

CABINET

2 OCTOBER 2023

Present: Councillors Barnett (Chair), Batsford, Cannon, Roark, Rogers and Willis

In attendance: Jane Hartnell Chief Executive, Victoria Conheady Deputy Chief Executive, Kit Wheeler Chief Finance Officer, Mary Kilner Chief Legal Officer, Murray Davidson Environment and Natural Resources Manager, Coral Harding Continuous Improvement and Democratic Services Officer

1. APOLOGIES FOR ABSENCE

Apologies received from Councillor Evans.

2. DECLARATION OF INTERESTS

None.

3. MINUTES OF LAST MEETING 04/09/23

RESOLVED – that the minutes of the meeting held on 4th September 2023 be approved as a true record.

4. PUBLIC QUESTIONS (30 MINS)

A question was asked regarding Southern Water and if an infrastructure investment plan and a map of the sewage system have been received? Also asked was if Southern water had explained the high levels of faecal bacteria measured at Bulverhythe? Councillor Barnett confirmed there has been no response to the measurement taken at Bulverhythe. There has also been no map of the sewage system supplied. Councillor Barnett confirmed the investment plan had just arrived but he hasn't had time to review it. The headline of the document is that residents will have to pay 44% extra for the investment.

A question was asked regarding the pollution in Old Roar Gill. What will happen if Southern Water refuse to pay for an ecological survey? Councillor Barnett answered that Southern Water have been asked to pay for the survey and the issue being that they keep denying pollution there when we know there is.

A question was asked when will signs be installed by Old Roar Gill. Councillor Barnett answered that there are signs in the park that show no swimming is allowed. Cllr.Roark added that other signs say dogs should not go in any of the water courses in Alexandra Park

A question was asked regarding Alexandra Park, does the Council stand by the statement in the water management plan for Alexandra Park 2016 to 2026, that the foul sewer running the length of the Gill needs replacing because it's hydraulically

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failing and if so, will the Council be compelling Southern Water to replace the sewer? Has the water management plan ever been followed? Councillor Barnett explained that HBC could not compel Southern Water but that there was a project by Southern Water 10 years ago to renew the sewage pipe in Old Roar Gill and they have been asked to provide information on this.

A question was asked about the West Hill Café. Councillor Barnett answered the Council now has possession of the West Hill Café. A report will come forward to a future Cabinet meeting.

Councillor Batsford read a written question regarding the water courses in Alexandra Park and what measures are Hastings Borough Council taking to establish that the water courses in the park are pollution free and will HBC be carrying out independent testing when pollution incidences are reported to them, rather than relying on Southern Waters tests? Councillor Batsford answered that an investment plan has been requested and the Environment Agency have agreed to help us define a baseline of what we would expect to find in water courses like the Old Roar Gill. He added that when we have this baseline, a discussion will happen with all parties about a testing regime.

A question was asked regarding St Mary in the Castle and improvements to the road surface outside. Councillor Barnett answered that officers are reviewing the water proofing and other improvement work to Pelham Crescent. Councillor Batsford confirmed conversations are ongoing regarding a new tenant for St.Mary in the Castle.

The Chair then asked to hear the Southern Water Update item first.

5. RESERVES POLICY 2023-24

The Chief Finance Officer presented a report that updates the Council's approach to Reserves in preparation of its Medium Term Financial Strategy and as part of the budget setting process for 2024-25. The recommendation is that the minimum General Reserve balance be reduced from £6m to £4m. This would continue to be reviewed. If risks increase a revision will be brought forward.

Councillor Haffenden asked why the guidance has changed from £6m. The Chief Finance Officer explained the £6m was a previous calculation. The new calculation is £4m.

Councillor Batsford asked regarding risks. The Chief Finance Officer answered there are earmarked reserves.

The Councillors debated and highlighted the need to keep to the £4m reserve balance and how a full review of all reserves is underway.

Proposed by Councillor Barnett and seconded by Councillor Willis

RESOLVED (unanimously):

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1) Cabinet recommends that Full Council agrees the updated Reserves Policy.

2) Cabinet recommends to Full Council that the minimum General Reserve balance be reduced from £6m to £4m.

