



CABINET
DECISION NOTICE

Publication Date: 1st September, 2016

At a meeting of the Cabinet held on 31st August, 2016 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 Hyldon-King, Patrick, Watson and Wheatley.

DN.29 **APOLOGIES FOR ABSENCE**

There was apologies received from Councillor Chase and James.

DN.30 **DECLARATIONS OF INTEREST**

Councillor Hyldon-King declared a personal, non-prejudicial interest in DN. 36 as she was a member of the Mariner's Trust and has occasionally attended Grimsby Town Football matches.

Councillor Oxby declared a personal, non-prejudicial interest in DN. 36 as he was a season ticket holder for Grimsby Town Football Club and he had represented North East Lincolnshire Council at the football matches that took place at Wembley Stadium earlier this year.

DN.31

QUARTER 1 RESOURCES MONITORING REPORT 2016/17

Cabinet considered a report from the Portfolio Holder of Finance, Resources and Inclusion which provides information and analysis of the Council's financial performance for the first Quarter 2016/17.

RESOLVED –

- (1) That the Quarter 1 Resource Monitoring Report referred to Scrutiny for consideration.**
- (2) That the additions and removals from the Capital Programme as detailed in Appendix 1 be approved.**
- (3) That the revised Capital Programme detailed in Annex 1 to the Appendix be noted.**

REASONS FOR DECISION – The report was an important method of reporting to Cabinet on performance against the council's financial plan, highlighting successes, noting progress, and detailing areas of focus and risk, and outlining where actions need to be taken.

OTHER OPTIONS CONSIDERED – None

DN.32

DELIVERING DIFFERENTLY

Cabinet considered a report from the Portfolio Holder for Energy and Environment seeking approval to implement a new alternative delivery model for the Cemeteries and Crematorium Service.

RESOLVED –

- (1) That the preparation of documents and a process through which the procurement of a joint venture partner be pursued be approved.**
- (2) That the procurement documents including the joint venture offer, the process and methodology, be referred to the Scrutiny Panel for Regeneration, Environment and Housing for consideration.**

(3) That authority be delegated to the Director of Finance, Resources and Operations in consultation with the Portfolio Holder for Energy and Environment to complete the resulting joint venture partner procurement exercise,

(4) That authority be delegated to the Monitoring Officer to award a contract to the organisation successful in the procurement exercise.

REASONS FOR DECISION - The recommended option of a joint venture partnership would deliver the existing cremation, burial and memorialisation services plus a new affordable funeral service. The recommended delivery model fits with the Council's stated intention to become a smaller commissioning organisation which enables and facilitates the delivery of services to benefit the people of North East Lincolnshire. This model would be a unique, innovative and financially sustainable way to deliver the current Cemeteries and Crematorium Service, and offer a more affordable option for our citizens. The recommended model has the potential to be a pioneer for similar models across the country.

Market intervention by the council alone does not maximise potential benefits for the community and may invite challenge. A joint venture arrangement would bring the commercial and marketing expertise, additional resources and investment required to make the most of an enhanced and affordable service offer.

OTHER OPTIONS CONSIDERED - Do Nothing - Doing Nothing is unlikely to meet the Council's 5 strategic assessment criteria. The Council is unlikely to be worse off financially in revenue terms, however, there is a significant future capital investment requirement (£1.8m). There are difficulties for the Council in demonstrating that it is charging for the cost of service provision.

Create a company, wholly owned by the Council - Creating a company, wholly-owned by the Council, only partly meets the Council's strategic assessment criteria; and this assessment is significantly dependent upon the financial case. The Council is highly unlikely to be able to extract the required repayments from the company to cover its borrowing costs for the investment required to set up and run this company. The Council is likely to have the powers to deliver this option and is likely to be able to defend a potential legal challenge – however, if this option is progressed, this needs to be closely monitored and carefully handled to ensure that no decisions are made which might impact the Council's ability to defend a possible challenge. The Council is likely to have the powers to deliver this option and is likely to be able to defend a potential legal challenge – however, if this option is progressed, this needs to be closely monitored and carefully handled to ensure that no decisions are made which might impact the Council's ability to defend a possible challenge.

