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CABINET

29 JANUARY 2024

Present: Councillors Hilton (Chair), Haffenden (Deputy Chair), Barnett (until 7.05pm), Roark (until 7.58pm), and Willis.

In attendance: Jane Hartnell (Chief Executive), Kit Wheeler (Chief Finance Officer), Mary Kilner (Chief Legal Officer), Natasha Tewkesbury (Head of Community and Regulatory Services), and Chris Hancock (Head of Housing). Councillors Beaney, Carr, Collins, Patmore, Pragnell, Sinden and Webb.

In attendance remotely: Victoria Conheady (Deputy Chief Executive), and Amy Terry (Property and Commercial Assets Manager).

24. APOLOGIES FOR ABSENCE

Councillors Barnett and Roark gave apologies for leaving early.

25. DECLARATION OF INTERESTS

None received.

26. MINUTES OF LAST MEETING

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

27. PUBLIC QUESTION TIME (30 MINUTES)

Councillor Collins asked if the Cabinet would support a debate on a motion at the March Full Council to propose twinning Hastings with Al-Mawasi in Gaza. Cabinet members replied that they would in principle welcome a debate on the motion but there would need to be further details on the proposals and the twinning process.

A question was asked about encouraging the recycling of Tetrapaks in Hastings. Councillor Haffenden replied that East Sussex County Council decide what can and can't be recycled and there isn't the ability to change the current recycling contract. However, the law is changing in 2026 and there will be conversations starting soon about what will be recycled in the future. A further question was asked about the availability of pink recycling bags. Councillor Haffenden replied that he is looking into ways to make recycling bags more accessible for residents.

A question was asked about the current condition of beach huts in West Marina and whether the council will schedule a full programme of maintenance. Councillor Hilton apologised for the delay in repairs and asked for a priority list of urgent maintenance from beach hut tenants. In the meantime, councillors will have discussions with officers about a programme of longer-term maintenance.

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A written question was received regarding the progress in addressing the issues of town centre flooding, sewage pollution and pollution at Old Roar Gill. Councillor Hilton replied that prior to her election as Leader of the Council there had been a meeting with the previous council leadership, the local MP, East Sussex County Council, and Southern Water at which it was agreed that there would be a full modelling of the foul water and rainwater system through the park and town centre. This will inform future flood prevention work. There will be quarterly meetings going forward to monitor progress.

28. FINANCIAL MONITORING REPORT

The Chief Finance Officer presented a report to provide a summary of the financial forecast outturn position for services at the end of Period 8 (November 2023).

At the end of November 2023, the overspend had decreased to £1.2million. The main reasons being a redistribution of homelessness grants. However, temporary accommodation costs are still a significant factor in the current overspend.

Robust financial restrictions were introduced at the end of last year and these have resulted in a significant improvement in the financial situation. These should not be seen as a permanent solution and will be reviewed at the end of the financial year.

Councillor Barnett proposed approval of the recommendations, seconded by Councillor Hilton.

RESOLVED (unanimously):

To note the contents of the report, and the actions within the conclusion and management action section.

Reasons:

To assist the Council in understanding the financial position and particularly areas of over and under spend. Early indications of emerging overspends can allow management action to be targeted to those areas.

This monitoring assists in identifying areas for review in the production of the 2024/25 budget and the impact of the 2023/24 outturn on the reserves position.

29. THE FUTURE OF INTERNAL AUDIT

The Chief Finance Officer presented a report to agree the arrangements for the Internal Audit Service from 2024/25 onwards.

Internal Audit has been under the interim management and supervision of the Orbis partnership since June 2023. The arrangement has been successful with a professional service provided. A more permanent arrangement now needs to be agreed. It is estimated that the budget for the arrangements with Orbis represents a saving over the period of the agreement compared to a fully in-house service.

The Chief Finance Officer clarified that the agreement with Orbis is for five years, with a review after two years. The Chief Finance Officer thanked Orbis and the local

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members of the Internal Audit team for their professionalism and embracing new ways of working since June 2023.