Reasons:

1. Sections 31A, 32 42A and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

2. Hastings Borough Council, like many others at the current time finds itself under considerable financial duress. To ensure that Councils do not fall fail of overcommitting themselves financially there are several safeguards in place to prevent this from occurring.

These include;

- All Councils must set a balanced budget as set out in sections 31A, 42A of the Local Government Finance Act 1992, as amended.

- The Chief Finance Officers duty to report on the robustness of estimates and adequacy of Reserves (section 25 of the Local Government Act 2003) when the Council is considering its budget requirement.

- Section 151 of the Local Government Act 1972 states as part of the legislation that each Local Authority must make arrangements for the proper administration of their financial affairs and that the Chief Finance Officer / proper officer has responsibility for the administration of those affairs.

3. The above requirements are reinforced by Section 114 of the Local Government Finance Act 1988 which requires the Chief finance Officer in England and Wales to report to Council if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.

4. Within the existing statutory and regulatory framework, it is the responsibility of the Chief Financial Officer to advise the Council about the level and nature of reserves to be held. In assessing the adequacy of unallocated general reserves the Chief Financial Officer will take account of the strategic, operational, and financial risks facing the authority. The Chief Financial Officer will also ensure that there are clear protocols for their establishment and use.

6. OVERVIEW AND SCRUTINY: CALL IN RECOMMENDATIONS

The Continuous Improvement and Democratic Services Officer presented the report and explained the procedure that followed the call in.

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Councillor Sinden as the Vice Chair of Overview and Scrutiny was asked by Councillor Batsford how the recommendations assist with speeding up decisions. Councillor Sinden explained overview of reports would speed up the decisions.

Councillors debated and gave thanks to the Overview and Scrutiny Committee.

Proposed by Councillor Barnett and seconded by Councillor Batsford

RESOLVED (unanimously):

- 1. Overview and Scrutiny recommend that future reports regarding land and asset disposal contain the following information;**
 - a. As recommended at recent training conducted by CIPFA that reports concerning capital strategy contain the following or an explanation if not relevant;**
 - Legal power for a scheme to be undertaken
 - Evidence of robust option appraisal work
 - Consideration/quantification of sensitivity analysis outcomes
 - Impact on revenue budget and balance sheet resources
 - Section 151 Officer to vouch for skill-sets of external consultants
 - Councillors to be adequately briefed on any material risks
 - b. Before the asset management strategy is completed, future reports should contain a top level assessment against the current RAG system the council uses.**
 - c. That the report demonstrates in line with the Local Government Act 1972 it requires that land and asset disposals be evaluated against 'best consideration'. The definition of this needs to be contained within the report or an appendix.**
 - d. Costs of disposal need to be made explicit and should include an estimate for Officer time to reflect true costs.**
 - e. Any impact on future borrowing costs should include within the report an estimate on the councils MRP as part of the revenue budget.**
 - f. If the loss of land or assets impacts the objectives of the Corporate Plan.**

Reasons

Overview and Scrutiny recognise the council's financial situation and the need for land and asset disposal. Any proposed land and/or assets for disposal must be identified through a robust process and decisions must be made with clear information for both Councillors and the public to view.

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7. SOUTHERN WATER UPDATE

The Deputy Chief Executive presented a report on Southern Water issues and recommended action going forward. The report includes strategic work around bathing water quality and misconnections and the more reactionary work which we undertake in responding to issues in our parks and gardens, our beaches and major flood events. East Sussex County Council are the local lead flood agency for Hastings.

Councillor Haffenden asked if Hastings Borough Council have the capacity to take legal action against Southern Water. The Deputy Chief Executive answered that legal action will continue to be reviewed. Councillor Haffenden asked if a cross party working group is going to be set up. The Deputy Chief Executive will discuss this with officers. Councillor Barnett answered that for 2 years Southern Water have meant to be setting up open meetings for organizations and residents.

Councillor Batsford asked regarding making assessment of the health of Old Roar Gill. The Deputy Chief Executive answered that this will be discussed with officers.

Councillors debated and noted officers requested to Southern Water to complete a full ecological impact and assessment of the sewage incidents at Old Roar Gill and for a detailed impact analysis on the waterway and ecology of the water bodies and streams in Alexandra Park.

