

CABINET MEETING**Wednesday, 4th June, 2014**

Present:-

Councillor Burrows (Chair)

Councillors	Gilby	Ludlow
	King	McManus
Non Voting	Hill	Huckle
Members	Hollingworth	Martin Stone

*Matters dealt with under Executive Powers

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

No declarations of interest were received.

10 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Blank, Brown, Russell and Serjeant.

11 MINUTES**RESOLVED –**

That the Minutes of the meeting of Cabinet held on 20 May, 2014, be approved as a correct record and signed by the Chair.

12 FORWARD PLAN

The Forward Plan for the four month period 1 June, 2014 to 30 September, 2014 was reported for information.

*** RESOLVED –**

That the Forward Plan be noted.

13 **LOCAL GOVERNMENT ASSOCIATION PEER CHALLENGE 2013/14 (J030)**

The Corporate Management Team submitted a report on the findings of the Local Government Association (LGA) Corporate Peer Challenge.

The Council had taken part in the LGA Peer Challenge programme in November 2013. The Peer Challenge Team had been provided with a range of background documents prior to the challenge period, including the Corporate Plan, financial information, performance data, key strategies and a number of case studies. During the three day period the Peer Challenge Team had met with a range of Members, officers and other stakeholders.

The Peer Challenge focused on a number of core elements, and, in light of the significant financial challenge facing the Council in the years ahead, the Council had requested that the Challenge team also looked at the Council's transformation programme, the current back office contract/partnering arrangements and the Council's organisational capacity to deliver its capital and transformation programmes.

The Peer Challenge Feedback Letter, which was attached as an Appendix to the report, provided feedback on all the focus areas along with suggestions for improvement. Overall it recognised the huge commitment to the Borough and the Council from both Members and employees and that the Council was performing well. It recommended revisiting financial assumptions to ensure that the medium term financial strategy had realistic targets for the next five years and reviewing the Corporate Plan to be in line with the financial assumptions.

Since the Peer Challenge in November a number of the recommendations had been taken forward including revisiting the financial assumptions and extensive work on developing a new Corporate Plan. A number of key activities were planned for the next six to 12 months in order to respond to the challenges identified during the Peer Challenge and to maximise opportunities. The Peer Challenge Action Plan was attached as an Appendix to the report.

The Action Plan would be owned and monitored by the Corporate Management Team and a progress report submitted to Cabinet at the six month stage and after 12 months.

*** RESOLVED –**

- (1) That the findings from the Peer Challenge be endorsed and that the report be released for publication.
- (2) That the Peer Challenge action plan be approved for implementation.

REASON FOR DECISION

To respond effectively to the challenges identified within the 2013/14 Peer Challenge.

14 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC**RESOLVED –**

That under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, 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 I of Schedule 12A to the Local Government Act 1972 – as they contained information relating to financial and business affairs.

15 CHESTERFIELD WATERSIDE UPDATE AND GROWING PLACES FUNDING (J000R)

The Head of Regeneration submitted an update report on the Waterside project, including the proposal for the Council to undertake infrastructure works on the site with a Growing Places Fund (GPF) loan from the Sheffield City Region Local Enterprise Partnership (SCR LEP).

The Council had entered into a partnership agreement in 2006 with Arnold Laver and Company Ltd and Bolsterstone Plc to form a Limited Liability Company, known as Chesterfield Waterside Limited, to provide a mechanism to enable the Council to help secure the future comprehensive regeneration of this high profile strategic site.

The delivery of the Chesterfield Waterside development remained a priority within the SCR LEP Strategic Plan and was a key Council Corporate Plan priority. The site had been stalled for a number of years and the prevailing

market conditions meant that the ambition for the site would require public intervention to ensure that a viable scheme could be delivered.

The report updated progress in respect of infrastructure works, residential development and commercial development.

The GPF loan would pump prime the development and make the site infrastructure ready, enabling the scheme to deliver 2,500 jobs in 30,000 sqm of commercial floor space, generating an uplift in business rates of which the Council could retain 20%. In addition, the scheme would create 1,200 – 1,500 homes for the borough, securing a new homes bonus of up to £1.4m per annum for six years.

The Council would submit a formal application to the SCR LEP for a loan of £2.4m, entering into a loan agreement with Sheffield City Council (SCC) as the accountable body for the funds. In order for the Council to progress this approach an allocation of £40,000 would need to be set aside from the Service Improvement Reserve to cover costs incurred for legal and other professional fees which would be required in advance of the draw down of the loan. It was proposed that this allocation would be repaid through an early draw down of the loan.

