

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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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

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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)