

# Public Document Pack

## CABINET

4 SEPTEMBER 2023

Present: Councillors Barnett (Chair), Evans (Vice-Chair), Batsford, Rogers and Willis.

In attendance: Jane Hartnell (Chief Executive), Kit Wheeler (Chief Finance Officer), Mary Kilner (Chief Legal Officer), Cameron Morley (Head of Environment and Operations). In attendance remotely: Victoria Conheady (Deputy Chief Executive – Director of Place), and Chris Hancock (Head of Housing).

### 23. APOLOGIES FOR ABSENCE

Apologies for absence received from Councillors Cannan and Roark.

### 24. DECLARATION OF INTERESTS

None.

### 25. MINUTES OF LAST MEETING

**RESOLVED** – that the minutes of the meeting held on 7<sup>th</sup> August 2023 be approved as a true record.

### 26. PUBLIC QUESTION TIME (30 MINUTES)

A question was asked regarding the Council's representation on the board of Sea Change Sussex and subsequent actions since Councillor Barnett resigned from the board in February 2022.

Councillor Barnett replied that he understood that central government were looking into the operation of Sea Change because of the funding they received through the Local Enterprise Partnership towards the cost of the Queensway Gateway road. Councillor Barnett said that he had called for a meeting coordinated by East Sussex County Council into the current position regarding Sea Change and he would follow this up.

### 27. FINANCIAL MONITORING REPORT

The Chief Finance Officer presented a report to provide a summary of the forecast outturn position at the end of July 2023.

The report provides an update on the current financial position which continues to be challenging. There is a forecast overspend of close to £1.9 million, however there is good news in additional income of £141,000 for properties and estates, and £54,000 from industrial units, due to rent reviews and renewals.

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Housing and homelessness costs continue to present a financial challenge for Hastings and other local authorities. There is a large savings programme underway in the housing department, but this is unlikely to achieve enough to meet growing costs.

In summary the Chief Finance Officer reiterated that the financial situation remains very serious, and savings need to be realised from across the organisation as part of the budget setting process.

Councillor Collins was present and asked about the potential timescales for issuing a Section 114 notice.

The Chief Finance Officer replied that a report will be coming to Cabinet detailing the Section 114 process.

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

### **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.

### **28. APPOINTMENT OF CREMATOR MAINTENANCE CONTRACTOR (PART 1)**

The Head of Environment and Operations presented a report to agree the renewal of the cremator maintenance contact for Hastings Crematorium.

The initial period of the contract is five years, with the option to extend for a further five. The cremators have an operating life of around 20 years, and it is likely they will come to the end of their operational life within the period of the contract. A break clause has been agreed so the contract can be terminated if it is no longer appropriate when the cremators are replaced.

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

### **RESOLVED (unanimously):**

**To award Facultatieve Technologies Ltd the contract of providing cremator maintenance for Hastings Borough Council from 1st October 2023 on a term of 5 years, with the option to extend for a further 5 years with an option to**

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**withdraw on 6 months' notice after the initial 5-year period should we be replacing the equipment.**

Reasons:

The current cremator maintenance contract comes to an end on 31st July 2023. This contract has been extended as far as it can, and therefore a new contract is required. Following a tender exercise, Facultatieve Technologies Ltd was selected as the most suitable candidate to provide this essential service from 1st October 2023, with interim arrangement having been put in place to accommodate servicing needs between 31st July 2023 and 1st October 2023.

### **29. CORNWALLIS STREET HOTEL (PART 1)**

The Chief Executive presented an urgent report to seek approval to increase the capital programme budget for the development of a hotel and restaurant at Cornwallis Street.

The project was first discussed in 2019 and a legal agreement was concluded in January 2021. After a tender exercise the cost came back higher than budgeted, therefore the capital budget needs to be increased to secure the services of the contractor. This needs to be agreed as soon as possible to secure the price agreed with the contractor.

Councillor Beaney was present and asked why the report doesn't include the implications of failing to approve the increased budget?

The Chief Executive replied that cabinet members and group leaders have been advised of the implications of not agreeing the budget increase. Full Council will be advised that the authority has entered into a contract and if it chose not to abide by that agreement it would be subject to legal action.

