

CABINET**Tuesday, 18th July, 2023**

Present:-

Councillor Gilby (Chair)

Councillors	Holmes	Councillors	Davies
	Sarvent		J Innes
	Serjeant		Staton
	Baldauf-Good		Stone

*Matters dealt with under the Delegation Scheme

**6 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS
RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

7 APOLOGIES FOR ABSENCE

There were no apologies for absence.

8 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 20 June 2023 be approved as a correct record and signed by the Chair.

9 FORWARD PLAN

The Forward Plan for the four month period August, 2023 to November, 2023 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

10 **BUDGET STRATEGY**

The Service Director – Finance presented a report to set out the themes of a Budget Strategy to enable the Council to achieve a balanced budget for 2024/25 and over the term of the Medium-Term Financial Plan (MTFP) through 2027/28.

The Council approved the General Fund Revenue Budget for 2023/24 on 23 February 2023. The budget was constructed in accordance with the Council's budget principles and the 2023/24 budget was balanced with the use of £1.000m from the budget risk reserve.

Whilst the Local Government Finance Act 1992 required the Council to set a legal budget and Council Tax precept for the coming financial year i.e., 2023/24, the Council was not in a position to set a balanced MTFP over the 4-year period. There were significant gaps in the MTFP of £2.535m in 2024/25 rising to £3.408m in 2026/27.

Given the size and scale of the financial challenge it was recognised that the 2024/25 budget setting process would require an early focus to allow maximum time for the development and delivery of future budget savings. As it currently stood, the Council would need to drive out savings of at least £2.5m at pace.

A detailed approach to addressing the budget gap would be worked through over the coming months. All budget work needs process and method, and it was proposed that this was structured around a number of inter-related budget themes.

The themes were;

- Identifying General Efficiencies
- Increasing Income and Establishing Stronger Commercial Operating Principles
- Transforming how the Council deliver services
- Reducing Service Offers / Stop Doing – Statutory and Non-Statutory Services
- Rightsizing the Organisation
- Asset Rationalisation and Effective Asset Management

Employee pay was one of the biggest financial cost drivers in the Council's financial plans, with budgets in excess of £21m in 2023/24. Each 1% pay award increased costs by over £200k and the recent pay award which was equivalent to an average 5.6% increase, had contributed to the significant budget gaps now evident in the MTFP.

A full review of reserves was underway, and a refreshed Reserves Policy would be considered as part of the MTFP in February 2024, with a view to strengthening the Budget Risk Reserve. There was already evidence that underprovision existed within this reserve and therefore it was recommended that £1m of the Business Rates Reserve be repurposed to replenish the Budget Risk Reserve in 2023/24.

The period 3 (June 2023) budget monitoring report would be reported to Cabinet in September 2023.

***RESOLVED –**

That it be recommended to Full Council;

1. That the financial operating context and the current Medium Term Financial Plan gaps be noted.
2. That the Budget Strategy themes (report paragraphs 4.24 to 4.45) be approved.
3. That the movement of £1m of reserves from the Business Rates Reserve to the Budget Risk Reserve in 2023/24 (report paragraph 4.51) be approved.

REASON FOR DECISIONS

To respond to the scale of the challenging financial environment within which the Council is currently operating and to enable the Council to continue to deliver against the vision and priorities set out within the Council Plan for the period 2023/24 through, 2026/27.

The Service Director – Finance presented a report on the draft General Fund Revenue, Housing Revenue Account and Capital Outturns for 2022/23 and provided details of significant variations.

This report preceded the production of the Council's formal Statement of Accounts, and whilst it was not expected that any further adjustments would alter the final outturn position, it was possible that this could be the case.

Table 1 in the Director's report set out the draft General Fund Revenue outturn position of £292k for 2022/23. This overspend was driven by unprecedented and unpredicted inflationary pressures upon pay and contracts together with the long-term impacts upon service demands and income from the Covid pandemic.

The General Fund Revenue working balance had been set at £1.5m, and in addition to the General Fund Revenue working balance the Council maintained several other reserves. Table 2 in the Director's report detailed the balance of earmarked reserves.

