

## **CABINET**

**WEDNESDAY, 15 MARCH 2017**

**PRESENT:-** Councillors David Renard (Chair), Russell Holland, Oliver Donachie, Toby Elliott, Fionuala Foley, Brian Ford, Mary Martin, Garry Perkins and Keith Williams

Councillor Jim Grant attended the meeting in respect of Minute Nos. 107 and 111.  
Councillor Jim Robbins attended the meeting in respect of Minute No. 111.

### **100. Jan Willis - Interim Corporate Director, Resources and Susie Kemp, Corporate Director Resources and Transformation.**

Councillor David Renard, the Leader of the Council, advised the meeting that Jan Willis, the Council's Interim Corporate Director, Resources, would be leaving the employ of the Council tomorrow (16<sup>th</sup> March 2017) and that this would be her final Cabinet meeting. On behalf of the Cabinet, Councillor Renard thanked Jan for her hard work in support of Cabinet and the Council's resource functions and wished her every success for the future.

Councillor Russell Holland, the Deputy Leader of the Council and Cabinet Member for Finance and Corporate Services, added his own best wishes to those expressed by the Leader on behalf of Cabinet. He recognised that Jan had taken up the post of Interim Director following the departure of two senior financial officers and at a time of very challenging financial circumstances and expressed his gratitude for her hard work and diligence in responding to those challenges extremely successfully.

Councillor Renard also took this opportunity to welcome to the meeting Susie Kemp, the Council's newly appointed Corporate Director Resources and Transformation.

Councillor Jim Grant, the Leader of the Labour Group, endorsed Councillor Renard's comments, wishing Jan every success and welcoming Susie to the Council.

### **101. Declarations of Interest.**

The Chair reminded members of the need to declare known interests in any matters to be considered at the meeting.

### **102. Minutes.**

Resolved – That the minutes of the meetings held on 1<sup>st</sup> and 8<sup>th</sup> February 2017 be confirmed and signed as a correct record.

### **103. Public Question Time.**

Mr Brian Cockbill, a local resident, had submitted a number of written questions on a variety of issues. The Chair thanked Mr Cockbill for his questions and advised that written answers had been provided and also circulated at the meeting.

Mr Tim French, a local resident, asked several questions relating to the future operation of Thamesdown Transport Ltd and the development of a new Swindon museum and art gallery. The Leader of the Council and Councillor Garry Perkins, the Cabinet Member for the Economy, Regeneration and Skills, responded Mr French's questions at the meeting.

Mr Tony Hillier, a local resident, asked questions regarding the Council's practice in relation to the recording of public questions in Committee minutes. The Leader of the Council, with the Director of Law and Democratic Services, responded to the question at the meeting.

**104. Exempt Items - Exclusion of Press and Public.**

The Leader of the Council advised that, following the publication of the agenda, it had been determined that the issues addressed in the report at Agenda Item No. 13 (deferred from the meeting on 8th February 2017) were not considered to be private and confidential within the terms of Section 100A(4) of the Local Government Act 1972, and that, consequently, the report ("Commercial Investment Strategy: Establishment of a Housing Development Company") would be considered in open session.

**105. Budget Management 2016/17**

Councillor Russell Holland, the Deputy Leader of the Council and Cabinet Member for Finance and Corporate Services, and the Interim Corporate Director Resources, submitted a joint report presenting the 2016/17 Revenue Budget forecast out-turn at the end of January 2017.

Resolved – (1) That the projected Revenue Budget out-turn position for 2016/17, set out in Table 1 and Appendix 1 to the report, be noted.

(2) That the virements set out in Appendix 2 to the report be approved.

The reasons for the decision and alternative options are as set out in the report to the meeting.

**106. Capital Monitoring Quarter 3 2016-17**

Councillor Russell Holland, the Deputy Leader of the Council and Cabinet Member for Finance and Corporate Services, and the Interim Corporate Director Resources, submitted a joint report presenting the third quarter's monitoring position for the capital programme and some proposed changes to the Council's capital programme.