Create a Joint Venture company with a partner - Creating an JV company with a partner would provide a strong fit to the Council's strategic assessment criteria as it would help towards the Council's strategy of Stronger Economy, Stronger Communities but also help towards becoming an enabling Council particularly if it decided to have minimal involvement in the JV company's operations. Evidence from the soft market test and current modelling assumptions suggest that the Council could find a partner who shared its objectives and could provide the required investment. However, the exact details of how this is likely to work will most probably be defined during a detailed negotiation process. During that process, the Council may have to decide if it is prepared to accept a small element of risk in order to demonstrate to the partner that it is serious about supporting the company to be successful. The Council is likely to have the powers to deliver this option and is likely to be able to defend a potential legal challenge – however, if this option is progressed, this needs to be closely monitored and carefully handled to ensure that no decisions are made which might impact the Council's ability to defend a possible challenge.

DN. 33

FINANCIAL STRATEGY

Cabinet considered a report from the Portfolio Holder for Finance, Resources and Inclusion seeking approval for the adoption of the updated Financial Strategy.

RESOLVED –

- (1) That the updated Financial Strategy and the approach to long term financial sustainability set out in Appendix 1 to this report be approved.**
- (2) That in consultation with the Portfolio Holder for Finance, Governance and Inclusion, and the Chief Executive, delegated authority be given to the Director of Finance to implement the Strategy.**

REASONS FOR DECISION - The Council must achieve long term financial sustainability if it is to adapt to the changing local government environment and live within its means. A clear and consistent strategy is required to support achievement of this aim, which underpins successful achievement of the Council's two strategic priorities – Stronger Economies and Stronger Communities. This update of the Council's finance strategy ensure that we remain focused on delivery of our key strategies.

OTHER OPTIONS CONSIDERED - The alternative option would be to do nothing, which would significantly impact on the Council's ability to achieve longer term sustainability.

DN. 34

DISPOSAL OF COUNCIL OWNED VEHICLES

Cabinet considered a report from the Portfolio Holder for Finance, Resources and Inclusion seeking approval to procure a new disposal framework for Council vehicles.

RESOLVED –

- (1) That the procurement of a new asset disposal framework be approved.**
- (2) That the award decision be delegated to the Monitoring Officer if it falls within the parameters specified within this cabinet report.**

REASONS FOR DECISION - The decision allows the Council to procure a new vehicle disposal framework to replace the expiring one.

OTHER OPTIONS CONSIDERED - Do nothing. The current framework would end in August 2016 and all vehicles would be either left to devalue or be sold ad hoc through auctioneers. If vehicles are sold ad hoc, the council has no control of the additional fees it may be charged or those charged to buyers.

Accessing of a regional framework. There is only one regional framework available and it is not suitable as it only covers disposal of goods, not vehicles.

Appointing of a single auctioneer for all vehicle disposals. If the auctioneer is not available to conduct the auctions this would leave saleable vehicles at a standstill and depreciating in value. By conducting a further competition each time there is a group of vehicles to be sold, the premium the buyers pay changes. The lower the premium for the buyers, the higher price they will pay for the vehicle as their total buying price will be lower. If there is a large group of vehicles, the buyer's premium will be lower as the auctioneer has more vehicles to sell.

DN. 35

GRIMSBY AND CLEETHORPES TOWN CENTRES INVESTMENT PLAN

Cabinet considered a report from the Portfolio Holder for Regeneration, Skills and Housing presenting the Town Centres Investment Plan in its final draft following the consultation process.

A letter received from Barton Willmore was circulated to all Cabinet members. They were advised to read this and consider it in their debate and decision making exercise.

RESOLVED –

- (1) That the Final draft of the Town Centres Investment Plan which has been amended to take into account the information received through consultation be adopted.**
- (2) That the use of this document in order to seek investment opportunities and market this scheme to the appropriate industries be authorised.**

REASONS FOR DECISION - To obtain Cabinet approval of the Town Centres Investment Plan following consultation with the aim to promote key sites for development . This document would form part of the extensive evidence to support the growth ambition set out in the Local Plan and Economic Strategy.

OTHER OPTIONS CONSIDERED - The other option was to do nothing. This would preclude North East Lincolnshire from having a clear strategy in terms of town centre investment opportunities. North East Lincolnshire would be at a disadvantage in comparison to other areas and may forfeit an opportunity which may otherwise be transformational to the Borough's economic growth.

DN. 36

COMMUNITY STADIUM

Cabinet considered a report from the Portfolio Holder for Regeneration, Skills and Housing on the project to develop a Community Stadium for North East Lincolnshire.