The balance of the underspend from 2021/22 (£440k) had been transferred to the Budget Risk Reserve to mitigate the risks and pressures for 2022/23 and for future years. The General Fund Revenue budget deficit of £292k would therefore be met from this reserve.

The General Fund Capital Programme for 2022/23 was approved as part of the budget setting process in February 2022. An update to the Programme was included in the budget monitoring report to Cabinet on 19th July 2022 and as part of the 2023/24 Capital Programme report to full Council in February 2023.

Actual expenditure on schemes in 2022/23 was £5.421m compared with the original budget estimate for the financial year of £10.929m (as at Feb 2022) and £11.984m (as at Feb 2023). Details of the General Fund Capital Programme expenditure and financing arrangements at year end (2022/23) were provided in Appendix A in the Director's report.

For the financial year 2022/23 the HRA reported a reduction in revenue balances of £6.912m. This represented a movement of £273k compared to the forecast reduction in the balance of £6.639m reported at quarter 3 – period 9. The main variances were set out in table 4 in the Director's report.

***RESOLVED –**

That it be recommended to Full Council;

1. That the draft General Fund Revenue, Capital Outturn and Housing Revenue Account positions for 2022/23 be noted.
2. That the use of the Budget Risk Reserve to cover the General Fund Revenue budget deficit of £292k (report paragraph 4.15) be approved.
3. That the level of and movement in General Fund Revenue Reserves and Provisions (report paragraphs 4.10 to 4.16) be approved.
4. That the General Fund Capital financing arrangements (report Appendix A) be approved.

REASONS FOR DECISIONS

1. This report forms a key part of formal revenue and capital monitoring against the 2022/23 budget. The information in this report will be incorporated into the published Statement of Accounts 2022/23.
2. The approval of the budget outturn, in-year movements and reserves are required by corporate financial procedures.
3. To take account of the reserves position given the challenges facing the Council over the period of the Medium-Term Financial Plan (MTFP).

12 ANNUAL PERFORMANCE REPORT 2022/23

The Service Director – Corporate presented a report on the progress made towards the delivery of the Council Plan Delivery Plan 2022/23.

The progress made on the 36 milestones tracked during 2022/23 was detailed in Appendix 1 of the Director's report.

Quarterly monitoring and challenge had taken place throughout the year, with the Corporate Leadership Team being tasked to develop improvement strategies and alternative options for delivering key outcomes. This had helped the Council to achieve full delivery of 80% of the key milestones, with 20% scheduled for completion during 2023/24.

- 86% of milestones for the “Making Chesterfield a thriving borough” priority area had been delivered and a further 14% had made good progress and were set to be delivered during 2023/24
- 86% of the milestones for the “Improving quality of life for local people” priority area had been delivered and 95% of the Climate Change Action Plan had been fully delivered, with the development of a new asset management strategy and the strategic transport assessment being moved into delivery for 2023/24
- 62% of the milestones for the “Provide value for money services” priority area had been delivered and 72% of the key measures within this priority had met their target

***RESOLVED –**

That the significant achievements against the priority areas within the Council Plan Delivery Plan be noted.

REASON FOR DECISION

To close down the Council Plan 2019-2023 and the associated delivery plans, enabling the Council to focus attention on the new Council Plan 2023-2027 approved at Full Council in February 2023.

13

ASSET MANAGEMENT STRATEGY

The Service Director – Economic Growth presented a report seeking Cabinet and Council approval for the adoption of the Councils Asset Management Strategy 2023 – 2027, to ensure the Council was managing its assets safely, effectively and efficiently and to enable the Council to

make the best use of its land and property, to support the Council's aims and priorities, as set out in the Council Plan.

A review of the Council's asset management strategy had been progressing for some time, particularly since the return of Property and Technical Services to the Council from the Arvato/ Kier contract in August 2020.

The strategy included an overview of the council's current land and assets and in consideration of the drivers and opportunities, the strategy set out a vision, asset management policies and strategic objectives which sought to capture the focus for land and property management over the next four years.

The detail was set out in the documents in Appendix 1 of the Director's report and the strategic objectives, outputs and outcomes were highlighted as;

- Developing and delivering our Corporate Landlord approach
- Investing in decarbonisation whilst keeping our assets safe and well maintained
- Delivering a land and property rationalisation programme
- Maximising income and overall value from the existing commercial estate
- Using our land and property to maximise inclusive growth opportunities across the borough

It was reported that a delivery plan was in development, which would identify the resources needed to deliver the strategic objectives. This plan would be brought back to Cabinet and Council for approval.