Resolved – (1) That the forecast capital expenditure, set out in Table 1 & 2 and Appendix 1 to the report, be noted.

(2) That the changes to the programme, set out in section 3.3 of the report, be approved.

The reasons for the decision and alternative options are as set out in the report to the meeting.

**107. A Sustainable future for Lydiard House and Park**

Councillor Garry Perkins, the Cabinet Member for the Economy, Regeneration and

Skills, and the Corporate Director for Communities and Place, submitted a joint report on the outcome of the consultation with residents and users to understand any specific concerns, or how they might be affected by future changes at Lydiard House and Park, and also on the detailed arrangements for introducing car park charges at both Lydiard and Coate Water Country Park.

The report also invited Cabinet to consider a recommendation on a preferred bidder to operate Lydiard House and Park, to secure a sustainable future for this popular local facility, and sought authority for officers to undertake the necessary due diligence and additional negotiations to enable Cabinet and to make a final decision about the future operation of the House and Park in the autumn 2017.

Following his introduction of the report, Councillor Perkins, with the Leader of the Council, responded to questions put by Councillor Jim Grant, the Leader of the Labour Group, on the sustainability of both the preferred bid and the reserve bid, the openness and transparency around the process for the transfer of the future operation of Lydiard House and Park, and the preferred bidder's, and the other bidders', access to, and reliance upon, Heritage Lottery funding.

Resolved – (1) That the results of the consultation, summarised in Appendix 1 to the report, be noted.

(2) That the Lydiard Park Heritage Trust be approved as preferred bidder following the marketing exercise undertaken by Swindon Borough Council to find an organisation to take over the operation of Lydiard House and Park at no ongoing subsidy to the Council.

(3) That the Corporate Director, Communities and Place, in consultation with the Director of Law and Democratic Services and the Corporate Director, Resources and Transformation, be authorised to proceed with the next steps to appoint Lydiard Park Heritage Trust as preferred bidder to enter into a Business Transfer Agreement and lease for Lydiard House and Park. This will include further due diligence by both parties, such as the commissioning of an additional independent condition survey to confirm the full extent of backlog maintenance requirements.

(4) That the Director of Law and Democratic Services, in consultation with the Corporate Director, Communities and Place, the Corporate Director, Resources and Transformation, and the Head of Property Assets, be authorised to complete all necessary documentation to transfer the operation including staff by means of a Business Transfer Agreement and a lease, on such terms he considers appropriate to protect the Council's interests.

(5) That, subject to (3) and (4) above, the Corporate Director, Communities and Place, in consultation with the Director of Law and Democratic Services and the Corporate Director, Resources and Transformation, will seek authorisation from Cabinet and Council to proceed with completing the Business Transfer Agreement and Lease once further due diligence has been undertaken and the final proposed terms are known. This is expected to be no later than October 2017.

(6) That £900k of one-off resources be earmarked on the Council's Balance Sheet to fund the reverse premium of £850k and £50k to cover the costs of any necessary financial, legal or technical advice required to support the conclusion of the negotiations and completion of the relevant contractual documentation.

(7) That Cabinet records its thanks to everyone involved in this process, to secure a sustainable future for Lydiard Park and House.

The reasons for the decision and alternative options are as set out in the report to

the meeting.

#### **108. Barnfield Solar Farm Scheme**

Councillor Toby Elliott, the Cabinet Member for Strategic Planning and Sustainability, and the Corporate Director, Economy Regeneration and Skills, submitted a joint report setting out the plan to bid in response to a European Union (EU) funding call which, if successful, would provide match funding for a project to enhance the storage capacity of the Barnfield solar scheme and improve performance by matching supply and demand.

Resolved – (1) That the Corporate Director, Economy Regeneration and Skills, in consultation with the Cabinet Member for Strategic Planning and Sustainability, be authorised to submit a full application response to the European Regional Development (ERDF) Fund call for projects in the category of Low Carbon/Local Renewables Markets.