Councillor Barnett proposed approval of the recommendations, seconded by Councillor Haffenden.

RESOLVED (unanimously):

Cabinet agrees that the Orbis partnership is approved to provide the management of the Internal Audit Service for the next five years, with a review after two years, and delegated decision to the Chief Legal Officer to enter into agreement on behalf of Hastings Borough Council.

Reasons:

1. Following the retirement of the long-standing Chief Auditor in April 2023 from Hastings Borough Council, the Internal Audit team has been under the interim management and supervision of the Orbis partnership (which currently includes East Sussex County Council, Surrey County Council, Brighton and Hove City Council and Horsham District Council) following Cabinet approval back in June 2023 for this financial year (2023/24).
2. Given the key role that Internal Audit plays in providing independent, objective assurance advice that adds value to, and improves an organisations operation, it is imperative that a fully resourced and experienced Audit team is in place for the 2024-25 financial year.

30. PAY POLICY STATEMENT 2024/25

The Chief Executive presented a report to approve the Pay Policy Statement for 2024/25 as required by the Localism Act 2011.

Councillor Haffenden proposed approval of the recommendations, seconded by Councillor Roark.

RESOLVED (unanimously):

To recommend the pay policy statement to Full Council for approval.

Reasons:

The Localism Act 2011 requires Hastings Borough Council to prepare and publish an annual pay policy statement. The purpose of such a statement is to provide information about Council policies on a range of issues relating to the pay of its workforce, particularly its senior staff and its lowest paid employees. A Pay Policy must be prepared for each financial year and must be approved by Full Council, and published.

31. REVIEW OF THE GATING PUBLIC SPACE PROTECTION ORDER (PSPO)

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The Head of Community and Regulatory Services presented a report to summarise the consultation feedback and determine whether to renew, and remain gated, public footpaths identified in the gating public space protection order (PSPO).

The current PSPO, which expires in March 2024, provides for the gating of four footpaths across the Borough. Footpaths are only considered for gating where there is serious crime and anti-social behaviour which is consistently and substantially affecting the lives of residents.

The report proposes that a further footpath in Castle ward is gated due to the extent of anti-social behaviour and crime taking place in and around the footpath.

As part of the review formal public consultation was undertaken and also with stakeholders and statutory consultees. The continued gating of the four footpaths and further gating in Castle ward were supported in the consultation feedback. East Sussex rights of way team did not object to the continuation of the order and gave advice on measures to ensure the footpaths were not perceived as permanently unavailable to the public.

Councillor Carr asked if BT could be encouraged to remove the phone box near Trinity Passage as it is a target of anti-social behaviour. The Head of Community and Regulatory Services said she would investigate how that might be facilitated.

It was confirmed that the street cleaning team would have access to the Trinity passage footpath to clear up any litter once it was gated.

Councillor Haffenden proposed approval of the recommendations, seconded by Councillor Roark.

RESOLVED (unanimously):

1. Cabinet authorises the Head of Community and Regulatory Services in conjunction with the Chief Legal Officer, to implement the statutory legal process required to renew the gating PSPO of public rights of way described in the report and gate a further footpath in Castle ward.

2. The Gating PSPO is formally reviewed every 3 years.

Reasons:

As a result of long standing anti-social behaviour affecting the public rights of way, the council has been asked to renew the existing gating of 4 footpaths and gate a further footpath in Castle Ward, using powers set out in the Anti-social Behaviour Crime and Policing Act 2014. The existing Gating PSPO originally came into force on 1 March 2021, was varied and extended on 7 November 2022. It now needs to be reviewed and potentially varied and extended again before it expires on 1 March 2024.

32. LAND OFF SIDNEY LITTLE ROAD

The Property and Commercial Assets Manager presented a report to seek approval to proceed with the sale of the land off Sidney Little Road.

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The land is on Churchfield industrial site near the new business centre. The council is not in a financial position to develop the land itself and as there is demand for industrial units, market disposal is considered the best way forward to develop the site. The capital receipt is estimated to be in the region of £900,000.