***RESOLVED –**

That it be recommended to Full Council;

1. That the adoption of the Chesterfield Borough Council Asset Management Strategy 2023 to 2027 be approved.
2. To note that future delivery plans, with any additional budget requirements to implement the strategy, be brought to future Cabinet and Council meetings, as appropriate.

3. That authority be delegated to the Service Director – Economic Growth, in consultation with the Deputy Leader and Cabinet member for Finance and Asset Management, to make minor amendments, if required, to the final version of the Asset Management Strategy prior to completion.

REASON FOR DECISIONS

It is important for the Council to have a long-term asset management strategy that sets out the vision, asset management policies and strategic objectives to guide the overall management of the Council's land and property assets, in line with the vision and priorities of the Council.

14 EQUALITY AND DIVERSITY ANNUAL REPORT

The Policy Officer presented the Council's Equality and Diversity Annual Report for 2022/23 for consideration by Cabinet.

The Equality and Diversity Annual Report was attached at Appendix 1 of the officer's report. It had been developed in consultation with the Equality and Diversity Forum and included improvements and achievements over the last year, which were;

- Progress in delivering the corporate Equality and Diversity Strategy (2019-2023)
- The continued success of the Chesterfield Equality and Diversity Forum; acting as a critical friend to the council, hosting guest speakers at meetings to provide education and raise awareness of equality and diversity issues and hosting four events during the year as per the Council Plan
- Increased focus on partnership working with a range of organisations to maximise the positive impacts we can achieve in our local communities
- A summary of the equality impact assessments undertaken during 2022/23 around Council policies, strategies and plans
- Progress updates on Equality and Diversity issues throughout the year

The report also helped the Council to evidence the steps being taken to meet the Equality Act 2010 and associated Public Sector Equality Duty.

***RESOLVED –**

1. That approval of the Equality and Diversity Report be recommended to Full Council.
2. That the Equality and Diversity Report be approved by Full Council.
3. That the Equality and Diversity Annual Report be published on the Council's website and circulated to partners.

REASON FOR DECISIONS

Equalities legislation and good practice require public bodies to publish annual equalities reports. The report should summarise equalities progress during the last year and future plans.

15 HONORARY ALDERMAN / ALDERWOMAN

The Service Director – Corporate presented a report to enable the Cabinet to consider proposals to confer the title of Honorary Alderman and Honorary Alderwoman on former Members of Chesterfield Borough Council.

Section 249(1) of the Local Government Act 1972 permits Chesterfield Borough Council to confer the title of Honorary Alderman or Alderwoman on former Members of the Council who had, in its opinion, rendered eminent services to it. After the Honorary Freedom of the Borough, it was the highest honour the Council could bestow.

The conferment of the title required the convening of an extraordinary meeting of the Council and the support of two-thirds of the Members voting at the meeting.

***RESOLVED –**

1. That an extraordinary meeting of the Council be held in September 2023 to confer the title of Honorary Alderman on former Councillors Terry Gilby and Alexis Diouf and the title of Honorary Alderwoman on former Councillor Christine Ludlow.
2. That the Chief Executive, in consultation with the Leader of the Council, be authorised to make the necessary arrangements for the Council meeting and civic reception including approval of the associated costs.

REASON FOR DECISIONS

To recognise the eminent services rendered to the Council by long serving and distinguished former Members.

16 CLIMATE CHANGE ANNUAL REPORT 2022/23

The Climate Change Officer presented the Council's Climate Change Annual Report for 2022/23 for Cabinet consideration.