Councillor Collins was present and asked if the forecasts for the hotel development take into account the new hotel in Havelock Road?

The Chief Executive replied that these are separate projects, and the town is significantly below the level of hotel accommodation that would be expected. For example, Hastings has fewer than 1,000 serviced hotel beds, compared to 7,000 in Eastbourne.

Councillor Patmore was present and asked if it is normal practice for a local authority to sign a contract without a break clause for increasing costs?

The Chief Executive replied that projects are determined on a number of factors and the Council needs to consider the position in 2019 and whether this was the best offer available at the time to support tourism in Hastings.

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

**RESOLVED (unanimously):**

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**1. Cabinet recommends Full Council approves the increase in the capital programme budget to £13.601m for the development of the hotel at Cornwallis Street.**

**2. Full Council approves the use of capital receipts from the land and property disposal programme as a financially prudent approach to help fund the capital programme as set out in the Council's Treasury Management Strategy.**

Reasons:

1. The council entered into an agreement in 2021 to build and lease a hotel on the site at Cornwallis Street as a regeneration project and to address the significant under-provision of hotel bed-spaces in the town.

2. The council tendered for the build work and following two procurement exercises, a preferred contractor has been identified, however the tender price has exceeded the estimated capital programme budget.

3. Decisions regarding increases to the capital programme are required to be made by Full Council.

4. Cabinet is therefore recommending to Full Council that the budget is increased to the sum of £13.601m (including a significant contingency budget).

5. The use of capital receipts (from the sale of surplus assets) to reduce the level of borrowing required and MRP (minimum revenue provision) payable is recommended as part of a prudent and balanced Treasury Management strategy.

### **30. 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.

The meeting adjourned at 7.18pm to allow the public to leave and resumed at 7.20pm.

### **31. APPOINTMENT OF CREMATOR MAINTENANCE CONTRACTOR (PART 2)**

The Head of Environment and Operations presented a report to agree the renewal of the cremator maintenance contact for Hastings Crematorium.

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

#### **RESOLVED (unanimously):**

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**To award Facultatieve Technologies Ltd the contract of providing cremator maintenance for Hastings Borough Council from 1st October 2023 on a term of 5 years, with the option to extend for a further 5 years with an option to withdraw on 6 months' notice after the initial 5-year period should we be replacing the equipment.**

Reasons:

The current cremator maintenance contract comes to an end on 31st July 2023. This contract has been extended as far as it can, and therefore a new contract is required. Following a tender exercise, Facultatieve Technologies Ltd was selected as the most suitable candidate to provide this essential service from 1st October 2023, with interim arrangement having been put in place to accommodate servicing needs between 31st July 2023 and 1st October 2023.

### **32. CORNWALLIS STREET HOTEL (PART 2)**

The Chief Executive presented a report to seek approval to increase the capital programme budget for the development of a hotel and restaurant at Cornwallis Street.

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

**RESOLVED (unanimously):**

- 1. Cabinet recommends Full Council approves the increase in the capital programme budget to £13.601m for the development of the hotel at Cornwallis Street.**
- 2. Full Council approves the use of capital receipts from the land and property disposal programme as a financially prudent approach to help fund the capital programme as set out in the Council's Treasury Management Strategy.**

Reasons:

1. The council entered into an agreement in 2021 to build and lease a hotel on the site at Cornwallis Street as a regeneration project and to address the significant under-provision of hotel bed-spaces in the town.
2. The council tendered for the build work and following two procurement exercises, a preferred contractor has been identified, however the tender price has exceeded the estimated capital programme budget.
3. Decisions regarding increases to the capital programme are required to be made by Full Council.
4. Cabinet is therefore recommending to Full Council that the budget is increased to the sum of £13.601m (including a significant contingency budget).
5. The use of capital receipts (from the sale of surplus assets) to reduce the level of

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borrowing required and MRP (minimum revenue provision) payable is recommended as part of a prudent and balanced Treasury Management strategy.

(The Chair declared the meeting closed at 7.45pm)