

MINUTES of a meeting of the CABINET held in the Board Room, Council Offices, Coalville on TUESDAY, 25 JULY 2017

Present: Councillor R Blunt (Chairman)

Councillors R D Bayliss, T Gillard, T J Pendleton and A V Smith MBE

In Attendance: Councillors R Adams, D Everitt, T Eynon, F Fenning, J Geary, G Hoult, R Johnson, J Legrys, S Sheahan and M Specht

Officers: Ms T Ashe, Mrs C Hammond, Mr A Hunkin, Mr G Jones, Mrs B Smith and Miss E Warhurst

19. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor N J Rushton

20. DECLARATION OF INTERESTS

There were no interests declared

21. PUBLIC QUESTION AND ANSWER SESSION

There were no questions received.

22. MINUTES

Consideration was given to the minutes of the meeting held on 13 June 2017.

It was moved by Councillor R Blunt, seconded by Councillor A V Smith and

RESOLVED THAT:

The minutes of the meeting held on 13 June 2017 be approved and signed as a correct record.

Reason for decision: To comply with the constitution.

23. PROVISIONAL FINANCIAL OUTTURN 2016/17

The Leader presented the report to Members.

He advised that the report summarised the main elements of the financial performance for 2016/17, however the results were provisional as they were still subject to external audit and could change. He informed Members that the final audited accounts would be considered and approved by the Audit & Governance Committee on 27 September 2017.

He asked Members to note the outturn position on both the General Fund and Housing Revenue Account, and moving forward, that a greater emphasis would be placed on robust financial management in forecasting the Council's financial position and reducing variance between budgeted and outturn position.

He highlighted that: the expected final position on the General Fund was £1.825m surplus against a budget of £0.983m with the major variances being due to an increase in business rates, recycling and planning fee income; that Cabinet had agreed throughout 2016/17 to use the surplus for initiatives totalling £1.178m and that the remaining surplus

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of £0.647m would therefore be transferred to reserves of which £0.577m would be allocated to Marlborough Square following the decision by Cabinet on 13 June 2017 that this be funded from any 2016/17 remaining surplus and the predicted surplus for 2017/18; that the outturn on the HRA was an expected surplus of £3.234m against a budget of £2.395m with the major variances being additional rental income, under spend on cyclical repairs and a reduction in corporate recharges paid to the general fund. He added that with the additional income received the Council was able to put more funds into the Coalville project.

Councillor R D Bayliss stated that the report was a testament to good financial management and advised Members that in relation to the HRA surplus the authority needed to accumulate surplus to be able to redeem debt, and with £10million to redeem in 2021/22 the authority was on target to do so.

It was moved by Councillor R Blunt, seconded by Councillor A V Smith and

RESOLVED THAT:

The Provisional Financial Outturn Position for 2016/17 be noted.

Reason for decision: Requirement of Financial Procedure Rules

24. LEISURE PROJECT UPDATE

The Community Services Portfolio Holder presented the report to Members.

She stated that she was pleased to bring the update to Cabinet, that all Members recognised that the project had the potential to be the largest undertaken by the Council for many years, impacting on current and future generations of residents, that many of the residents recognised that the Council's leisure facilities, whilst good, were not large enough, or flexible enough to meet future, or even current demand and that the paper before Cabinet explained the current status of the project and set out the broad shape of ongoing work that would come forward for future Cabinet and Council consideration and ultimately a decision.

She informed Members that the project was about creating state of the art leisure facilities that would ensure the authority could meet the leisure needs of North West Leicestershire's current and future residents and that Cabinet would recall previous discussions about the need for a leisure centre during which Members considered a number of alternative sites. The decision was made to pursue further investigation of the Bridge Road car park site, in the centre of Coalville. Following consultation with district council members, parish councils, sports clubs, current leisure centre users and the general public the Council had received a clear message that the Bridge Road car park was not considered suitable. This was due to its confined nature, difficulty of access, disconnection from what would remain as outdoor leisure facilities on the current Hermitage leisure centre site, and businesses in the town centre expressed concern that it might harm, rather than improve, footfall in the town centre. A number of consultees, including Members and parish councils, suggested that the Council's land off the A511 would be a suitable site for a new indoor leisure facility. As such, the council team has done some preparatory work, and Cabinet was now asked to endorse progress made to date.

She highlighted the following points of the report to Members:

Financial implications

The report explained that more work was needed to develop the financial modelling into a formal business case and detailed financial forecast that would be completed in the

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coming months. The affordability model provided with the report presented a 'worst case' scenario and indicated that, with a minimum saving of current corporate overheads of £200,000 per annum, the project would 'break even'. In simple terms it meant that the current level of subsidy to the leisure service would continue in return for the creation of a new facility. The new facility was expected to cost £18 million, of which it would be aimed for £4 million to be funded from receipts from sale of the Council's land off Cropston Drive and the existing footprint of the Hermitage Leisure Centre.

Staff implications

Cabinet, all other Members and the project team were acutely aware of the sensitivity of the project proposal for the hardworking staff within the leisure service. Much effort had been put into keeping staff informed, most recently the Chief Executive had led four meetings to provide all leisure service staff with an update in line with the contents of the report. Staff took the opportunity to ask questions about their contracts within a TUPE transfer situation and also about the new leisure facility and potential investment at Hood Park. Overall, there was agreement amongst staff that significant investment was needed in the leisure centres and they expressed a desire to be involved in the shape of this investment. Senior officers were committed to maintaining an open, two-way communication with staff throughout the process and would continually consult with unions. Cabinet had already agreed the principle of outsourcing the leisure centre and future reports to Cabinet and Council would expand on this. Of greatest importance was developing a clear understanding of the rights and protections that were needed for the existing staff and, secondary, the financial implications of transferring staff to an external body, if that decision was made. It was highlighted that the report was not making a recommendation about outsourcing to a Trust - that would come later.

Procurement

Cabinet were being asked to consider alternative delivery models, if the decision was made to build a new leisure centre. Papers were presented which had led to a recommendation that "DBOM - Design, Build, Operate and Maintain" was the preferred model.

Preferred site

Cabinet were asked to agree that the A511 site was the preferred site for a new leisure centre and that further investigation would be undertaken ahead of a firm decision. The report explained the rationale for the recommendation. Councillor A V Smith stated that it is a good site, as the Council owned the land, it would be putting a leisure facility on land that was designated for leisure purposes and only for leisure purposes, the new indoor facility would be close to the existing outdoor facilities and, importantly, it would remain within the Whitwick ward.

Facility mix

Members could see the suggested mix of facilities for the new leisure centre in the report. It was important to say that it was the starting point for negotiation with the potential developers and reflected comments received during earlier consultation as previously mentioned.

The existing Hermitage site

The report explained that further work was needed to develop a proposal for the future of the existing Hermitage Leisure Centre site. The Council had received clear messages about the need for parking for neighbouring residents and outdoor facility users. As mentioned in the report, a full options appraisal would be completed for future consideration by Members.

Public health / sports inclusion

Councillor A V Smith was very pleased to share the information in section 8 of the report. Over and above a state of the art facility, she was sure that Members recognised that the

Council was aiming to improve health, sport and well-being outcomes for local residents. Creating new sports and leisure facilities for the residents of North West Leicestershire was vital to enabling the authority to meet future demand and also created the potential for the Council to support increased usage and therefore some of the measures outlined.

Next steps

The report set out the broad shape of the next steps proposed for the project and that the suggestions were supporting the principles of transparency, an ambition of achieving cross-party support for the forthcoming decisions and appropriate scrutiny and consultation.

Councillor A V Smith added, that as mentioned at the start, the leisure project had the potential to be the biggest decision for many years, probably since the Council decided to retain its housing stock in 2009. It would have implications for the Council and its residents for decades and she commended the report to Cabinet.

Councillor R Blunt emphasised that it was work in progress and was a once in a lifetime opportunity. He stated that the Council had listened to the concerns of the residents and that members across all three political parties had come up with the A511 site that was before them as it was felt that the Bridge Road site would not help either the town centre or the leisure centre. He did stress that the A511 site did have its own issues. He stated that leisure centres in surrounding authorities were in much more convenient locations compared to the current site and Hood Park. He informed Members that the authority had not outsourced any services in 10 years, that the decision before them was not to be taken lightly and that the concerns of the staff would be taken on board and it was important their lives and careers were considered during the process.

Councillor T Gillard stated that the leisure centre was in his ward and even though he had always campaigned to preserve the Green Wedge he recognised the importance for a new facility as the current one could not cope with the demand. He also informed Members of the great number of vehicle movements each day in relation to the centre and the increase in air pollution that it caused. He supported the new site as it would take traffic away from the village but expressed that the residents did not want to see wall to wall housing on the existing site and some of the parking should be retained for residents of Silver Street. He knew that investing in the Hermitage site had been considered, but the leisure centre was the jewel in the crown for the village, adding that he supported the report.