The Climate Change Annual Report was attached at Appendix 1 of the officer's report, and detailed improvements and achievements over the last year, which included;

- Delivering the final year of the Climate Change Action Plan 2019-23
- A summary of the Council's emissions during 22/23 compared with the baseline taken in 2019
- A summary of the wider Borough emissions and climate change issues
- Communications and training activity
- Development of the Council's new Climate Change Strategy, including evidence gathering and consultation
- A brief look at what to expect next year (2023 – 24) including the Delivery Plan and activities such as the Community Grants Scheme

***RESOLVED –**

1. That the Climate Change Annual Report be approved.

2. That the Climate Change Annual Report be published on the Council's website.

REASON FOR DECISIONS

The Council committed to producing an annual climate change report in its Climate Change Strategy 2023 – 30 and associated Delivery Plan. The annual reports are an opportunity to communicate the Council's emissions and progress in delivering its Climate Change Strategy, and wider related activities in the borough.

17 PRE APPLICATION PLANNING CHARGES

The Development Management and Conservation Manager presented a report for Cabinet to consider the appropriateness of introducing a charge for the provision of pre application planning advice.

The legislative framework for the provision of charging fees for providing discretionary services was set out under Section 93 of the Local Government Act 2003. These provisions allowed fees to be charged in relation to any function of a local planning authority and for matters ancillary to those functions (i.e. preapplication discussions). However, it was clearly stated that the income from a fee must not exceed the cost of performing the fee-related function. i.e. the fee cannot be used to make a profit.

The introduction of pre application charging was a way of increasing fee receipts in the Planning Service, which had been promoted in budget papers as an opportunity to achieve approximately £15,000 over the year.

The charging schedule, set out at Appendix A of the officer's report, was recommended to be introduced at Chesterfield. It was noted that the charging schedule should be kept under review and an initial annual assessment be made to establish what changes or improvements could be made to enhance its efficiency.

***RESOLVED –**

1. That the charges for pre-application advice by the Planning Service, as set out in Appendix A, be introduced from 1st September 2023.

2. That data on pre-application submissions be collected to assist in a 6 monthly assessment and review of the charging schedule fees.

REASON FOR DECISIONS

To secure the recovery of costs associated with provision of pre application advice in accordance with Section 93 of the Local Government Act 2003. This will assist the Council in meeting its budgetary requirements and provide a formal process to pre application planning advice.

18 CHESTERFIELD WATERSIDE ACTION PLAN

The Strategic Planning and Key Sites Manager presented an update to Cabinet members on progress and current planning and delivery position relating to the strategic regeneration project known as Chesterfield Waterside, and to seek Cabinet approval to carry out targeted consultation with land owners and stakeholders on a revised masterplan.

Chesterfield Waterside is a strategic regeneration area within the borough, defined as site SS3 in the 2020 Chesterfield Local Plan. It is also one of the projects set out in the Council Plan 2023-2027 under the Priority “Making Chesterfield a thriving borough”.

A legal partnership known as Chesterfield Waterside Limited (CWL) was formed, constituted of two substantial land owners (Bolsterstone and Arnold Laver) and Chesterfield Borough Council, to bring forward the regeneration of the area. In 2011 CWL secured outline planning consent for comprehensive redevelopment of the area based on an illustrative masterplan.

The 2011 outline planning permission permitted a new residential neighbourhood of up to 1550 high density homes, (predominantly apartments), centred around the river Rother. The key principles were to establish a new community, maximise active travel connections, bring forward new infrastructure and create a new commercial centre (approximately 30,000 sqm of employment space), centred around a new canal basin, which would accept boats accessing a river which had been returned to navigation.

It was noted that in the 13 years since the application was approved there had been changes in national and local planning policy, and the market demand for high density homes had not developed in Chesterfield as predicted when the masterplan was written. Furthermore, structural changes to how businesses operate had meant that the demand for office and commercial space had also changed.

To ensure the Council were able to respond to changes in market conditions and able to demonstrate leadership in setting the framework for a new neighbourhood that was comprehensive and brought forward in a co-ordinated way, the Council had produced a revised masterplan, which was attached in Appendix 1 of the officer's report.

The revised masterplan still envisaged a mixed use development, structured around restoration of the river to navigation, with a commercial and local centre around the existing canal basin.

The number of dwellings anticipated has been reduced from up to 1550, to 880, although the majority of these were now anticipated to be family houses rather than apartments. Commercial development would largely be limited to the office, retail and food and drink uses planned around the canal basin, and a hotel.

Consultation on the revised masterplan would be undertaken in accordance with the Council's Statement of Community Involvement (SCI) and Community Engagement Standards.