In response to a question regarding biodiversity the Property and Commercial Assets Manager confirmed that it was likely any offers would be subject to planning permission and biodiversity would be protected through the planning process.

Councillor Barnett proposed approval of the recommendations, seconded by Councillor Hilton.

RESOLVED (unanimously):

- 1. To add the land to the Council's Land and Property Disposal Programme.**
- 2. Approve the disposal of the land in accordance with section 123 of the Local Government Act 1972.**
- 3. Delegate authority to the Property & Commercial Assets Manager in consultation with the Leader of the Council and Finance Portfolio Holder to take all actions to dispose of the land and agree terms of the sale/s.**

Reasons:

1. Ahead of the wider Council strategic asset review we have conducted an initial review of the Council's assets and identified the land can be brought forward for immediate sale for the reasons outlined in the report.
2. The sale could generate capital receipts currently estimated to be worth in the region of £0.9m. The capital receipts would then be reinvested into funding the capital programme and reduce external borrowing. This would therefore reduce our borrowing costs such as MRP (Minimum Revenue Provision) as well as costly interest charges which are continuing to rise with interest rates.
3. This would have a beneficial impact on our revenue position and take some of the pressure off the Council services and general reserve balance which is continuing to be used to fund the revenue budgets for areas such as Homelessness..

33. HOUSING ALLOCATIONS SCHEME

The Head of Housing presented a report to summarise the feedback the council has received on the proposed changes to the affordable housing allocations scheme.

Several changes are proposed to make best use of the limited availability of affordable. A key change is to give the highest priority to households who need to leave the family home and would otherwise go into temporary accommodation. The same priority is also to be given to social housing tenants who are under-occupying their property by one or more bedrooms to incentivise downsizing.

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Councillor Carr asked about the reassessment of housing register applications. It was confirmed that the preference is not to close all applications and start again but rather to update only those applications where there will be an impact from the new allocations scheme.

Councillor Willis proposed approval of the recommendations, seconded by Councillor Hilton.

RESOLVED (unanimously):

To adopt the changes to the allocations scheme as proposed in the report.

Reasons:

The council believe that the changes to the allocations scheme will enable better use of the limited affordable housing in the borough to help meet the most acute forms of housing need faced by residents and also help reduce the use of, and therefore the cost of, temporary accommodation to the council.

Councillor Hilton adjourned the meeting for a comfort break at 7.22pm. The meeting reconvened at 7.28pm.

34. CORNWALLIS STREET HOTEL PART 1

The Chief Executive presented a report to recommend as an alternative to the current legal agreement with Whitbread Plc, that the land at Cornwallis Street be sold to Whitbread Plc with the caveat that they build the Premier Inn hotel at their cost and release the council from all previous agreements.

In September 2023 councillors were asked to agree an increase in the capital budget for the project, with the cost of the build work exceeding the agreed capital programme budget. Following the cabinet meeting in September 2023, and considering the council's financial position, negotiations were reopened with Whitbread Plc to seek an alternative agreement which will see a much-needed hotel built, but without the need for council investment. The Local Government Association, Chartered Institute of Public Finance and Accountancy (CIPFA) and external auditor all recommend this approach.

The council has reached an in-principle agreement which would involve selling the land at Cornwallis Street to Whitbread Plc and them building the hotel at their own cost. This would release the council from the existing agreement and improve the council's financial stability.

Councillor Patmore asked the cabinet to agree that once the deal is finalised the previous decision to enter into the original agreement should be scrutinised to learn lessons for future projects. The Chief Executive said she had already committed to that once the proposed agreement is finalised.

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Councillor Carr asked for the cost of the project to date including the losses from the income of the car park and whether the new agreement will include reduced business rates. The Chief Finance Officer replied that all costs will be included in the capital programme. The site was originally expected to be developed much sooner, and that's why the car park was closed.