Councillor Barnett highlighted that issues have continued with Southern Water weekly for over 2 years and the privatised culture of Southern Water is a serious concern.

Proposed by Councillor Roark and seconded by Councillor Cannon

RESOLVED (unanimously):

Discussions continue with Southern Water (SW), and the Environment Agency (EA), to ensure that the needs of Hastings are understood and, where possible, met. It is imperative that trust is restored.

SW are pressed to provide input to East Sussex County Council Report on town centre flooding, to enable publishing of the report as a matter of urgency

SW are asked to publish detailed plans for all current infrastructure investment taking place in Hastings; to produce a comprehensive plan for the protection of Old Roar Gill; and to provide regular updates on these plans.

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SW are asked to continue developing their communications with local residents in conjunction with Hastings Borough Council's communications team.

SW are asked to financially compensate the council for the infrastructure failures which have had a significant impact on the reputation of Hastings as a tourist destination.

If a satisfactory response is not received by 31st December consider what action might be taken, to include the consideration of legal action.

Reasons

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It is imperative that trust is restored between Southern Water, Hastings Borough Council and the town's residents and visitors.

8. NEW COUNTRYSIDE STEWARDSHIP GRANT AID FOR HASTINGS COUNTRY PARK NATURE RESERVE 2024-2034

The Environment and Natural Resources Manager outlined the process for transferring to a new 10-year Countryside Stewardship grant for Hastings Country Park Nature Reserve from 1st January 2024. The report includes appendices 2 and 3 which outline the scarce and nationally important habitats at the reserve, and the broad principles for managing them over the next 10 years. The report included a management strategy review by an independent consultant which highlights the success the Council has achieved in restoring and managing habitats over the last 20 years and presents the Council with a blueprint for the future management.

Councillor Haffenden asked about a park ranger position for the reserve funded from the grant. The Environment and Natural Resources Manager answered the potential for funding of an additional post has been discussed with senior management and Councillors.

Councillor Batsford asked the Environment and Natural Resources Manager to give an example of the work on the Country Park. The Environment and Natural Resources Manager explained the key items are identified in the management strategy but to take back the tenancy of the farm has been a huge example of how local authorities have responsibility and can utilize that responsibility to manage the natural environment.

Councillor Barnett asked regarding the grant allocation and how it compares to past settlements. The Environment and Natural Resources Manager explained the anticipated grant amount is broadly similar to previous grants.

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Councillors discussed the report and highlighted the management priorities and principles are set by Natural England and their priority for Hastings Country Park Nature Reserve is the restoration and management of nationally rare and declining habitats through conservation grazing. Regarding point 29 in the report Councillor Roark proposed to transition to a new 10-year agreement and continue the long-term habitat and biodiversity management of Hastings Country Park Nature Reserve.

Councillors also emphasised the importance of seeking other grant funding so that access for all to the Country Park could be improved.

Proposed by Councillor Roark and seconded by Councillor Willis

RESOLVED (unanimously):

- 1. Cabinet agrees to secure the future management of Hastings Country Park Nature Reserve through a new 10-year Countryside Stewardship grant aid commencing in January 2024.**
- 2. Cabinet delegates authority to the Chief Legal Officer in consultation with the Lead Member for the Environment to sign the new Countryside Stewardship Agreement 2024-2034, on behalf of Hastings Borough Council at the time of grant offer.**
- 3. Cabinet extends thanks to all the partners and volunteers who have made and continue to make Hastings Country Park Nature Reserve an award winning example of successful sustainable management and habitat restoration.**

Reasons

1. The current 10-year Higher Level Stewardship Agreement at Hastings Country Park Nature Reserve terminates at the end of 2023.
2. A new 10-year Countryside Stewardship Agreement would start on 1st January 2024.
3. The 10-year Countryside Stewardship grant aid is the only funding mechanism open to the council to manage Hastings Country Park Nature Reserve.
4. There is no specific date by which we will receive the new grant for signature, other than before 1st January 2024. Waiting until we receive the grant before arranging a Cabinet decision would potentially delay the start of the grant with the consequential loss of grant income.
5. The grant income is worth between £700,000 and £1,000,000 over the life of the grant period

(The Chair declared the meeting closed at. 7.49 pm)