

**Report to:** Cabinet

**Date of Meeting:** 7 October 2019

**Report Title:** Churchfields Business Centre

**Report By:** Peter Grace  
Assistant Director Financial Services & Revenues  
(Chief Finance Officer)

---

### **Purpose of Report**

To advise of a revision to estimated costs and seek an increase in the Capital project costs of £500,000 subject to receipt of £300,000 of additional grant funding.

---

### **Recommendation(s)**

- 1. To agree to increase the budget from £2.8m to £3.3m subject to receiving £300,000 funding from Connecting Hastings and Rother Together (CHART) Programme – Community led Local Development (CLLD)**

---

### **Reasons for Recommendations**

As outlined in the body of the report the overall cost of development has increased at detailed design stage, and particularly as a result of meeting grant funding requirements which significantly enhance the scope and value to the borough of the development in terms of employment training.

---

## Introduction

1. At Cabinet on 4 March 2019 it was agreed to include Sidney Little Road Business Incubator Hub (now known as Churchfields Business Centre) within the Capital programme with an estimated budget, including fees, of £2.8m. This was subject to Local Growth Funding of £500,000 which has since been granted.
2. Where Capital projects are expected to significantly increase in cost, Cabinet approval is required, before the scheme is progressed further.

## Economic/Financial Implications

3. The consultants have now worked up detailed designs and the estimated costs are now £3.3m.
4. This figure includes £300,000 worth of costs that we have made an application to Connecting Hastings and Rother Together (CHART) Programme – Community led Local Development (CLLD). We hope to have a decision on this funding in October 2019.
5. The increase in overall costs is mainly due to ecology and arboricultural measures which have arisen following detailed surveys and sustainability measures which are works required to achieve a Building Research Establishment Environmental Assessment Method (BREEAM) excellent/very good rating. This is required for the CHART funding and the additional £300,000.
6. The solar panels and any associated energy equipment, along with the infrastructure required e.g. battery storage, were always intended to be financed from existing earmarked budgets (Energy - Solar Panels) within the capital programme. These costs have now been identified and it is sensible to reduce the solar energy budget and increase the Churchfield Business Centre budget. The estimated costs being some £56,500 for the installation of the PV system.
7. The net additional funding requirement for the Council amounts to some £143,500. Financed over 40 years the net additional cost would amount to some £5,695 p.a. (Annuity loan at 2.5%). Currently loan rates are lower than when the scheme was presented in March 2019. If these lower rates are sustained, the annual additional costs would be contained within existing projected forecasts.

## Risk Management

8. Whilst work is still underway to close the funding gap by cost engineering, costs could be significantly different when tenders are actually received.

## Environmental Issues & Climate Change

9. As detailed above measures will be included in line with ecology and arboriculture reports

10. The building itself will need to obtain the BREEAM excellent/very good standard in order to qualify for grant funding. The sustainability measures included along with solar panel installation and electric vehicle charging points all help to minimise

## Conclusion

11. The outcome of the additional grant funding is awaited. If successful, and with Cabinet approval, the scheme will be able to proceed further.

### Timetable of Next Steps

12. Please include a list of key actions and the scheduled dates for these:

| Action  | Key milestone   | Due date (provisional) | Responsible           |
|---------|---|------------------------|-----------------------|
| Cabinet | Seek authority to proceed on existing timescales with increased budget and improved outcomes. | 7 October 2019         | Chief Finance Officer |

---

## Wards Affected

Hollington.

---

## Implications

Relevant project tools applied? [Yes/No](#)

Have you checked this report for plain English and readability? [Yes/No](#)

Climate change implications considered? [Yes/No](#)

Please identify if this report contains any implications for the following:

|                                       |     |
|---------------------------------------|-----|
| Equalities and Community Cohesiveness | No  |
| Crime and Fear of Crime (Section 17)  | No  |
| Risk Management                       | Yes |
| Environmental Issues                  | Yes |
| Economic/Financial Implications       | Yes |
| Human Rights Act                      | No  |
| Organisational Consequences           | No  |
| Local People's Views                  | No  |
| Anti-Poverty                          | No  |

---

**Additional Information**

Report to Cabinet 4 March 2019.

---

**Officer to Contact**

Officer Name Amy Terry

Officer Email Address [aterry@hastings.gov.uk](mailto:aterry@hastings.gov.uk)

Officer Telephone Number 01424 451640

---