Councillor Beaney said he had calculated from publicly available information on the council website that between January 2021 and May 2023 over £499,000 had been spent on the project. Councillor Beaney asked if the total cost to date could be confirmed. The Chief Finance Officer replied that the financial monitoring report shows current year costs for capital projects, likewise the upcoming budget report will include details of costs for the year to date and the lifetime of the scheme.

Councillor Beaney asked why the land was not for sale on the open market to achieve best value. The Chief Executive replied the council is still in an agreement to build a hotel on the site, therefore the land is not available for sale on the open market.

Councillor Beaney asked if the Chief Executive had sight of the original agreement before it was signed. The Chief Executive replied that she didn't.

Councillor Carr asked about right to light compensation for residents. The Chief Legal Officer confirmed that this was being looked into.

Councillor Hilton asked that when negotiations are completed a clear timescale for the work be shared publicly.

Councillor Willis proposed approval of the recommendations, seconded by Councillor Roark.

RESOLVED (unanimously):

- 1. That Cabinet agree to sell the land at Cornwallis Street to Whitbread PLC on the proviso that the Premier Inn hotel is built at their expense, within a reasonable timeframe (to be confirmed subject to legal due diligence) and that the council is released from all liabilities contained in the current agreement.**
- 2. That the Chief Executive, Chief Legal Officer and Chief Finance Officer be delegated authority to conclude the legal details of the new agreement (as per the requirements set out in the Part II confidential report) with Whitbread Plc in consultation with the Leader of the Council and the Finance Portfolio Holder.**

Reasons:

1. The council entered into an agreement in 2021 to build and lease a hotel on the site at Cornwallis Street.
2. The council tendered for the build work and following two procurement exercises, the costs of the build work exceeded the estimated capital programme budget.
3. Officers have negotiated with Whitbread PLC (in the light of the council's financial challenges brought about by the housing crisis and requirement for the council to spend over £5.5m p.a. on temporary accommodation), an alternative agreement which enables the much-needed hotel to be built without the need for council investment.

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4. The council is at present still legally bound by the original agreement which contains significant financial penalties if the hotel is not built within the specified timescale.
5. The existing agreement places significant financial and potential legal risks on the council's sustainability and therefore the new agreement is strongly recommended as a solution.

35. EXCLUSION OF THE PUBLIC

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

36. CORNWALLIS STREET HOTEL PART 2

The Chief Executive presented a report to recommend as an alternative to the current legal agreement with Whitbread Plc, that the land at Cornwallis Street be sold to Whitbread Plc with the caveat that they build the Premier Inn hotel at their cost and release the council from all previous agreements.

Councillor Willis proposed approval of the recommendations, seconded by Councillor Roark.

RESOLVED (unanimously):

- 1. That Cabinet agree to sell the land at Cornwallis Street to Whitbread PLC on the proviso that the Premier Inn hotel is built at their expense, within a reasonable timeframe (to be confirmed subject to legal due diligence) and that the council is released from all liabilities contained in the current agreement.**
- 2. That the Chief Executive, Chief Legal Officer and Chief Finance Officer be delegated authority to conclude the legal details of the new agreement (as per the requirements set out in the Part II confidential report) with Whitbread Plc in consultation with the Leader of the Council and the Finance Portfolio Holder.**

Reasons:

1. The council entered into an agreement in 2021 to build and lease a hotel on the site at Cornwallis Street.
2. The council tendered for the build work and following two procurement exercises, the costs of the build work exceeded the estimated capital programme budget.
3. Officers have negotiated with Whitbread PLC (in the light of the council's financial challenges brought about by the housing crisis and requirement for the council to

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spend over £5.5m p.a. on temporary accommodation), an alternative agreement which enables the much-needed hotel to be built without the need for council investment.

4. The council is at present still legally bound by the original agreement which contains significant financial penalties if the hotel is not built within the specified timescale.

5. The existing agreement places significant financial and potential legal risks on the council's sustainability and therefore the new agreement is strongly recommended as a solution.

(The Chair declared the meeting closed at 8.13pm)

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