RESOLVED –

- (1) That the site known as Peaks Parkway be identified as the reference site for the Community Stadium in accordance with the recommendations in the Availability Study carried out by SLR Consulting Limited be approved.**
- (2) That a detailed viability analysis and outline business case to be presented to a future meeting of Cabinet prior to 30 November 2016 be required.**
- (3) That the Availability Study carried out by SLR Consulting Limited and a draft of the detailed viability analysis and outline business case be referred to all Scrutiny Panels for consideration.**
- (4) That the Chief Legal Officer and Monitoring Officer, in conjunction with the Portfolio Holder for Regeneration, Skills and Housing, be authorised to carry out all necessary actions to enable the recommendations above to be implemented.**

REASONS FOR DECISION - The Availability Study has been completed SLR Consulting Limited (SLR) and is appended to this report. It analyses the 6 shortlisted sites previously identified by SLR and the Council through the undertaking of the 'suitability' based Sequential Site survey

published in April 2015. Both the 'suitability' and 'availability' based studies have been carried out in accordance with all applicable planning policy at both a national and local level.

Each of the 6 sites have been closely analysed in terms of their availability by SLR. The land ownerships and site characteristics for each of the 6 sites have been considered. SLR have entered into detailed dialogue with each landowner and assessed sites against the baseline development identified in the Community Value and Social Impact study of April 2015. No consideration has been given to any potential enabling development that may be required to financially support the development and this has not been a criteria against which sites have been assessed.

The findings of the Availability Study are set out in that document which is attached and concludes that the site known as 'Peaks Parkway' is the only site which can be considered "reasonably available" for the Community Stadium project at this point in time and within the development timescales required.

In the previous report to Cabinet on this project it was noted that the output required from this report was two-fold. Firstly the sites would be force-ranked and secondly the site ranked first would be identified as the reference site for the Community Stadium project. The Availability Study has identified that only one site is "reasonably available" when means a force ranking exercise is academic.

SLR has worked with all members of this multi-party project team, which has operated in a genuine partnership fashion, to collect, clarify and confirm the information and evidence relied upon in preparing their report.

OTHER OPTIONS CONSIDERED - Do nothing. This would not enable the project to advance and the potential benefits highlighted would not be able to be gained. The clarity and evidence proposed to be presented via the detailed viability analysis and outline business case would not become available. The positive partnership working built up with GTFC, and all other project participants, would be jeopardised.

DN.37

**NORTH EAST LINCOLNSHIRE CLINICAL COMMISSIONING GROUP
QUARTERLY PERFORMANCE REPORT – QUARTER 1 2016-17**

Cabinet considered a report from the Portfolio Holder for Health and Wellbeing presenting the quarterly adult social care performance report for quarter 1 of 2016/17.

RESOLVED –

(1) That the content of the report and issues arising be noted.

(2) That the North East Lincolnshire Clinical Commissioning Group Quarter 1 Performance report be referred to the Health Scrutiny Panel.

REASONS FOR DECISION - Performance monitoring supports the council in delivering its strategic aims and provides assurance to the council about the discharge of its statutory responsibilities in respect of adult services.

OTHER OPTIONS CONSIDERED - None at this stage. The report format is being developed to improve and extend this quarterly report to give more context.

DN. 38

LOCAL DEVELOPMENT SCHEME

Cabinet considered a report from the Portfolio Holder for Energy and Environment and the Portfolio Holder for Regeneration, Skills and Housing on additional public consultation for the revised Local Development Scheme.

RESOLVED –

(1) That the ‘Revised Local Development Scheme (2016) be adopted.

(2) That the ‘Revised Local Development Scheme (2016) be brought into effect from 12 September 2016.

REASONS FOR DECISIONS - As a Local Planning Authority (LPA) the Council has a statutory requirement to prepare and maintain a Local Development Scheme (LDS) under the Planning and Compulsory Purchase Act (2004). This Act also requires LPAs to produce Local Plans in accordance with the adopted LDS.

The revised LDS allows the Council to work with key stakeholders, and consultees, to resolve key issues raised during the Pre-Submission Draft consultation by undertaking further consultation on additional and updated evidence which supports the Local Plan. This will strengthen the soundness of the Local Plan prior to its submission for examination, and adoption, in compliance with these statutory requirements.

It is considered necessary to provide an opportunity for people to submit further comments relating to the soundness and legal compliance of the *Pre-Submission Draft Local Plan* as the Council has prepared additional and updated evidence to address a number of key challenges to the plan. Failure to consult on these documents would, it is considered, provide people who had not previously seen these documents with an opportunity to challenge the plan through the examination process. It should be stressed that this is an opportunity for further comments in light of the additional and updated evidence and not a re-consultation on the Pre-Submission Draft Plan.

OTHER OPTIONS CONSIDERED - The current timetable set out in the 'Local Development Scheme (2015)' could be retained. However, this would mean submitting the Local Plan now to accord with the timetable and comply with legislation. This is not considered a suitable approach as it would increase the risk of the examination being postponed to address soundness issues identified during the Pre-Submission Draft consultation, which is not considered in the public interest.

