

Minutes

Cabinet

6th September 2021



These minutes principally record decisions taken and, where appropriate, the reasons for the decisions. A recording of the meeting is available at <http://www.braintree.gov.uk/youtube>

Present:

Portfolio	Cabinet Member	Present
Overall Strategy	Councillor G Butland (Leader of the Council)	Yes
Innovative Environment		
Finance and Corporate Transformation	Councillor J McKee	Yes
The Environment	Councillor Mrs W Schmitt	Yes
Connecting People, Places and Prosperity		
Economic Growth	Councillor T Cunningham (Deputy Leader)	Yes
Housing, Assets and Skills	Councillor K Bowers	Yes
Planning and Infrastructure	Councillor Mrs G Spray	Yes
Supporting Our Communities		
Health and Wellbeing	Councillor P Tattersley	Yes
Communities	Councillor F Ricci	Yes

Present as Cabinet Support Members: Councillor J Wrench (Connecting People, Places and Prosperity) and Councillor Mrs I Parker (Supporting Our Communities).

Present as Invitees of the Leader: Councillor D Mann, Leader of the Labour Group and Councillor Mrs J Pell, Leader of Halstead Residents Association.

18 **DECLARATIONS OF INTEREST**

INFORMATION: The following interests were declared:-

Councillor G Butland declared a Non-Pecuniary Interest as an Elected Member at Essex County Council (ECC).

Councillor T Cunningham declared a Non-Pecuniary Interest as an Elected Member at ECC.

19 **MINUTES**

DECISION: The Minutes of the meeting of the Cabinet held on 12th July 2021 were approved as a correct record and signed by the Chairman.

20 **QUESTION TIME**

INFORMATION: There were no questions asked, or statements made.

21 **FIRST QUARTER PERFORMANCE REPORT 2021-22**

INFORMATION: Consideration was given to Braintree District Council's (the Council) First Quarter Performance Report for the period 1st April 2021 to 30th June 2021.

It was recognised that although the impacts of the Covid-19 pandemic had led to unprecedented challenges for the Council, staff had nonetheless continued to perform well in order to ensure that service provision could be maintained for the public. As at the end of June 2021, 13 projects had been completed, 39 were on track and progressing well and one project had an amber status due to delays incurred on building works as a result of one of the subcontractors going into administration. In terms of performance indicators, these were generally being met, with six performance indicators having met or exceeded target, two performance indicators having missed their target by less than 5% and five performance indicators missing their target by more than 5%.

The key achievements of the Council were then highlighted to Members. It was reported that the Council had delivered a total of 91 affordable homes in the first quarter and granted planning permission for 916 homes. Improvement works had been completed to four play areas across the District (Albert Moss Recreational Gardens in Rivenhall, Braintree and Bocking Public Gardens in Braintree, Notley Community Hall Play Area in Notley Green and Bramble Road in Witham). The artificial football pitch at Halstead Leisure Centre had also been completed ahead of schedule and, following discussions with stakeholders, was named the 'Calum Leys Memorial Pitch' in tribute to the former Ramsey Academy PE teacher, Head of School and much-admired member of the Halstead Community. In respect of housing, it was reported that a mental health navigator had been recruited to help individuals with more complex needs move away from rough sleeping, and that the Housing Team had also prevented 64 cases of homelessness. The Councillor Community Grant scheme had awarded 16 grants to the value of £15,538, with 13 Members having contributed to a £6,000 grant to Braintree Museum Trust towards the delivery of the summer 2021 exhibition 'Space: Fact and Fiction.'

A 'shop local' campaign called 'Click It Local' was launched in April, the campaign of which allowed shops to showcase their products in one place and for customers to place online orders and receive delivery in one package. Halstead High Street was also celebrated in the Daily Telegraph as a great place to visit because of its independent businesses. Furthermore, the Council had successfully retained the Customer Service Excellence Accreditation for the sixth year in a row, with the external assessment applauding the Council for its approach to the pandemic in the continuation of services to meet the needs of customers. Lastly, it was relayed that the Council had processed 1,205 business grants which totalled just over £7.5 million and brought the total number of grants processed to over 10,500. It was added that more

than £54 million in grants had been issued by the Council to businesses since the start of the pandemic.

As a final point of note, Members were advised that although the Council usually had a good record of processing Freedom of Information requests within the timescale of 20 working days, a higher than usual number of requests had been received in relation to the Planning service. Many of the requests were more complex in nature and were required to be dealt with under the Environmental Information Regulations. To ensure that a high quality response was provided, some of the responses had been delayed; as a result, the Council's performance had dropped to 86.67%. It was stressed that customers were kept well informed of any such delays and that performance was expected to improve over the coming months.

Further to the report, Councillor Mrs G Spray, Cabinet Member for Planning, agreed to provide a written response to a question raised by Councillor Mann which regarded the number of homes granted planning permission during the first quarter, whether these were outline or not, and if they contributed towards the Council's five-year housing land supply position.

DECISION: Cabinet noted the performance of Council for the first quarter (April 2021 to June 2021).

REASON FOR DECISION: To summarise the performance of the Council as at the end of the first quarter (April 2021 to June 2021).

22 **MEMBER DEVELOPMENT ANNUAL REPORT**

INFORMATION: Members gave consideration to the Annual Report of the Member Development Group.

Members were advised that the Member Development Programme had been re-awarded the Charter Plus status for a further three years, following the Councillor Development Charter Plus Assessment on 19th January 2021. There had been some highly positive feedback provided on the Programme as a result, with note made of the commitment and enthusiasm showed by Members and Officers in terms of its delivery. Some suggested improvements were also made, which included addressing some outstanding training needs going forward.

It was reported that attendance at Member Evenings and Skills Training Programme was consistently high at 90%, and that this was the result of a highly engaging programme of work, relevant topics and its delivery in a way that was user-friendly and understandable for all Members. Although there was a cost associated with the delivery of the overall Member Development Programme, it was recognised that the knowledge imparted to Members helped increase their confidence when approaching constituents on various matters, which in turn reduced the reliance of Members on the knowledge of Officers and their time alone. Furthermore, it was noted that some of the courses provided as part of the Programme had recently been outsourced and generated additional income as a result.

DECISION: Cabinet noted the Member Development Annual Report.

REASON FOR DECISION: To inform the Cabinet of the work of the Member Development Group, a working Group of Cabinet.

23 **MEDIUM-TERM FINANCIAL STRATEGY 2021-22 TO 2024-25**

INFORMATION: Members gave consideration to a report which detailed the budget process for 2022/23 and provided an update on the Council's Medium-Term Financial Strategy (MTFS) for 2021/22 to 2024/25.

The MTFS 2021/22 to 2024/25 was agreed by Council on 22nd February 2021. The level of Council Tax (Band D) for 2021/22 was frozen at £184.68 with recognition that many of the District's residents would face financial difficulties as a result of the impact of the pandemic. The budget provided for a provision of £1m to be set aside to address any financial issues that services might face during 2021/22, given the high degree of uncertainty. The approved budget included using £320,165 from the General Fund unallocated balances to close the budget gap at that time whilst plans were put in place to address the projected medium-term financial shortfall over the four-year period, of £1.657m.

The first detailed review of the Council's finances for this year was undertaken based on income and expenditure across the First Quarter and predicted a positive variance of £252,000, including a projection of the impact of Covid. In respect of assumptions, the forecast position regarding variances against the base budget that were directly related to the pandemic was a positive variance of £530,000. The projected change in General Fund unallocated balances was a reduction of £384,000, with an estimated balance at the end of the year of £5.615m. With regard to predicted outturns, the main area which was difficult to predict was the rate at which income streams would recover following the lifting of Covid-19 restrictions on 19th July 2021. In addition, the following strategic investment projects were due to be completed within the current financial year: Victoria Square development; Horizon 120 infrastructure works; and the I-Construct Innovation Centre, for which the revenue implications would need to be reviewed in light of any project changes since their approval and any related commercial arrangements that had also been completed.

It was explained that there were a number of issues which could impact on the Council's finances over the period of the proposed MTFS, including the Government's Fair Funding Review of Local Government and proposed Business Rate Retention Scheme changes; the Environment Bill and the Planning White Paper. There still remained a heightened degree of uncertainty regarding the finances of Local Government as a result of the Covid-19 pandemic, as well as the Government's proposal to make changes to Local Government funding. The Local Government Finance Settlement for 2022/23 was expected in mid-December and would play a fundamental role in determining the anticipated shortfalls in the Council's finances for both the Budget and Council Tax for 2022/23, and for the MTFS 2022/23 to 2025/26. It was added that should the Government continue to provide the opportunity for Local Authorities to form a business rate pool, it was proposed that the Council gave consideration to participating with other Essex Authorities and, if appropriate, to submit a request for an Essex Pool to be designated for 2022/23.

A key factor in developing the Budget revolved around the output of the Investment and Development Programme, which had been created in order to identify activities which would help deliver against the Council's budget gap of £1.6m by 2025. The

Programme was divided into four work streams with respective objectives: these were commercial; strategic investment; asset management and treasury management.

Members were advised that a potential saving opportunity had arisen from the Council's Treasury Management Advisor, Arlingclose. The proposal was to re-finance the Council's existing Lender's Option, Borrower's Option (LOBO) loans, of £6m, and generate savings. Due to the timing of the opportunity, it was requested that authority be delegated to the Corporate Director (Finance), in consultation with the Cabinet Member for Finance and Corporate Transformation, to enable negotiations to be completed in a timely manner.

DECISION: That Cabinet:

- a) Noted the 2022/23 budget process timetable as detailed in the report;
- b) Agreed that authority was delegated to the Cabinet Member for Finance and Corporate Transformation and the Corporate Director (Finance) to give agreement of the Council's participation in an Essex Business Rate Pooling arrangement for 2022/23, should the opportunity arise and was deemed to be beneficial to the Council, and;
- c) Agreed that authority was delegated to the Corporate Director (Finance) in consultation with the Cabinet Member for Finance and Corporate Transformation to agree terms for refinancing borrowing including the financing of premiums. The delegation was subject to the financial modelling continuing to demonstrate a revenue saving after applying an appropriate level of sensitivity analysis.

REASON FOR DECISION: To agree the budget process for 2022/23 and to receive an initial update on the Medium Term Financial Strategy 2021/22 to 2024/25.

24 ****TO AGREE A GROUND LEASE EXTENSION FOR 1 STEPFIELD, WITHAM**

Minutes Published: 13 th September 2021
Call-in Expires: 21 st September 2021

INFORMATION: Members were reminded that Item 7a of the Agenda included a confidential appendix, and that if any Member wished to refer to the private information contained within the appendix it would be necessary for the meeting to be moved into Private Session.

Members confirmed that they did not wish to refer to the information contained within the confidential appendix during their debate. Therefore, it was not necessary for the meeting to be moved into private session under Section 100(A)(4) of the Local Government Act 1972.

DECISION: Cabinet resolved that the confidential appendix to the public report would remain exempt from public disclosure in accordance with Paragraph 3 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

Members gave consideration to a report which regarded the extension of the ground lease for 1 Stepfield Road, Witham.

It was reported that Dietex International Limited had applied to the Council to extend its current lease, which had 45 years remaining, up to 125 years. Dietex International Limited had indicated that its company's financiers would require an extended period of 125 years in order to facilitate improvements at the premises. The Council had received similar requests in recent years from businesses to extend their long ground leases granted in the 1960's and 1970's, which enabled lessees to secure funding for business expansion or improvements to premises. The Council also benefited from modernised ground lease terms, of which included a review of the ground rent payable.

To decline the request would be inconsistent with the Council's Asset Management Plan, which stated that opportunities to extend industrial ground leases would be explored and also with the Council's Employment and Business Promotion policies.

DECISION: That Cabinet approved the agreed Heads of Terms, as reported in the Confidential Appendix, for a surrender of the unexpired term of the existing 99 year lease and re-grant of a new 125 year ground lease in respect of industrial premises at 1 Stepfield, Witham.

REASON FOR DECISION: To consider the lessee's, