm the current “No Casino” resolution.**

### **The reason for these recommendations were:**

There is a statutory requirement for local authorities to fully review their Gambling Act Statement of Principles at least every 3 years. Failure to do so could result in judicial review proceedings against the authority, and call in to doubt local decisions made under the Gambling Act 2005.

The Act gives powers to licensing authorities to introduce a “No Casino” resolution for their areas. It is a Full Council decision and must be revisited and endorsed every three years.

The revised statement needs to be adopted by Full Council prior to publication on 3 January 2019.

## **113. MUSEUM COMMITTEE CHANGES**

Polly Gifford, Cultural Strategic Development Specialist presented a report on changes to the Museum Committee. The purpose of the report was to outline the

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changes to the format of the Museum Committee, which would promote greater efficiency and effectiveness.

The Museum Committee consists of elected Councillors and representatives of the Museum Association. It is an advisory committee only, with no decision making powers. Most responsibilities and executive functions are delegated to the Museum & Cultural Development Manager, with the remaining authority sitting with Cabinet. The role of the Museum Committee has become somewhat unclear in recent years. The proposed changes are intended to clarify the situation, reduce the burden on the Museum & Cultural Development Manager and make membership of the Committee a more engaging experience.

One of the proposed changes was to change from four to two meetings per year to be held in the Council Chamber. The minutes of these meetings will be reported to Cabinet as normal.

This will be an opportunity to see recent acquisitions, updated displays, meet staff and hear about their projects. It would be possible for example, to invite the museums Young Curators to speak. It will also be an opportunity for Committee members to share their specialist knowledge about areas of the museum and its collection.

No recommendations will be made at these meetings but any discussions will be noted and reported to the next formal meeting. Meetings will alternate between the Council Chamber and Museum.

Councillor Forward proposed the recommendation, which was seconded by Councillor Rogers.

**RESOLVED (by 6 for, 2 against) that:**

- 1. Cabinet support the proposed changes as detailed in the report.**

The reason for this recommendation was:

To help re-focus the Committee so that it can better support and advise the Museum as it continues to develop its programme and capital ambitions.

**114. TO APPOINT A MEMBER TO WAG**

Christine Barkshire-Jones, the Chief Legal Officer requested that Councillor Mike Turner be appointed to the Working Arrangements Group.

The recommendation was moved by Councillor Chowney, and seconded by Councillor Lee.

**RESOLVED (unanimously) that:**

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### 1. That Councillor Mike Turner be appointed to the Working Arrangements Group

The reason for this recommendation was:

Every committee must have the correct amount of appointed Councillors.

### 115. URGENCY - POTENTIAL DEVELOPMENT OF FOOTBALL STADIUM AND SPORTS FACILITIES AT TILEKILN

Simon Hubbard, Director of Operational Services presented a report on a Potential Development of a Football Stadium and Sports Facilities at Tilekiln. The purpose of the report was to propose agreement in principle for the sale of land at Pilot Field (currently occupied by Hastings United Football Club), Hastings United Football Club Sports & Social Club and a long lease for the Tilekiln Recreation Ground. The purpose of this is to provide a new stadium, gym facilities, sports pitches and housing. It is likely the land at Pilot Field and the Social Club site will need to be sold at below best value.

In December 2017, the Cabinet and Council agreed that authority be given to officers in consultation with the Leader of the Council to sell the freehold of Hastings United Football Ground, Hastings United Sports and Social Club, a 999 lease at Bulverhythe and the freehold of the lower tier at Bexhill Road Recreation Ground. The purpose of this was to enable developers to bring forward planning proposals for a new stadium for Hastings United Football Club (HUFC), new sports pitches and facilities, and housing development. It was agreed that the site could be sold at below best value because of the social health and other benefits of the scheme.

This scheme was proposed by HUFC, The Horntye Trust, Bohemia LLP (a company set up to deliver the scheme) and was founded upon the delivery of the scheme by Keepmoat Ltd, a major housing and regeneration company.

Keepmoat withdrew from the scheme, citing the ending of another scheme in the South East making it difficult for a midlands/northern based firm to efficiently deliver in Hastings. It is likely that dealing with a Rother planning application in addition to those in Hastings posed an additional risk as did the potential flooding issues.

HUFC have now come forward with a smaller scheme which envisages the construction of a 1950 capacity stadium at Tilekiln Recreation Ground in Hollington. The design would allow space for expansion if the Club were to move up the Leagues where larger capacity would be required. Three football pitches are envisaged:

- 1) A grass pitch within the stadium which would be for club use.
- 2) A 3G pitch
- 3) A grass pitch

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A 3G pitch can accommodate many more matches (which are often limited to 2 a week on grass) and taken with floodlighting represents a potential increase in the level of football that can be played.

It is believed that an improved stadium is likely to enable the club to improve its competitive status and (subject to seeing a revised business plan) provide the local club with financial stability.

The Council will expect HUFC to involve the FA and other relevant key stakeholders in the development of the football development plans to ensure that the facilities are genuinely accessible to local teams and community (including affordable pricing and a balanced community programme, as well as the inclusion of groups such as the disabled, youth and women). This would be a condition of the completion of the sale of Pilot Field.

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

**RESOLVED (unanimously) that:**

**1. To authorise the Director of Operational Services (or his nominee) to work with the Assistant Director Financial Services & Revenues, Estates Manager and Chief Legal Officer to seek suitable terms for the disposal of the land listed in this report in consultation with the Leader of the Council.**

**2. That any disposal be subject to:**

- **Agreement on land values.**
- **The safeguarding of the council's position by the use of an options agreement, bond or other mechanism to ensure the delivery of agreed sports facilities.**
- **The agreement of an open book policy and the use of any funds generated by house development over the costs of developing and delivering the new sports facilities.**
- **Agreement of a programme of community development and access to the new facilities which details plans for the development of activity for young people of education age, female football and disability football.**
- **Support of the Football Association and Sport England.**
- **Informal use of the football facilities as well as organised competition and activity.**
- **Consideration of comments made from consultation with sporting bodies, local football clubs, councillors for Hollington Ward and the local community.**

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**3. That a further report recommending the details of such a disposal be brought to Cabinet and Council as quickly as possible**

The reason for these recommendations was:

The proposal has health and leisure benefits, should secure the future of Hastings United Football Club (HUFC) and provide additional housing required to help achieve our Local Plan targets. The Council should approach this on the basis of creating a new partnership with HUFC which will yield substantial benefits in terms of enhanced participation in football and other activities.

(The Chair declared the meeting closed at 6.55pm)

## CABINET

3 DECEMBER 2018

Present: Councillors Chowney (Chair), Forward (Vice-Chair), Batsford, Rogers S Beaney, Lee and Patmore

Apologies for absence were noted for Councillor Fitzgerald

### **116. DECLARATION OF INTERESTS**

There were no declarations of interest.

### **117. NOTIFICATION OF ANY URGENT ITEMS**

Item 11, Commercial Property Purchases and Item 12, Provision of Cash Flow Loan to White Rock Neighbourhood Ventures to Support the Purchase Process of the Observer building, were both items brought to cabinet on urgency provisions.

### **118. MINUTES OF THE CABINET MEETING HELD ON 5 NOVEMBER 2018**

**RESOLVED** that the minutes of the Cabinet meeting held on 5 November 2018 be approved as a correct record.

### **119. MEMBERS' ALLOWANCE INDEX REVIEW**

Jane Hartnell, Director of Corporate Services and Governance presented a report on the Members' Allowance Index Review. The purpose of this was to present the report of the Independent Remuneration Panel (IRP) to Cabinet and seek their endorsement before the report is put to Full Council for consideration.

The Council's Independent Remuneration panel (IRP) last sat in 2014 to consider Members' Allowances. Under the Local Authorities (Members' Allowances) (England) Regulations 2003, the local authority must not rely on the annual index that it uses for more than four years. The IRP was reconvened in early October 2018.

The recommendations that the IRP put forward are set out in the report and attached appendix.

Councillor Rogers proposed the recommendations, which was seconded by Councillor S Beaney.

**RESOLVED** (unanimously) that:

- 1. The recommendations made by the Independent Remuneration panel be referred to Full Council for consideration.**

Reason for this Recommendation was:

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3 DECEMBER 2018

To present the outcome of the review the index applied to calculate Members' allowances in accordance with the provisions of the Local Authorities (Members Allowances) (England) Regulations 2003 which Full Council will need to consider.

### **120. HASTINGS COUNTRY PARK VISITOR CENTRE**

Murray Davidson, Environment and Natural Resources Manager presented an update to Cabinet on the results of the re-tendering process for the construction of a new visitor centre at Hastings Country Park and sought approval to let a contract to the preferred bidder.

