

**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE CABINET**

**2ND SEPTEMBER 2015 AT 6.00 P.M.**

PRESENT: Councillors M. A. Sherrey (Leader), G. N. Denaro, R. L. Dent, R. J. Laight and P. J. Whittaker

Observers: Councillor S. R. Colella, Councillor M. Glass and Councillor C. J. Spencer

Officers: Ms. J. Pickering, Ms. C. Flanagan, Mr. M. Hanwell and Ms. A. Scarce

24/15 **APOLOGIES**

There were no apologies for absence.

25/15 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

26/15 **MINUTES**

The minutes of the meeting of the Cabinet held on 1st July 2015 were submitted.

**RESOLVED** that the minutes of the meeting of the Cabinet held on 1st July 2015 be approved as a correct record.

27/15 **OVERVIEW AND SCRUTINY BOARD**

The minutes of the meetings of the Overview and Scrutiny Board held on 22nd June 2015 and 20th July 2015 were submitted.

**RESOLVED** that the minutes of the Overview and Scrutiny Board held on 22nd June 2015 and 20th July 2015 be noted.

28/15 **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 16th July 2015 were submitted.

**RESOLVED** that the minutes of the Audit, Standards and Governance Committee held on 16th July 2015 be noted.

29/15 **WORCESTERSHIRE SHARED SERVICES JOINT COMMITTEE**

Members further considered the minutes of the Worcestershire Shared Services Joint Committee in conjunction with a report in respect of Home Office Code of Practice on the Exercise of Powers of entry. Following a short discussion it was

**RESOLVED** that consideration be given by partner authorities to adopt a similar approach for their retained regulator service elements to ensure consistency of operation in all regulatory fields' across the authorities in Worcestershire and to support joint operational working.

30/15 **CHARGING FOR STREET NAMING AND NUMBERING DISCRETIONARY SERVICES**

The Portfolio Holder for Finance, ICT, HR and Enabling Services presented the report and the cost of providing the service would be divided equally between Redditch and Bromsgrove Councils, giving an estimated income of £16k in the first twelve months, which would give a net profit to the Council of approximately £2.5k. Further explanation was provided in respect of the charging structure as detailed in the proposed schedule of fees.

**RECOMMENDED that**

- (a) Sections 64 and 65 of the Town Improvement Clauses Act 1847 and Sections 17, 18 and 19 of the Public Health Act 1925 be adopted by the Council;
- (b) Charges for the discretionary element of Street Naming and Numbering be introduced and that the fees set out at Appendix 1 be adopted; and
- (c) Authority be delegated to the Head of Transformation and Organisational Development, to make the necessary amendments to the Street Naming and Numbering Policy resulting from the decision at (a) and (b) above.

31/15 **FINANCE MONITORING QUARTER 1 REPORT 2015/16**

The Portfolio Holder for Finance, ICT, HR and Enabling Services presented the report and in doing so explained that this was the first quarter report in a new format. The addition of an extra line giving the split for income and expenditure produced net figures and this had been requested by the Overview and Scrutiny Board. It was acknowledged that whilst it would take time to get used to the report being structured around the Strategic Purposes, rather than departments, the information now provided was much more helpful and gave Members a more detailed overview of the financial position and highlighted more easily any areas that may be of concern.

The Executive Director, Finance and Resources provided background detail in respect of the current position within Development Control, and provided a good example of the being able to identify potential problem areas from the new format of the report. Explanations were provided within the commentary but Members were also able to see in more detail the position and request further information in necessary. The next quarter would provide a much

better view as to the expected financial position of the Council at the end of the financial year.

**RESOLVED** that Cabinet note the current financial position on Review and Capital as detailed in the report.

**RECOMMENDED** that the 2015/16 Capital Programme be increased by £40k to include a Section 106 funded project for financial support towards the South Bromsgrove High School 3G Astro Turf pitch.

32/15

**LEASEHOLD ISSUES AT SHERWOOD ROAD, BROMSGROVE**

The Portfolio Holder for Finance, ICT, HR and Enabling Services provided Members with relevant background information and explained the Council's current position in respect of this very complicated report and responded to questions from Members, in respect of the following areas:

- The original lease being for 35 years – this had been standard practice at that time (1984/5) and not unusual.
- The review of properties carried out in 2009 and advice received from Worcestershire County Council on the commercial property market.
- The history of the lease as detailed within the report.
- Current financial costs to the Council together with anticipated future costs.
- The current condition of the units and whether further costs would be incurred in respect of this.
- The options available to the Council to mitigate those costs and the legal advice that had been received.

The Principal Solicitor explained the legal position in further detail, informing Members that the current Lessee had claimed unpaid rent from the Council as this was more advantageous than pursuing the current subtenant for the debt and was within the Lessee's rights under section 17 of the Landlord and Tenants (Covenants) Act 1995.

It was confirmed that the Council had investigated all options in order to bring this matter to a satisfactory and cost effective conclusion. However, it was highlighted to Members that should they decide to take the practical steps to intervene and manage the property an opportunity would be available to use the units for the benefit of a wide range of customers, for example as business start-up units or under other schemes which may benefit business in Bromsgrove and that rental income received would reduce the financial exposure of the Council.

**RECOMMENDED** that Council set aside £265k from revenue balances to cover the expenses that the Council will incur due to its obligations under the current lease arrangements (£200K) together with estimates to fund potential dilapidation costs (£60k) and any legal costs arising from the steps set out in (a) below (£5k).

**RESOLVED** subject to Council agreeing the financial provision of £265k that

- (a) approval to the Council for and entering into an overriding lease of Sherwood Road Industrial Estate (33-51 Sherwood Road) and if the Sublessee (LNX) continues not to pay the rent due under the sublease to take steps to forfeit or agree a surrender of the sub-lease and take on responsibility for managing the existing occupying tenants;
- (b) authority be delegated to the Head of Legal and Democratic Services to take the steps necessary to implement (a) above; and
- (c) the Cabinet note the contents of the report.

(During consideration of this item Members discussed matters that necessitated the disclosure of exempt information. It was therefore agreed to exclude the press and public prior to any debate on the grounds that information would be revealed relating to business and financial affairs. However, there is nothing exempt in this record of the proceedings.)

33/15

**CONFIDENTIAL MINUTES**

The confidential minutes of the meeting of the Cabinet held on 1st July 2015 were submitted.

**RESOLVED** that the confidential minutes of the meeting of the Cabinet held on 1st July 2015 be approved as a correct record.

The meeting closed at 6.50 p.m.

Chairman