The timetable proposed follows a detailed project management process. It is considered to be the fastest possible timetable whilst addressing the additional risks to the soundness of the plan identified during the recent publication consultation carried out in 2015; and without introducing additional unacceptable risks to the soundness of the plan. The timetable sets out Full Council committee consideration for approval to consult on additional and updated evidence to the Pre-Submission Draft Local Plan, and at the same time approval for submission of the Local Plan to the Secretary of State following the consultation.

DN. 39

ENERGY SERVICES COMPANY

Cabinet considered to receive a report from the Portfolio Holder for Energy and Environment on the establishment of an Energy Services Company.

RESOLVED –

- (1) That the progress on the exploration of potential uses and opportunities for the Council's Energy Services Company (ESCO) be noted.**
- (2) That the engagement of Local Partnerships to support the process and approve the draft objectives of an ESCO as set out in the report be approved.**
- (3) That the ESCO model groupings 1 (in house) and 4 (totally private sector) set out in the report be ruled out at this stage to enable more focus on the remaining options.**
- (4) That the £43,550 grant award from DECC and the decision of the Energy & Carbon Board to accept the award be noted.**
- (5) That the Preliminary Market Consultation if it be required to inform development of the options and note the procurement timescales set out in this report be approved.**

(6) That the Regeneration, Environment & Housing Scrutiny Panel comment on the final options appraisal and business case prior to consideration by Cabinet.

(7) That a further Cabinet report in November 2016 be received.

REASONS FOR DECISION - Cabinet were asked to approve key steps in the establishment of an Energy Services Company (ESCO). There were potentially significant financial, resource and legal implications and the activity undertaken affects all Wards.

OTHER OPTIONS CONSIDERED - Public sector driven and directly managed (i.e. in-house), with limited private sector involvement - Whilst meeting the Council's strategic case, this option will not meet the need for investment, capacity, skills or expertise required for the delivery required NEL wide.

Public sector driven and managed through a separate public sector ESCO, with limited private sector involvement - This option is most likely to meet overall objectives for strategic case however investment is required either via the council/and other funding streams and therefore the financial case is highlighted as unlikely to be met due to significant investment by the Council. This option requires securing of further capacity, skills and knowledge. Commercial benefits may also be The model would need to take into account the relationship with ENGIE. Recommend more detailed testing .

Public sector drive, but designed constructed and operated by the private sector (with or without energy savings/performance guarantees): transactions like this may be pursued through a purely contractual relationship or through a corporate joint venture vehicle (which will of course still involve contracts) - This option will not meet need for investment and delivery required NEL wide. However may have a role linked with those developments as part of mixed NEL approach. Interest in this option may have limited interest in the market. If NEL wanted a share or role this would be structured as per option 3.

Community owned and driven - This option would not meet need for investment and delivery required NEL wide. However there is benefit for smaller projects and investment funding. And has a place in approach for NEL. Unclear if this could be part of a JV with a partner for example or could be set up via public sector driven ESCO or if should be separate projects and delivery vehicle. To be tested further.

Do nothing (Default position) Not set up an ESCO - This option will not meet need for investment and delivery required NEL wide.

DN.40 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED - That the press and public be excluded from the remainder of the meeting on the grounds that discussion of the following business was likely to disclose exempt information within paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended)

DN.41 **EXPANSION OF THE SOUTH HUMBER INFRASTRUCTURE INVESTMENT PROGRAMME**

Cabinet considered a report from the Portfolio Holder for Regeneration, Skills and Housing on the South Humber Industrial Investment Programme (SHIIP).

RESOLVED -

(1) That authorisation to include other projects within the SHIIP offer to support sector growth within North East Lincolnshire be delegated to the Director of Economy and Growth.

(2) That the inclusion of the new projects within the SHIIP Marketing and Communications Framework be approved.

REASONS FOR DECISION - By widening the scope of the SHIIP, a clear focus for a Marketing and Communications Framework can be developed, which will in turn support the aspirations for sector growth set out in the following documents - NELC Economic Strategy 2016, the GLLEP Strategic Economic Plan 2014-2030, and the Humber LEP Humber Enterprise Zone –The UK's Energy Estuary. It will also provide an efficient process for project governance and project management bringing related projects under one governance and programme structure.

OTHER OPTIONS CONSIDERED - Other options available have been reported previously. The Council was the only organisation with the appropriate legal and financial authority to implement the proposed investment programme.

