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CABINET

7 NOVEMBER 2016

Present: Councillors Chowney (Chair), Forward, Davies, Poole, Cartwright, Fitzgerald, Lee and Patmore

42. NOTIFICATION OF ANY ADDITIONAL ITEMS

An additional urgent item had been added to the agenda, Commercial Property Purchase – Retail Park (minute number 50), which was to be considered under confidential business.

43. MINUTES OF THE MEETING HELD ON 10 OCTOBER 2016

RESOLVED that the minutes of the meeting held on 10 October 2016 be approved and signed by the chair as a correct record

RESOLVED the Chair called over the items on the agenda, under rule 13.3 the recommendations set out in minute number 47 were agreed without being called for discussion

44. EU FUNDING APPLICATION APPROVAL - NEW VISITOR CENTRE AT HASTINGS COUNTRY PARK NATURE RESERVE

The Environment and Natural Resources Manager presented a report which sought delegated approval for the Director of Operational Services, in consultation with the Lead Member for Environment and Place, to enter into a partnership agreement with the Lead Partner for the EU project (UPSTRAW), should a second stage submission for funding to support the development of a new visitor centre at Hastings Country Park be approved. A sub-partnership agreement with Groundwork Trust to support the delivery of the project would also be required.

The council held a longstanding ambition to provide a new visitor centre at Hastings Country Park Nature Reserve, which is set out in the Corporate Plan 2016/17 – 2018/19. It was important that any new construction was sensitive to the landscape and environment of the country park. Extensive public consultation had been undertaken regarding the design and layout of the new visitor centre. In March 2015, planning permission was granted for a new building of straw bale construction.

The council had partnered with Groundwork South to project manage and deliver the new centre. A project board had been established to oversee these activities. The council had allocated £250,000 from a capital receipt to the project, and Groundwork South had been exploring a range of other funding opportunities.

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Groundwork South and the council, along with the School of Natural Building, had pursued an opportunity to join European partners under the Interreg North-West Europe Programme to build public buildings from straw. A successful expression of interest had been submitted in February 2016. The partners were now required to submit a full application by 23 December 2016, with a decision expected in January or February 2017. Groundwork South are also exploring separate grant applications to support heritage and nature conservation themed interpretation throughout the nature reserve and new visitor centre.

The report acknowledged ongoing uncertainty regarding the future of European Union (EU) funding streams, following the outcome of the referendum on the UK's membership of the EU earlier in the year. However, the Treasury had indicated that projects which have secured funding while the UK is still a member of the EU will be honoured by the government, provided they are good value for money and are in line with domestic strategic priorities.

Councillor Davies proposed approval of the recommendations to the Assistant Director, Environment and Place's report, which was seconded by Councillor Poole.

RESOLVED (unanimously) to give delegated authority to the Director of Operational Services in consultation with the Lead Member for Environment and Place to:

- **Sign a sub-partnership agreement with Groundwork trust to deliver the Hastings Borough Council associated activities and outcomes for the Interreg North-West Europe Programme – Public Building in Straw;**
- **Sign a full partnership agreement with the Lead Partner for the Interreg North-West Europe Programme – Public Building in Straw (UPSTRAW)**

The reason for this decision was:

Hastings Borough Council is committed to delivering a new visitor centre at Hastings Country Park Nature Reserve. In 2014 we partnered up with Groundwork South to help deliver this ambition. Groundwork project managed the preparatory work from architects through to planning permission in 2015. Groundwork South has been working with European partners to prepare a submission for Interreg funding to build the visitor centre from straw bales. The submission deadline is 23 December 2016 with an expected award date early in 2017.

45. COUNCIL TAX SUPPORT SCHEME

The Revenue and Benefits Service Manager presented a report which updated members in the results of a recent consultation regarding the council tax support scheme and the options available to set the scheme for 2017/18 in respect of working age customers.

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The council is required to review its council tax support scheme each year. The existing scheme, which has been in place since April 2013, provides for a set minimum weekly award of £5, removes second adult rebate and increases non dependant deductions. The purpose of the review was to ensure that the scheme continued to protect those on low incomes, whilst ensuring that the council retained sufficient capacity to provide essential services.

Three potential options for the 2017/18 scheme were subject to public consultation; the introduction of a minimum council tax payment for all working age customers, a reduction to the capital savings limit from £16,000 to £6,000 and the introduction of a weekly minimum income, in line with the national living wage, for self-employed customers. The consultation concluded on 16 September 2016.

The report noted significant welfare reforms which were due to be implemented over the coming year including a revised benefit cap and the roll-out of Universal Credit. Given the potential impact of these changes on the poorest sections of the community in particular, the report recommended that the existing council tax reduction scheme remain unaltered for 2017/18. All East Sussex authorities may wish to review their schemes in 2018/19.

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

RESOLVED (unanimously):

- 1. To recommend to Full Council that there be no change to the existing Council Tax Support Scheme in respect of working age customers for 2017/18, and;**
- 2. To authorise the Assistant Director, Financial Services and Revenues, to update allowances and premiums, as required, when announced by the Government and for any relevant changes to the prescribed regulations**

The reason for this decision was:

The local authority is required to approve a scheme for the provision of council tax support in respect of 2017/18 by 31 January 2017.

