

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

1ST JUNE 2016 AT 6.00 P.M.

PRESENT: Councillors M. A. Sherrey (Leader), C. B. Taylor (Deputy Leader),
G. N. Denaro, R. J. Laight, K.J. May and P. J. Whittaker

Observers: Councillors S. J. Baxter, S. R. Colella, J.M. L. A. Griffiths, C.
A. Hotham , R. D. Smith and P. L. Thomas

Officers: Mr K. Dicks, Ms S. Hanley, Ms J. Pickering, Mr J. Godwin, Ms C.
Flanagan and Ms R. Cole

1/16 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

2/16 **DECLARATIONS OF INTEREST**

There were no declarations of interest on this occasion.

3/16 **MINUTES**

The minutes of the meeting of the Cabinet held on 6th April 2016 were submitted.

RESOLVED that the minutes of the meeting of the Cabinet held on 6th April 2016 be approved as a correct record.

4/16 **OVERVIEW AND SCRUTINY BOARD**

The minutes of the meetings of the Overview and Scrutiny Board held on 21st March 2016 and 25th April 2016 were submitted. There was some disappointment that the Chairman of the Overview and Scrutiny Board was not able to be present at Cabinet to clarify any matters.

RESOLVED that the minutes of the meetings of the Overview and Scrutiny Board held on 21st March 2016 and 25th April 2016 be noted.

5/16 **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

The Cabinet considered the recommendations of the Audit , Standards and Governance Committee resulting from its meeting on 11th May 2016.

The Leader invited the Chairman of the Audit, Standards and Governance Committee, Councillor R. D. Smith to present the recommendations.

Councillor Smith explained that the additional meeting had been arranged following a request from a number of Members of the Committee to consider information relating to a particular firm of consultants. The discussion at the meeting had been useful and had resulted in a number of recommendations which it was considered were good practice and should be applied generally as part of the Council's use of consultants.

The Executive Director Finance and Resources confirmed that in respect of (d) below, the need to ensure public and professional indemnity insurance was in place, was in fact already included within the Council's Contract and Procedure Rules.

RESOLVED:

- (a) that the monitoring process in respect of the breakdown of costs between Bromsgrove District Council and Redditch Borough Council be reviewed;
- (b) that the Portfolio Holder for Finance, together with relevant officers, be included in the process of setting any future waivers;
- (c) that a report be received by the Audit, Standards and Governance Committee from officers and the Portfolio Holder for Finance in respect of any waivers that have been agreed;
- (d) that officers ensure that public and professional indemnity insurance is in place for both consultants and contractors;
- (e) that virements in respect of staffing budgets be no longer used;
- (f) that the Council consider other methods of savings within the Council before using consultants; and
- (g) that the background papers and minutes of the meeting of the Audit, Standards and Governance Committee of 11th May 2016 be passed to the External Auditors for information.

6/16

DOLPHIN CENTRE REPLACEMENT - FINANCIAL UPDATE

The Cabinet considered a report on the final contract sum proposed by the preferred building contractor for the replacement of the Dolphin Centre and a request for additional funding to support the increase in associated costs.

Richard Smith and Paul Robertson from Mace the Council's Project Managers and cost Controllers on the project were welcomed to the meeting.

Members were reminded that in January 2016, following a successful funding application to Sport England, an increase of £1.5m in overall capital budget had been approved, bringing the current Capital Programme for the entire scheme to £13m. This had enabled the provision of additional facilities for residents.

It was reported that since that decision officers had been working with the preferred contractor as part of a two stage tender process to reach an agreed contract sum. It became apparent that the cost plan was under pressure due to a number of unforeseen additional costs above those included within key assumptions contained in the original report considered by Cabinet and Council in July 2014. Members attention was drawn to section 3.8 of the current report which set out the reasons for the additional costs including:

- unusual ground conditions leading to the need for a retaining wall and a change in the car park design;
- utility supplies costs increasing due to the need for a new electricity substation and connection to an upgraded mains water supply;

In addition there had been a rapid increase in building costs due to an upturn in the construction sector in general, together with the large number of Swimming Pools and Leisure Centres built in the 1960's and 1970's being replaced across the country . The impact of inflation was now at 9.8% as opposed to 7.1% allocated for the period up to the midpoint of construction.

It was reported that following an initial proposal for costs approximately £2.5m over the approved budget, there had been a very detailed review process undertaken by the Project Team and this was outlined in the report. The additional costs had now been reduced to £619k. Officers had also advised that the contingency be increased to £235k to enable a more realistic contingency to support the project should it be required.