Representations received from Woodall Homes Ltd and Chesterfield Waterside Ltd were referred to by officers and noted.

A non-pecuniary interest by Cllr Gilby as Council appointed member of the Chesterfield Waterside Ltd board was noted.

***RESOLVED –**

1. That the draft masterplan for the Chesterfield Waterside site for targeted consultation with landowners and stakeholders be approved.
2. That authority be delegated to the Cabinet Member for Climate Change, Planning, and Environment, in consultation with officers

and the Service Director - Economic Growth, to finalise materials and arrangements for consultation.

REASONS FOR DECISIONS

1. An updated masterplan is required to support the determination of planning applications relating to Chesterfield Waterside in accordance with policy SS3 of the adopted Chesterfield Borough Local Plan 2018-2023. To provide a robust update to this masterplan, planning officers are required to consult with landowners and stakeholders who have an interest in the area covered by Chesterfield Waterside.
2. To allow for the preparation of materials and arrangements for consultation on the masterplan.

19 EXCLUSION OF THE PUBLIC

RESOLVED –

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

20 OPTIONS FOR REPLACING THE COUNCIL'S FUTURE FLEET VEHICLES

The Asset Management and Programmed Works Manager presented a report on the options for replacing the Council's fleet. It was noted that the majority of the Council's fleet was ageing, and the current lease was due to expire in early 2024 with no option to extend.

The Council's Climate Change Strategy target was for the Council to be carbon neutral by the year 2030, and decarbonisation of the Council's fleet was a key component to achieving this target, due to emissions from petrol and diesel vehicles. The purpose of the report was to describe the proposed journey towards a carbon neutral fleet.

The Council currently had 208 vehicles comprising 149 leased, 5 owned, and 54 on short term hire. Of the 208 fleet vehicles, 165 were used by Housing services and paid for from the Housing Revenue Account (HRA) and the remaining 43 were paid for from the General Fund.

An initial review of existing working practices had been undertaken with regards to fleet rationalisation and to align with current service requirements, and the assumed total need going forward was for 198 vehicles. The aim was to move the fleet to electric vehicles. A range of electric vehicles had already been trialled and the Council currently had 5 fully electric vehicles. There was committed funding to increase the number of charging points at the depot from 4 to 18 (the maximum that could be currently supported by the local grid), meaning it was possible to increase the number of fully electric vehicles within the fleet to 34.

The overall replacement programme was detailed in the table in paragraph 4.5 of the officer's report.

***RESOLVED –**

1. That the principle of replacing the current fleet with a new lease for 34 electric vehicles, and using short term hire for the Council's remaining vehicle requirements, as part of a phased approach to decarbonising the fleet before 2030 be approved.
2. That responsibility for the associated procurement activity and budget decision making be delegated to the Service Director – Housing, in conjunction with the Service Director – Finance, the Deputy Leader, the Cabinet Member for Housing and the Cabinet Member for Climate Change, Planning and Environment.
3. That responsibility for entering into the associated legal contracts be delegated further to the Service Director - Housing in conjunction with the Service Director – Finance and the Monitoring Officer.
4. That the additional costs of taking forward the preferred option are incorporated into the Council's General Fund revenue and Housing Revenue Account budgets for the financial year 2024/25 shall be recommended to Full Council.

5. That an annual updating report on the economy, efficiency, and effectiveness of implementation of the preferred option be submitted to Cabinet.

REASONS FOR DECISIONS

1. The recommended way forward ensures that in the short term the Council increases the number of electric vehicles to the maximum level possible based on the current charging infrastructure, and then takes a phased approach to increasing the number of electric vehicles, as charging capacity increases, over the next five years.
2. The majority of the current fleet is ageing and by replacing it with new vehicles this will reduce breakdown and repair costs.
3. The use of short-term hire provides flexibility to allow the Council to trial different product types as and when the market for electric and other zero carbon options improves, and also allows the Council to reduce the overall number of vehicles as and when vehicle requirements change as a result of service efficiency measures.
4. This phased approach has benefits from a fleet management perspective as it spreads the work required over several years as opposed to condensing it into a single exercise.
5. Similarly, by taking on new electric vehicle leases as part of a phased approach, the impact on the Council's budget will be spread over a longer period of time, avoiding a single 'big hit' cost.
6. There are some disadvantages, including the need for more expensive, steel van racking, and the fact that instead of the installation of permanent corporate vehicle livery we will need to use temporary magnetic signage. However, these are outweighed by the advantages set out above.