On 21 May Cabinet approved an increased budget for the visitor centre project reflecting additional EU funding and associated match funding from the council. The authority was also delegated to senior management to let a contract to a named principal contractor co-ordinating a consortium of specialist contractors/artisans to build the new visitor centre. These are specialists in this type of building.

The bid was said to still be within budget, and due diligence had thoroughly been done.

Thanks were given to officers for their work on the project.

Councillor Rogers proposed these recommendations, which was seconded by Councillor Batsford.

#### **RESOLVED (by 6 for, 2 against) that:**

- 1. Delegate authority to the Director of Operational Services and Assistant Director Financial Services and Revenues in consultation with the Lead councillor for Environment, Safety and Equalities to award the contract to build the visitor centre at Hastings Country Park to SIA Design and Build.**

#### **Reasons for this Recommendation were:**

Following Cabinet decision of 21 May 2018 to award a contract to a named principal contractor and a consortium of straw bale builders to build the visitor centre at Hastings Country Park, the structural and commercial workings of the consortium could not be finalised in an acceptable time.

We therefore re-tendered the project through the Sussex Procurement Hub and a different contractor was identified as the preferred bidder. A Cabinet decision is therefore now required to let the contract to this new principal contractor.

### **121. JOINT WASTE CONTRACT TENDERS**

Mike Hepworth, Assistant Director, Environment and Place presented a report on the Joint Waste Contract Tenders. This was to update Cabinet on the final phase of the East Sussex Joint Waste Contract procurement project, which was reported to the East Sussex Joint Waste and Recycling Committee at their meeting on 30th

## CABINET

3 DECEMBER 2018

November 2018, where Hastings was represented by Councillors Chowney and Fitzgerald.

On the 30th November the East Sussex Joint Waste and Recycling Committee (JWRC) considered a report setting out an analysis of the 3 tenders and making a recommendation for contract award.

The service would be split between contracted street cleansing and in-house refuse collection, which would make it easier to specify, due to the latter being a scheduled occurrence.

The recommendations were proposed by Councillor Chowney, which was seconded by Councillor Rogers.

It was noted that this was an item going to Full Council, as stated in the report.

### **RESOLVED (unanimously) that:**

**That Cabinet recommend that Full Council should approve:-**

- 1) the appointment of Contractor A for the Waste Collection, Recycling, Street and Beach Cleaning and Associated Services Contract (excludes Street and Beach Cleaning and Bulky Household Waste Collection for Hastings BC);**
- 2) that the Director of Operational Services in consultation with the Lead Councillor for Environment and Place and Equalities, be authorised to finalise details relating to the implementation of the contract and enter into contract with Contractor A;**
- 3) the authorisation of the Lead Director of the Administering Authority of the joint waste project to notify Contractors of the intent to award the contract;**
- 4) financial provision of £55,215 per annum (subject to regular review in line with costs) to fund the centralised partnership client costs;**
- 5) financial provision to fund the Hastings proportion of the total contract price as set out in the Joint Waste and Recycling Committee report attached to the associated Part Two report, including allowance for adjustments at the start of the contract, and for ad-hoc requests and container purchases throughout the contract period;**
- 6) that arrangements be made to inform residents about the collection system to be implemented from 29 June 2019;**
- 7) provision be made for the review of customer service processes, enhancement of ICT systems and mobile equipment for council staff as necessary;**

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**8) that suitable provision should be made for the client roles and liabilities under the contract.**

Reasons for these Recommendations were:

The recommendations are made based upon the results of the joint waste procurement process, which has been thorough and robust. It is essential that there is continuity of service for the Council's refuse and recycling services when the current contract with Kier Environmental Services Ltd ends on 29 June 2019.

### **122. URGENT ITEMS (IF ANY)**

### **123. COMMERCIAL PROPERTY PURCHASES**

This item was brought to Cabinet under urgency provisions.

Peter Grace, Assistant Director, Financial Services and Revenues provided a report to consider the potential purchase of up to three sites. One is due to be auctioned on 4 December 2018.

Any comments of the Income Generation Board would be advised verbally to Cabinet after dates were advised.

The Chair decided to vote on each possible property purchase separately, as shown in the resolution below.

This recommendation was proposed by Councillor Chowney, which was seconded by Councillor Batsford.

**RESOLVED that:**

**(6 for, to 2 against that)**

- 1. Cabinet consider whether the Council should purchase up to three further Commercial Properties given the uncertainties around Brexit, and the extent of acquisitions to date.**

This recommendation was proposed by Councillor Chowney, which was seconded by Councillor Forward.

