



CABINET
DECISION NOTICE

Publication Date: 12th April 2018

At a meeting of the Cabinet held on 11th April 2018 the following matters were discussed. The decisions of Cabinet are set out below each item along with reasons for the decision and other options considered.

PRESENT: Councillor Oxby (in the Chair)
Councillors Bolton, Hyldon-King, James, Patrick, Watson and Wheatley.

DN.131 **APOLOGIES FOR ABSENCE**

There was no apologies of absence for this meeting.

DN.132 **DECLARATIONS OF INTEREST**

No declarations of interest were made with regards to any items on the agenda

DN.133 **MINUTES**

The minutes of the Cabinet meeting on 14th March 2018 were agreed as a correct record.

DN.134

FREEHOLD DISPOSAL OF WELHOLME GALLERIES

Cabinet considered a report from the Portfolio Holder for Finance, Community Assets, Governance and Tourism seeking authority to dispose of the freehold title of the Property known as the former Welholme Galleries.

RESOLVED –

- (1) That the marketing and freehold disposal of the Property be approved; subject to a Legal condition of sale that works be undertaken (within an agreed timeframe) to address defects and remove the Property from the Heritage At Risk Register;**
- (2) That delegated powers be given to the Director of Finance, Resources and Operations, in consultation with the Portfolio Holder for Finance, Community Assets, Governance and Tourism responsibility to ensure that all necessary actions be carried out in order to complete and approve the detailed terms of the disposal;**
- (3) That the Chief Legal Officer be authorised to complete all requisite legal documentation in relation to the matters outlined above.**

REASON FOR DECISION – The Property has not been in operational use over recent years; having been used as a store and accommodating the museum collection. The Property has not benefited from investment for a significant period and now that it was no longer required by the Council. The proposal was to market it to ensure it was brought back in to a good standard of repair and beneficial use. This will result in a use which was demonstrably sustainable and viable and removes all cost liabilities from the Council.

OTHER OPTIONS CONSIDERED –

Do nothing – to do nothing and continue to hold the Property was not a viable option. This would lead to the continued cost of holding it void as well as the likelihood of being served statutory notice to carry out repairs due to the Listed status. This was not recommended as the best option.

Retain the freehold and lease - which would result in the need to establish a tenant. The Council could benefit from an income of approximately £15,000 rent based upon community type uses or storage. The tenant would also cover the holding costs. Although this would generate an income, the cost to the Council to repair the property to a rentable standard would be excessive and wouldn't prove to be cost effective. The alternative would be to offer on a long-lease at a peppercorn (if

community use) or a suitable rent-free period which would likely be substantial. This would be subject to a comprehensive business case. This was not recommended as the best option.

DN.135

HEAT NETWORKS

Cabinet considered a report from the Portfolio Holder for Energy and Environment seeking approval to accept further Heat Network Development Unit funding, should it be offered, and to procure the relevant resources for the next stage of the project.

RESOLVED –

- (1) That the findings of the Heat Mapping and Master Planning stage of the Heat Network project as set out in the report be noted.**
- (2) That the Director of Economy and Growth be authorised in consultation with the Portfolio Holder for Energy and Environment, Strategic Commissioning Lead Energy and Environment and S151 officer to accept funding, should this be awarded, and commence a procurement exercise for the recruitment of specialist resources as set out in this report;**
- (3) That the Director of Economy and Growth be authorised in consultation with the Portfolio Holder for Energy and Environment, Strategic Commissioning Lead Energy and Environment and S151 officer to award such contracts;**
- (4) That the Monitoring Officer be authorised to execute all documentation in connection with the award.**
- (5) That the findings of the Techno-economic Feasibility stage of the project be considered by Scrutiny prior to further consideration by Cabinet.**

REASON FOR DECISION – The findings from the heat network mapping and master planning analysis identified potentially 5 cluster areas across NEL for further assessment. The clusters were across a number of wards and impact on a range of community stakeholders. The Council have applied for funding to take forward 4 clusters to the next stage with a total project value of £335,000 should all 4 clusters be approved and therefore potentially a key decision. Funding was not guaranteed, as HNDU were currently assessing all England Authorities applications. Cabinet were asked to consider delegation of authority to enable the project to move quickly to the next stage, should funding be awarded.

OTHER OPTIONS CONSIDERED –

Do nothing option – NELC project stops and no further work undertaken. Whilst this would mean no further expenditure was incurred on the project, the Council will be unlikely to achieve its related identified outcomes and priorities in relation to energy, strong economy and sustainable communities. From the current analysis whilst it's possible it was unlikely a private sector partner would wish to fully invest in the 5 clusters and there were potential implications for charges to the community which following research were likely to be higher than a local authority led approach. In addition the Council and community were predicted to continue to face rising energy costs. .

Consider only taking forward 1, 2, or 3 clusters. Whilst this will incur lower costs on a sliding scale and not require as much capacity to deliver, the Councils understating of the short and medium term commercial opportunities will be compromised. This could negatively affect strategic planning, impact for the community being realised quickly and realisation of any potential commercial or investment benefit.

That ENGIE lead the project on behalf of the Council - we understand this would not be acceptable under HNDU's funding terms due to potential conflicts of interest and impact on future markets, as ENGIE's business includes all aspects of heat network design, build, operation and management. The Council require assistance with funding, knowledge transfer and support to enable this key project to be delivered successfully. .

That NELC obtain funding from other private sector companies or other funding sources. No private sector partners have been identified so far and other funding sources such as European funding would take too long and were not guaranteed to build further knowledge and expertise, the Council require access to the advice, experience and support from HNDU which comes with the funding.

DN.136

THE PROCUREMENT OF WATER AND ASSOCIATED SERVICES

Cabinet considered a report from Portfolio Holder for Energy and Environment seeking approval to delegate the award of water and sewerage contracts following a compliant tender.

RESOLVED –

(1) That upon completion of the competition under Crown Commercial Service EU compliant framework, Water, Wastewater and Ancillary Services (RM3790) Lot 1 (Water and Waste Water Services), the award of the contract to the successful provider(s) be delegated to the Director of Economy and Growth in conjunction with the Portfolio Holder for Energy and Environment.

(2) That authority be given to the Monitoring Officer to complete all requisite legal documentation in relation to the matters outlined above.

(3) That the Officer Decision record attached to this report is noted.

REASON FOR DECISION –

The Council was required to demonstrate VfM in the procurement of the supply of water and waste water services under the Public Contracts Regulations 2015. Given the timescales for award and mobilisation of the water supply contract, this prior authorisation will better enable that VfM to be secured.

OTHER OPTIONS CONSIDERED –

Status quo - Remain with existing regional supplier on deemed rates with the risks noted in paragraph 3.1 above.

Separate OJEU compliant open tender for either NEL, or to set up our own framework in partnership with ENGIE (as created for gas and electricity) or to join in with another authority such as North Lincolnshire.

Financial savings may be achievable through procurement although the long procurement timescales would mean the contract would not be in place for 1st April 2018. There was a lack of clarity on future market parameters that prevents the creation of a detailed specification for tender at this stage. This in turn could expose the Council to unmitigated risks and liabilities. In addition, the lack of market maturity provides little performance information about suppliers. The small local basket size may limit rate savings options. This procurement option may require additional resource to collect further data required by the industry.

Seek short term contract with existing supplier - The Council's existing supplier has indicated unwillingness to agree to a short term contract.