The total increase therefore proposed to the Capital Programme was £700k bringing the total cost to £13.7m (including the funding from Sport England). There was clearly a risk that there would be further inflationary pressure and if agreed to by Members, the Council should be in a position to sign construction contracts as a matter of urgency with a view to the new centre opening in the Autumn of 2017.

It was reported that following a review of the facility mix agreed in January 2016 and the submission of the contractors financial proposal, the prudential borrowing position had been revisited as part of a final review of the business case. The resulting income levels now anticipated from the larger site to be provided had increased the level of prudential borrowing. Based on the revised level of prudential borrowing set out in section 3.15 of the report there would be no detrimental impact on the Medium Term Financial Plan should the expected income levels be achieved.

In accordance with Cabinet Procedure Rules and with the agreement of the Leader, Councillor C. A. Hotham spoke on this issue.

Councillor Hotham referred to the original Business Case in comparison with the more recent projections. In particular the significant increase in income and the potential revenue that may be received from the use of the BAM Sports Hall.

In addition Councillor Hotham referred to surplus predictions for the project of £60k which had increased significantly to £92k and requested that Cabinet consider the detailed background to this and in particular the impact which this would have on the potential prudential borrowing position.

The Executive Director and Deputy Chief Executive reported that a request had been received from Councillor Bloore that a meeting be arranged between the Portfolio Holder, respective Group Members and relevant officers, in order that all parties could understand the issues within the report more fully prior to consideration at Council. The Portfolio Holder Councillor P. J. Whittaker indicated that he was in agreement with this approach and had requested that the meeting be arranged as soon as possible.

Following discussion it was

RECOMMENDED:

- (a) that the Capital programme for 2016/17 – 2017/18 be increased by £700k to £13.7m to progress the scheme;
- (b) that the funding of £700k be secured by
 - (i) prudential borrowing of £465k; and
 - (ii) release of balances of £235k to fund the contingency should it be required.

7/16

NEW HOMES BONUS SCHEME

The Cabinet considered the report on a revised New Homes Bonus (NHB) Community Grants Scheme to enable community groups to apply for funding from the NHB grant received by the Council.

It was noted that the revised Scheme had previously been deferred to enable a review of the funding position within the Medium Term Financial Plan. The allocation of £101k was included in the 2016/17 budget and approved at Council. As set out in the Financial Implications section of the report, the budget was balanced for 2016/17 and the shortfall for 2017/18 is being addressed. In view of the current level of balances, the funds for NHB scheme are therefore available.

In addition attention was drawn to the £23,840 underspend from the 2015/16 NHB scheme process and it had been agreed that this be carried forward to increase the available funding for 2016/17 to approximately £124k. The new scheme proposed that the funding be allocated to areas on the basis of the homes completed in 2014/15 (this

being the most recent complete year of data available). The bidding process by Community Groups was proposed to remain similar to 2015/16.

In accordance with Cabinet Procedure rules and with the agreement of the Leader, Councillor S. J. Baxter spoke on this issue.

Councillor Baxter welcomed the continuation of a NHB scheme and agreed with a number of aspects of the scheme. There were however a few points of concern.

In relation to the carry forward of £23, 840 underspend, Councillor Baxter felt it was unfair that this would now be allocated in accordance with the new regime as this would mean that communities which had been the location for new development at an earlier stage would be precluded from bidding for this funding.

Within the Scheme itself, the criteria included that the projects must be sustainable but this would be very difficult if the funding available was £548 as in the Hollywood Ward. It was possible that the total cost of the application process would be more than the grant awarded. Councillor Baxter also queried whether adjacent Wards could join together to apply in respect of projects which may be cross boundary.

The Portfolio Holder for Finance, Councillor G. N. Denaro responded that he had some sympathy in terms of the eligibility for the £23,840. The initial thinking had been that the underspend could be rolled forward but this had been on the assumption that the guidelines for the Scheme remained the same.

In terms of the Scheme itself it was proposed that the application process as a whole be reviewed by the NHB Panel and this could include a simplified process in respect of applications for smaller amounts. The Panel would also consider "joint" applications on a adjacent Ward basis and this could be made clearer within the Scheme.

Members also discussed the availability of funding from other sources such as the County Councillor Divisional funding. It was confirmed that information on this formed part of the application form.

Following discussion it was

RECOMMENDED:

- (a) that the revised New Homes Bonus Community Grants Scheme as set out in Appendix 1 to the report be approved subject to the exclusion of the sum of £23,840 (unallocated from 2015/16 scheme) and the subsequent recalculation of the sums available to each Ward ;
- (b) that 25% of the additional New Homes Bonus grant received in 2016/17 be used to calculate the amount of £101k to be allocated to the scheme; and

- (c) that the sum of £23,840 previously unallocated from the 2015/16 scheme, be allocated to bids from Communities previously affected by housing growth in 2015/16, using the criteria from 2015/16.