(2) That the Head of Finance (s151 Officer), in consultation with the Cabinet Member for Finance and Corporate Services, be authorised to invest up to £819,000 in the storage project attached to the Barnfield solar scheme, funded through the Commercial Investment Fund and subject to further due diligence around the financial and operating models being completed, the project demonstrating sufficient risk/reward by the date of investment and approval through the Commercial Investment Board and the Commercial CMAG group. This investment will act as match funding in the event of a successful bid to the European Regional Development Fund and is conditional upon this success.

The reasons for the decision and alternative options are as set out in the report to the meeting.

#### **109. Private Sector Housing Renewal Assistance Policy**

Councillor Oliver Donachie, the Cabinet Member for Housing and Homelessness, and the Director of Public Health, submitted a joint report, seeking Cabinet's agreement to a refresh of the Council's Private Sector Housing Renewal Assistance (PSHRA) Policy (originally approved by Cabinet in July 2003). It was noted that the policy would outline the mandatory and discretionary housing assistance currently available to Swindon residents to assist them with the cost of adaptations, essential repairs and energy efficiency improvements to their homes. The report proposed that, in general, assistance would continue to be aimed at those households who by virtue of their age, disability or financial disadvantage are least able to help themselves.

Resolved – (1) That the Private Sector Housing Renewal Assistance (PSHRA) Policy 2017 be adopted.

(2) That the Director of Public Health be authorised to determine applications for a grant or other assistance that are within existing policies by means of a Notice of Executive Decision.

(3) That, where variations on policy arise but they have similarity to previous cases, or where minor changes to the policy are required, the Director of Public Health be authorised to approve such changes, after consultation with Cabinet Member for Housing and Homelessness, the Director of Law and Democratic Services, and the s151 Officer.

The reasons for the decision and alternative options are as set out in the report to

the meeting.

#### **110. Changes to Household Waste Recycling Centre Opening Times**

Councillor Keith Williams, the Cabinet Member for StreetSmart, Highways, and Transport, and the Head of StreetSmart, submitted a joint report regarding proposed changes to reduce the opening hours at the Household Waste Recycling Centre (HWRC) to allow for efficiency savings following the work to improve traffic flow across the site.

Resolved – (1) That the proposals to change the opening hours of the HWRC with effect from 8th May 2017 to achieve the £96,000 full year saving proposal in the council budget 2017/18 presented on 23rd February 2017, be approved.

(2) That the Head of Streetsmart, in consultation with the Cabinet Member for Streetsmart, be authorised to implement, monitor and amend controls at the HWRC to ensure their ongoing effectiveness.

The reasons for the decision and alternative options are as set out in the report to the meeting.

#### **111. The Forward Strategy for Delivering Economic Development and Regeneration in Swindon**

Councillor Garry Perkins, the Cabinet Member for the Economy, Regeneration, and Skills, and the Corporate Director Economy, Regeneration and Skills, submitted a joint report inviting Cabinet to consider the Council's forward strategy for delivering economic development and regeneration in Swindon and its approach to generating new sources of income from development activity.

Following his introduction of the report, Councillor Perkins, with the Leader of the Council, responded to questions put by Councillor Jim Grant, the Leader of the Labour Group, on the changed remit of Forward Swindon Ltd (FSL), since its inception, and the feasibility of the remaining functions being returned to the Council, and also whether the focus of FSL operations related to solely to town centre investments and development. Councillor Perkins also responded to questions put by Councillor Jim Robbins, the Labour Group's heritage spokesperson, on the specific heritage expertise available within FSL, the Cabinet Member's view if the most current plans put forward in relation to the Mechanics Institute, and the composition of FSL Board.

Resolved – (1) That the continued role of Forward Swindon Limited (FSL) as the Council's delivery vehicle for town centre regeneration, together with the revised remit set out in Table Three at paragraph 3.16 of the report, be confirmed.

(2) That a separate wholly owned Council company be established to take forward the Wichelstowe development and the Director of Law and Democratic Services be authorised to complete all associated legal documentation necessary to establish the company, including:

- Companies House registration.
- Memorandum of Association and Articles – setting out the remit and rules governing the running of the company.
- Shareholder Agreement.
- Appointment of Company Secretary
- Insurances including Directors insurance.