Prior to drawing down the first tranche of funding, the landowner would be required to enter into a Covenant to Pay, ensuring that all costs incurred by the Council could be recovered regardless of whether the infrastructure works went ahead or not. The cost of the infrastructure work, interest accrued by the Council and any incidental costs and fees in delivering this work would be charged to the landowner who would be required to pay for the works undertaken.

The report included a programme for activities relating to the infrastructure work and the subsequent residential development, with work scheduled to start on site in early 2015.

Small scale housing delivery on the site had commenced recently with the development of 19 affordable homes, which were due to be completed by March 2015. A programme of work to deliver 300 houses on completion of the infrastructure work was in place.

Interest in Basin Square, the commercial area of the site, had been positive with a number of companies expressing a strong interest in locating on the site. Subject to Chesterfield Waterside obtaining grant

funding from the Sheffield City Region Investment Fund (SCRIF), infrastructure works, including completion of the canal basin, new road bridge, preparation of development platforms and the development of the first three buildings, could commence on site in the summer of 2015.

The report outlined the risk factors for the Council and the mitigating actions proposed to minimise the likelihood and the impact of these risks.

*** RESOLVED -**

(1) That it be recommended to Full Council that £40,000 be allocated from the Service Improvement Reserve to be repaid from the first drawdown of GPF funding. This is to cover the fees associated with delivering works in advance of drawing down the loan.

(2) That officers be authorised to:

(i) Negotiate, agree and enter into contractual arrangements to renew land purchase protection for the Council and to replace the extant option agreements.

(ii) Negotiate, agree and enter into the necessary contractual arrangements relating to the procurement and implementation of the infrastructure works.

(3) That regular progress reports on the project be made to Cabinet.

(4) That it be recommended to Full Council that it approves the submission of a formal application to the Sheffield City Region LEP for a loan in the sum of £2.4m to enable the Council to enter into a loan agreement with Sheffield City Council as the accountable body for the funds.

REASON FOR DECISIONS

To bring about the successful delivery of the Chesterfield Waterside scheme, one of the Council's Corporate Plan objectives.

16 **PROPOSED BUDGET FOR THE LINACRE ROAD SITE, ASHGATE (J000R)**

Kier Asset Management and the Housing Service Manager – Business Planning and Strategy Manager submitted a report seeking approval of the proposed scheme budget for the Linacre Road site, Ashgate, and also of the appointment of master planning consultants.

The Linacre Road site was just under 37.5 acres gross area, with Housing Revenue Account land ownership accounting for 33.5% of the site and General Fund for 66.5%.

The site had been identified and consulted on as a possible housing allocation when the draft Local Plan Sites and Boundaries Document was published in November 2012. This was currently programmed for adoption in summer 2015.

In order to maximise the potential capital receipt from this site, it was proposed that the land be released in phases of up to 150 plots, which would be attractive to and developable by a single house builder at a time.

Master planning of the site would be essential to the process, defining the preferred layout of the proposed development, phasing, plot size and means of access. The Master Plan and Informal Planning Brief would form the bases for a developer making a bid on the site and submitting an outline planning application to the Council.

The Council and Kier had interviewed three planning and urban design consultancies with a proven track record of master planning residential development sites on this scale and commercial experience of working with national house builders. ID Planning and their architects, Sten, represented the best value for money for developing the Master Plan and Informal Planning Brief.

In order to develop the Master Plan, various specialist inputs would be required which were not available in-house, and it was proposed that consultants be appointed through competitive quotes to carry out this work.

Community engagement would be required once the Master Plan had been drafted.

The report outlined the potential financial implications from the sale and development of the site in respect of the capital receipt and the New Homes Bonus. It also identified the risk of the project not being progressed without the proposed budget for the master planning of the site.

*** RESOLVED –**

(1) That it be recommended to Full Council that a preliminary budget of up to a maximum of £100,000 be allocated to bring the Linacre Road, Ashgate site forward for sale/development on the terms set out in the report, and that any costs attributable to bringing forward the site are split on a pro-rata basis between the respective Housing Revenue Account and General Fund ownerships. As such, the provisional budget will be split £33,500 from the Housing Revenue Account and £66,500 from the General Fund.

(2) That ID Planning and Sten Architecture be appointed as consultants for master planning the site on the terms set out in the report.

REASONS FOR DECISION

1. The proposed budget is required to inform the Master Plan process for the site, which will enable a phased release for residential development.

2. This will bring the site forward for eventual sale to release capital receipts to the General Fund and Housing Revenue Account.

3. The specialist input and reports will cover overall strategies for both the Housing Revenue and General Fund land. Therefore, it is equitable that the cost for this work is apportioned pro-rata on a percentage basis between the respective land holdings.

**17 FORMER CHESTERFIELD CYLINDERS/WHITEBANK CLOSE
SPORTS GROUND (L000)**

The Head of Environment and the Head of Kier Contracts, Chesterfield submitted a report on the current situation and proposals to secure a

sustainable future for the former Chesterfield Cylinders / Whitebank Close Sports Ground.

The playing fields at Whitebank Close had been let by the Council in 1955 for a term of 99 years to Chesterfield Tube Company. Following the liquidation of the Tube Company and its successors UEF, the lease had been sold to Barratt Homes Limited, who had surrendered the lease in August 2013.

The site, comprising 4.5 hectares (11 acres), remained allocated in the Local Plan as playing fields.

There were currently three clubs in use and occupation on site, set up when Barratts held the lease, these being:

- i) Chesterfield Football Club (CFC)
- ii) Chesterfield Cylinders Bowling Club
- iii) The Bowmen of Chesterfield (an archery club).

On handover in 2013, the Council undertook works to address immediate health and safety concerns. Surveys also identified a number other repairs which would be required to facilitate re-letting the premises, substantially relating to the pavilions used by the archery and bowling clubs. A tree survey identified that many of the trees bordering the playing fields required pollarding and crown cleaning.

The football club had invested in new drainage and improving the playing surface of the playing fields. It was hoped that with FA funding, new changing and classroom facilities could be erected to enable the Club, through its Community Trust, to run its Football in the Community programmes.

The Council had been in discussion with each of the three clubs on individual leases for continued use of the site, with communal areas to be managed and maintained by the Council and costs recovered by way of a recharge provision within the leases.

The most recent negotiations with CFC had led to the agreement that in return for a significant rent-free period, CFC would finance the construction of a new facility, that would be suitable for their needs containing changing rooms, showers, WC's, a community/training room and an officials changing room.

It was proposed to grant each prospective sports club a 25-year lease, with the purpose being that the sports club could then use this as a foundation to go out and secure external funding for proposed capital projects within their respective demised areas.

Each lease would also be designed to transfer as many responsibilities away from the Council and onto the prospective tenants, in order to secure the continued and future use of the site whilst at the same time mitigating and reducing the financial liability the site would, otherwise, pose to the Council.

The Council would need to undertake certain remedial works to bring the site and its facilities up to an acceptable standard for lease, to enable repair and maintenance responsibilities to be reasonably passed onto the tenants. Such works included an upgrade and revision of the electrical supply to all areas to allow for sub-metering and independent electrical usage.

The proposed terms for each lease were set out in the report, and the areas for use of each of the sports clubs were identified in Appendices to the report.

The Council would remain responsible for the land fronting the site, which may be suitable for disposal for the purposes of residential development, although consideration would need to be given to improving other sporting facilities on site to satisfy Sport England on the loss of the two tennis courts, one of which was currently derelict and the other used for parking. It was proposed that a proportion of the capital receipt be used to improve access, parking and other ancillary facilities on site, with full details of this to be covered in a separate report.

*** RESOLVED –**

- (1) That the additional works to the former Chesterfield Cylinders / Whitebank Close Sports Ground site to facilitate its re-letting be approved at an estimated total cost of £43,660.
- (2) That the Head of Contracts, Kier Chesterfield, in conjunction with the Head of Governance be authorised to negotiate and settle the final terms of up to 25-year leases with the three sports clubs currently in occupation on site.

(3) That it be noted that future capital investment may be required on site and that this could be financed in part, by the capital sale of land fronting the sports ground. Specifically, this relates to replacement car parking and improvement of the access track. This matter will be subject to a further report to Cabinet.

REASONS FOR DECISION

1. To comply with the Council's policy of providing and improving parks and sports facilities for all of the community.
2. To protect and develop community sports facilities.
3. To mitigate and manage the potential financial burden the sports ground would have if fully retained.