8/16

APPOINTMENTS TO OUTSIDE BODIES

The Cabinet considered a report on appointments and nominations to Outside Bodies which are executive functions made by office and therefore made by the Cabinet.

RESOLVED that appointments be made to the bodies listed in the appendix to the report.

The meeting closed at 6.50 p.m.

Chairman

Outside Bodies By Office (Cabinet appointments)

Organisation	Number of representatives and length of term	Representation 2015-16	Nominations 2016-17
Age UK Bromsgrove, Redditch and Wyre Forest branches have recently combined to create a new charity. Details of nominations are awaited and we are asked not to appoint to the charity in the meantime.	Portfolio holder with responsibility for older people	Councillor Sherrey	None to be made; await clarification from Age UK
Greater Birmingham and Solihull Local Enterprise Partnership (LEP)	One Leader and one Substitute nominated from 3 North Worcestershire Councils	Cllr J-P Campion, Wyre Forest DC Sub: Cllr B Hartnett, Redditch BC	Councillor G Chance, Redditch BC Sub: Cllr T Onslow, Wyre Forest DC
Greater Birmingham and Solihull LEP Supervisory Board	Leader by office Substitute – Deputy Leader Check each year	Councillor M Sherrey Substitute Councillor Taylor	Cllr M Sherrey Sub: Cllr K Taylor
Greater Birmingham and Solihull LEP Area EU Structural and Investment Fund (ESIF) Committee	One representative and one substitute to represent the 3 North Worcestershire Districts	Cllr J Fisher, Redditch BC Sub: Dean Piper, North Worcs Economic Devt	Cllr J Fisher, Redditch BC Sub: Dean Piper, North Worcs Economic Development
Bromsgrove Partnership (Local Strategic Partnership)	Leader (Portfolio holder) Substitute – Deputy Leader	Councillor Sherrey Councillor Taylor	Councillor Sherrey Councillor Taylor

Organisation	Number of representatives and length of term	Representation 2015-16	Nominations 2016-17
District Councils Network	Leader Substitute – Deputy Leader	Councillor Sherrey Councillor Taylor	Councillor Sherrey Councillor Taylor
Improvement and Efficiency Social Enterprise	Leader	Councillor Sherrey	Councillor Sherrey
Local Government Association General Assembly	Leader Substitute – Deputy Leader	Councillor Sherrey Councillor Taylor	Councillor Sherrey Councillor Taylor
North Worcestershire Community Safety Partnership	Cabinet member	Councillor Sherrey	Councillor May
PATROL (Parking And Traffic Regulations Outside London) Adjudication Joint Committee	Portfolio Holder for Environmental Services Substitute:	Councillor Whittaker Sub:	Councillor Laight Sub:
West Midlands Employers (previously West Midlands Councils)	Portfolio Holder for Human Resources	Councillor Denaro Sub: Councillor Laight	Councillor Denaro Sub: -
Shared Services Members Board (by office and 2 further representatives appointed at Council)	Leader Deputy Leader	Councillor Sherrey Councillor Taylor	Councillor Sherrey Councillor Taylor
Worcestershire Health and Wellbeing Board	1 rep for North Worcestershire and 1 substitute	Cllr M Sherrey Sub: Cllr P Witherspoon, Redditch BC	Cllr Sherrey Sub: Cllr P Witherspoon, Redditch BC

Organisation	Number of representatives and length of term	Representation 2015-16	Nominations 2016-17
Worcestershire Intermediate Body to Deliver European Structural Investment Funds (ESIF)	One representative and one substitute to represent the 3 North Worcestershire Districts	Cllr J Fisher (Redditch BC) Sub: Dean Piper, (NWEDR)	Cllr J Fisher (Redditch BC) Sub: Dean Piper, (NWEDR)
Worcestershire Local Enterprise Partnership	One representative on behalf of the 3 North Worcestershire Councils – required by LEP constitution	Cllr M Sherrey Sub: Leader from Wyre Forest or Redditch	Cllr Sherrey Sub: TBC from Redditch or Wyre Forest
Worcestershire Local Strategic Partnership	Leader Nominated substitute of the Deputy Leader	Councillor Sherrey Councillor Taylor	Councillor Sherrey Councillor Taylor
Worcestershire Local Transport Board	Two representatives and one substitute from the North Worcestershire authorities	Cllr R Laight Sub: Cllr G Chance, Redditch BC	Cllr G Chance, Redditch BC Cllr T Onslow, Wyre Forest DC Substitute: Councillor R Laight

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