46. MEDIUM TERM FINANCIAL STRATEGY

The Assistant Director, Financial Services and Revenues, presented a report on the medium term financial strategy. The council forecasted its financial position over the medium term to ensure its resources were aligned with its priorities and objectives and to assist with the budget setting process for future years.

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The report gave an overview of the council's income and expenditure, since the budget for 2016/17 was set in February. The Assistant Director, Financial Services and Revenues, commented that further significant budget reductions were expected in the years ahead. He also acknowledged further uncertainty regarding business rate appeals and an outstanding claim in respect of the pier closure. Consequently, it was essential that the council continued to optimise the efficiency of its services. Potential re-occurring savings identified in the medium term financial strategy would be investigated as part of the budget setting process for 2017/18.

The council had submitted an efficiency plan to the Government, with the intention of securing a four year grant settlement. If successful, this would provide a higher degree of stability and enable the council to more accurately predict its financial position over the coming years.

The council continued to explore a range of income generation opportunities. The Assistant Director, Financial Services and Revenues, commented that the council needed to retain sufficient reserves to offset the risks associated with these activities.

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

RESOLVED (unanimously) that the Medium Term Financial Strategy be approved

The reason for this decision was:

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.

47. TREASURY MANAGEMENT - MID YEAR REPORT 2016-17

The Assistant Director, Financial Services and Revenues, submitted a report to advise Cabinet of the treasury management activities and performance during the current year.

Treasury management relates to the authority's investments, cash flow, banking, money market and capital transactions. The report provided an update on the economic climate during the first nine months of 2016/17 as well as the council's current treasury position and strategies for borrowing and investment.

The council complied with the requirements of the Chartered Institute for Public Finance and Accountancy's Code of Practice for Treasury Management and carried out a mid-year review each year, to provide members with an opportunity to make recommendations to Full Council to address any issues which may have arisen since the original strategy was approved in February 2016.

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Market conditions and continued low interest rates created challenges in achieving the 0.70% return on investments, estimated in the budget. However, savings from the timing of new borrowing meant that the overall budget predictions for 2016/17 were still achievable.

The Audit Committee would be required to review the Treasury Management Strategy as the council continued to pursue new income generation opportunities, which may result in increased borrowing and risk to the authority.

RESOLVED that:

- 1. Cabinet ask the Audit Committee to explore investment opportunities in property funds and the treasury management implications for the council of making larger investments in, for example, commercial property, housing, and energy as part of the council's income generation strategy, and;**
- 2. The Audit Committee to consider the substantial implications and risks to the council at its meeting in January 2017 when considering the proposed Treasury Management Strategy for 2017/18, with a view to making recommendations to the meetings of Cabinet and Council in February 2017**

The reason for this decision was:

The Code of Practice on Treasury Management requires, as a minimum, a mid-year review of Treasury Management Strategy and performance. This is intended to highlight any areas of concern that have arisen since the original strategy was approved (February 2016). It is a requirement of the Code of Practice that the mid-year review is considered by Cabinet and Full Council.

The council is seeking to increase its levels of income generation and this will entail new borrowing over potentially long periods, with consequent risks in terms of asset valuations, credit worthiness, cash and reserve fund availability. Such risks cannot be considered in isolation of all the issues facing the council now and potentially in the future.

48. MINUTES OF THE MUSEUMS COMMITTEE HELD ON 12 SEPTEMBER 2016

The minutes of the Museums Committee meeting held on 12 September 2016 were submitted.

RESOLVED that the minutes of the Museums Committee held on 12 September 2016 be received

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EXCLUSION OF THE PUBLIC

Councillor Lee proposed a motion for the exclusion of the public from the meeting, which was seconded by Councillor Cartwright.

RESOLVED (unanimously) that the public be excluded from the meeting during the consideration of the items of business listed below because it is likely that if members of the public were present there would be disclosure to them of exempt information as defined in the paragraphs of Schedule 12A to the Local Government Act 1972 referred to in the relevant report

49. COMMERCIAL PROPERTY PURCHASE - RETAIL PARK

The Assistant Director, Financial Services and Revenues, presented a report which considered the potential purchase of a commercial property within Hastings.

RESOLVED (by 6 votes for, 2 against with 0 abstentions):

- 1. To recommend that the council purchases the property at the best possible price up to the maximum figure set out in the report (plus stamp duty land tax, registration fees, and agents fees), and;**
- 2. Delegated authority is given to the Chief Finance Officer to purchase the property and finalise arrangements**

The reason for this decision was:

The property is in a prime location and will become more prominent following changes to the highway in the area. The council needs to ensure that the area remains attractive for the future to ensure businesses are attracted to, and remain in, Hastings – particularly so as the council will need to ensure business rate growth in the future. The acquisition provides the council with the opportunity to diversify its property holdings and change the overall risk exposure within the portfolio. The council would also secure an additional income stream.

(The Chair declared the meeting closed at. 7.24 pm)