Councillor R Blunt stated that he had always supported the protection of the Green Wedge and that he commended Councillor T Gillard's efforts to keep the centre in Whitwick.

Councillor A V Smith stated that it would be preferable to keep some car parking and reminded Members that the reason investment in the existing site was not feasible was due to the cost and lack of flexibility in what could be done to refurbish the site due to the available footprint, adding that if the Council was to knock down and rebuild on the same site the area would be without a facility for a number of years.

Councillor T J Pendleton stated that he had liked the idea of Bridge Road as he felt that it would have helped the centre of Coalville, however looking at the proposal before them he felt that it was win/win. He felt that the site would allow Whitwick to keep the Leisure connection and with the number of new housing developments in the Coalville area, give a larger facility to accommodate the need.

Councillor R D Bayliss stated that the proposed site would be far more accessible to everyone as the roads leading to the existing site are difficult to get along at any time of

day. He sought clarification that if the DBOM model was used, as owners of the property would the Council have input into the development.

Councillor R Blunt advised Members that there was still a lot of work to be done going forward and that the report was an update on the progress so far, and that the right site needed to be found to give any potential contractor the starting point for their work, which included a guarantee that they would get the appropriate footfall. He acknowledged the cross-party support for both the Coalville project and the leisure project, and that if the project is done correctly Members would have provided a facility for the future.

It was moved by Councillor A V Smith, seconded by Councillor R Blunt and

RESOLVED THAT:

The progress made on the leisure project to date be noted and endorsed and:

- 1) The current indicative affordability model (appendix 1) be noted and that a more detailed financial appraisal will be prepared and presented to Cabinet before any final decisions are made by Council;
- 2) The A511 site is the preferred site to locate a new leisure centre and further investigatory works take place to provide assurance regarding the deliverability of the site be agreed;
- 3) The proposed facility mix for a new leisure centre as set out in the report as a starting point for subsequent negotiations with contractors be agreed;
- 4) In principle, the preferred procurement route for this leisure project should be a design, build, operate and maintain (DBOM) model be agreed;
- 5) A further options appraisal will be completed of the existing Hermitage Leisure Centre site (as shown in appendix 5) to determine the most appropriate use of that site once the new facility is operational be noted; and
- 6) The next steps for the project towards an eventual decision of Council in November 2017 be noted and endorsed.

Reason for decision: To provide officers with authority to continue the project and confirm, in principle, the preferred site for a new leisure centre.

25. EXCLUSION OF PRESS AND PUBLIC

RESOLVED THAT:

In pursuance of Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that the business to be transacted involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act and that the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

Reason for decision: To enable the consideration of exempt information.

26. EXEMPTION TO THE COUNCIL'S CONTRACT PROCEDURE RULES – SHAREPOINT SUPPORT AND MAINTENANCE CONTRACT

The Leader presented the report to Members.

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It was moved by Councillor R Blunt, seconded by Councillor A V Smith and

RESOLVED THAT:

The grant of an exemption to the Council's Contract Procedure Rule 6.4 to allow the award of a contract for support and maintenance of its SharePoint intranet platform on the grounds that only one supplier was available for technical reasons be noted.

Reason for decision: The CPR requires that the exercise of the Statutory Officers' discretion to grant exemptions is reported to Cabinet

27. ASSET MANAGEMENT - LONDON ROAD CAR PARK

The Leader presented the report to Members and invited Councillor J Legrys to address the meeting as ward member.

Councillor J Legrys addressed the meeting putting forward his concerns in relation to the report that was being considered.

Councillor R Blunt thanked Councillor J Legrys for addressing the meeting and detailing his concerns and that from the comments made advised Members of an additional recommendation to be agreed.

Members discussed the report in front of them and the concerns that had been raised by Councillor J Legrys and how they could be addressed.

It was moved by Councillor R Blunt, seconded by Councillor T J Pendleton and

RESOLVED THAT:

The recommendations as set out in the report and the additional recommendation as outlined in the meeting be agreed.

Reason for decision: To enable the Council to take steps to develop Stenson Square and enter negotiations with a third party.

28. COUNCIL INSURANCE - AWARD OF CONTRACT

The Leader presented the report to Members.

It was moved by Councillor R Blunt, seconded by Councillor T Gillard and

RESOLVED THAT:

The contract for the provision of insurance be awarded to the provider as detailed in the report.

Reason for decision: Value of the contract exceeds thresholds in the scheme of delegation

The meeting commenced at 5.00 pm

The Chairman closed the meeting at 5.53 pm