STEPHENSON MEMORIAL HALL PROJECT

The Arts and Venues Manager presented a report on the progress that had been made in the development of a renovation and refurbishment project for the Stephenson Memorial Hall.

The Stephenson Memorial Hall project was approved by Cabinet on 14th December 2021 and by full Council on 15th December 2021. There was a further report approved by Cabinet on 7th February 2023.

In January 2023, a tender from G F Tomlinson Building Limited was evaluated by a panel consisting of council officers, a representative of the Pagabo procurement framework, the project architect, the principal designer, and the project managers. The panel recommended the appointment of G F Tomlinson Building Limited as the preferred principal contractor for the Stephenson Memorial Hall project. This was agreed by Cabinet on 7th February 2023.

On 12th June the principal contractor submitted their Pre-Construction Services Agreement return detailing the construction costs and programme. The construction costs came in at £18,396,882. With professional fees, other project costs and contingency sums, the overall project budget totalled £22,729,855. This sum was £5,576,895 higher than the capital budget of £17,152,960 agreed by Cabinet and Council in December 2021.

Since receiving the Pre-Construction Services Agreement tender return the project team had been analysing the submitted costs for different elements of the work and the way the project had been priced. The team concluded that it was possible to reduce the tender price by value engineering and challenging GF Tomlinson Building Limited on their approach and pricing. The principal contractor had reacted positively to the requests and discussions and had suggested some areas for potential value engineering themselves.

The latest position, following discussions between the Council's project team and the principal contractor was that approximately £3m of savings could be made through value engineering measures. These measures were fully detailed in Appendix 1 of the officer's report and may be subject to change.

Taking all of the potential value engineering measures into account had enabled the overall project costs to be reduced to £19,729,855. This was still £2,576,895 higher than the forecast costs of £17,152,960 agreed by Cabinet and Council in December 2021.

The additional capital costs would require the Council to make a further financial contribution if the Stephenson Memorial Hall project was to proceed to delivery. Given the complexity of the project, the current inflationary pressures and other risks and sensitivities, it was advised that further borrowing should not be undertaken on this project.

It was therefore proposed to meet the additional capital costs through;

- Additional use of the Enterprise Zone Business Rates Retention Reserve with a request for a further £2,076,895 to be applied. It was noted there was sufficient capacity within the Reserve, which was ringfenced for activity which supported economic growth.
- The remaining £500,000 would be met by a realignment of part of the Levelling Up Fund grant funding that was currently earmarked for the Revitalising the Heart of Chesterfield public realm project.

Tables 1 and 2 in the officer's report set out the details of the movements in project costs and associated funding.

***RESOLVED –**

1. That the current position regarding delivery of the Stephenson Memorial Hall project be noted.
2. That the revised budget for the capital works delivery elements of the Stephenson Memorial Hall project as outlined in Section 6 of the report be recommended to Council for approval.
3. That authority be delegated to the Service Directors for Economic Growth and Leisure, Culture and Community Wellbeing to negotiate and agree final amendments to design and costs with the principal contractor, in consultation with the Cabinet Members for Economic Growth and Town Centres and Visitor Economy.
4. That authority be delegated to the Chief Executive in consultation with the Cabinet Members for Economic Growth, Finance and Asset Management and Town Centres and Visitor Economy, and the Service Directors for Finance and Economic Growth, to enter into the main construction contract with the principal contractor subject

to Council approval of the revised budget and a final review of the financial business case.

REASONS FOR DECISIONS

1. The Stephenson Hall Memorial Hall project is a key project in the Council Plan 2023-2027 and in the council's new Growth Strategy, supporting the Visitor Destination and Town Centre strategic objectives.
2. To ensure that the main construction contract is let as soon as possible so that the Stephenson Memorial Hall project proceeds to programme, and the building is restored and refurbished so that it can be enjoyed by both residents of and visitors to Chesterfield for many years to come.