**(6 for, to 2 against) that:**

- 2. That Delegated authority is given to the Chief Finance Officer in consultation with the leader of the Council to purchase site (i) as detailed in the part 2 report up to a sum as detailed in the report.**

This recommendation was proposed by Councillor Chowney, which was seconded by Councillor Batsford

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**(6 for, to 2 against) that:**

- 3. That Delegated authority is given to the Chief Finance Officer in consultation with the leader of the council for the Estates Manager to let the agent know that the council is still interested in purchasing property (ii) as detailed in the part 2 report.**

**This recommendation was proposed by Councillor Chowney, which was seconded by Councillor Lee.**

**(Unanimously) that:**

- 4. That any progress on property (iii) as detailed in the part 2 report be halted, but if the property becomes available again, a further report be brought to Cabinet.**

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The reasons for these recommendations were:

The first site has the whole of the ground floor empty, and has been for a considerable time. It is considered that there will be opportunities for the Council to maximise the benefit to the community of this building by bringing it fully into use, either through direct letting or with the assistance of external grant assistance. This is an important building for the town and the Council to help secure employment opportunities and secure business rate income in the future.

The second site presents significant employment opportunities within St Leonards and likewise a significant Business Rate income. Whilst there may be opportunities to redevelop the site in future years the need to retain the site for employment space is a priority, as is the need to retain Business Rate income. Some of the building is only partially occupied giving the opportunity to relook at usage and the potential for the Council to be directly involved in driving greater economic regeneration.

The third site, for which the Council already owns the freehold, is expected to require capital investment in the near future to help ensure the continued economic vitality of this part of the town. The Council is currently able to access the funding required to do so, in order to provide shop/business units and preserve jobs and generate Business Rate income.

The Council will need to ensure business rate growth in the future – business rates replacing government grant funding. The Council would have the opportunity to have a direct involvement in the long term future of these sites to help ensure the continued economic and regeneration of the town. The acquisition would also assist the Council to further diversify its property holdings and manage the overall risk exposure within the portfolio as well as secure additional income streams either directly or through business rates retention.

### **124. PROVISION OF CASH FLOW LOAN TO WHITE ROCK NEIGHBOURHOOD VENTURES TO SUPPORT THE PURCHASE PROCESS OF THE OBSERVER BUILDING**

Simon Hubbard, Director of Operational Services presented a report on the White Rock Neighbourhood Ventures short term cash flow loan. This report proposes that the Council support the redevelopment of the Observer Building by providing a short term loan to White Rock Neighbourhood Ventures (WRNV). WRNV will pay back the loan within a three month period.

The Observer Building was formerly a printing works and offices for the Observer newspaper and has been vacant for almost 30 years. It is a multi-storey building located on the south side of Cambridge Road, bounded by Prospect Place to the west and an alleyway to the rear of Claremont to the east. It is located within the Hastings Town Centre Conservation Area.

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This will be given under the De Minimis regulations. WRNV has confirmed that they have not used De Minimis for other programmes over the past three rolling fiscal years.

An amendment was proposed for recommendations 1 and 3 to be removed, and the remaining recommendation to be amended as seen in the resolution below.

This was proposed by Councillor Chowney which seconded by Councillor Batsford.

**RESOLVED (by 6 for, 2 against) that:**

- 1. Cabinet delegate authority to the Director of Operational services, Chief Finance Officer and Chief Legal Officer in conjunction with the Leader of the Council to agree terms of the loan once due diligence work has been completed to the council's satisfaction and after exploring a contribution to meet the difference in interest rates to the loan is concluded.**

Reasons for this Recommendation were:

White rock Neighbourhood Ventures Ltd, owner of Rock House, is currently finalising the purchase of the Observer Building. This building has had minimal economic impact in the town centre for thirty three years and the ambition of WRNV to revitalise the building through development of mixed use units including workspace, leisure and housing is supported by the council.

The loan is to cover a period of three months, and will cover the VAT applicable on the purchase price, a sum detailed in the part 2 report which will be repaid to WRNV within 3 months, and in turn the loan from HBC will be repaid by WRNV by the 31 March 2018.

Due to other constraints on staff time and speed at which we have been asked to progress the decision with regard to the loan, not all due diligence and risk assessment has been completed, therefore officers are asking for a decision in principle, whilst this work is completed.

Should the due diligence show that this proposal is unviable no loan will be made.

(The Chair declared the meeting closed at 8.25pm)

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