(3) That a further review of FSL's role and remit take place towards the end of 2017-18 and in advance of the expiration of the current funding agreement.

(4) That the Director of Law and Democratic Services, in consultation with the Cabinet Member for Economy, Regeneration and Skills, and the Cabinet Member for Strategic Planning and Sustainability, be authorised to determine revised governance arrangements for FSL and the new Wichelstowe company and that he report back to Council or Special Committee in relation to the appointment of Board members.

(5) That it be noted that the Swindon Economy and Regeneration Board Cabinet Member Advisory Group requested by Cabinet in December 2015 (Cabinet Minute 44(7), 2015/16 refers) will not be progressed pending the further review referred to in recommendation (3) above.

(6) That the Director of Law and Democratic Services, in consultation with the Cabinet Member for the Economy, Regeneration, and Skills, and the Council's s151 Officer, be authorised to complete the documentation required to implement the proposals set out in this report on such terms as he considers necessary to protect the Council's interests.

The reasons for the decision and alternative options are as set out in the report to the meeting.

#### **112. Commercial Investment Strategy: Establishment of a Housing Development Company**

Councillor Russell Holland, the Cabinet Member for Finance and Corporate Services, and the Interim Corporate Director Resources, submitted a joint report proposing the setting up of a wholly owned trading company limited by shares, through which the Council will design and construct housing on a commercial basis for sale or private market rent, and to approve the first 6 schemes to be developed for private sale.

Councillor Holland advised the meeting of the following change to the text of the report and also to the text of the related recommendation:

##### Business Case for Development of Housing for Private Market Rent

Paragraph 3.21 to read:

Once the business plan for market rent has been finalised, a further report will be brought to Cabinet for approval which sets out the financial and resourcing implications of establishing a second wholly owned company to manage the private rented stock."

##### Recommendations

Recommendation at paragraph 2.6 to read:

Instruct officers to bring a further report to Cabinet setting out the business plan for a company to deliver market rent homes and any additional financing requirements for the Company to deliver this.

Resolved – (1) That the establishment of a housing development company, limited

by shares and wholly owned by the Council, pursuant to the Council's powers under the Local Government Act 2003 and the Localism Act 2011 and any other relevant enabling statutory powers, for the purpose of developing on a commercial basis housing for market sale and/or private market rent, be approved.

(2) That the Director of Law and Democratic Services be authorised to complete all associated legal documentation necessary to establish the company, and transfer land to the company, including, inter alia:

- a) Companies House registration.
- b) Memorandum of Association and Articles – setting out the remit and rules governing the running of the company.
- c) Shareholder Agreement – this will be a key document as it will capture how the Council/Shareholder will exercise its control over the housing company.
- d) Appointment of Company Secretary and Directors (including non-executive Directors)
- e) Insurances including Directors insurance.

(3) That responsibility for agreeing governance arrangements, including the shareholder agreement and Board membership for the new company, be delegated to the Director of Law and Democratic Services in consultation with the Cabinet Member for Finance and Corporate Services, the Cabinet Member for Strategic Planning and Sustainability and the Cabinet Member for Housing and Homelessness, and report to the Council's Special Committee as appropriate.

(4) That the Council's s151 Officer be authorised to draft Heads of Terms for a Facility Agreement for the Council to provide loan and equity finance of up to £15m to the Housing Company to fund working capital plus construction and other development costs associated with the sites listed at paragraph 3.12, with such terms to be approved by the Cabinet Member for Finance and Corporate Services on the advice of the Council's Commercial Investment Board, and in consultation with the Commercialisation CMAG, such funding to be provided from the Commercial Investment Fund.

(5) That the Head of Property and Assets be authorised to agree terms for the transfer of the sites listed at 3.12 in the report (with the exception of Euclid Street) to the housing company.

(6) That officers submit a further report to Cabinet setting out the business plan for a company to deliver market rent homes and any additional financing requirements for the Company to deliver this.

The reasons for the decision and alternative options are as set out in the report to the meeting.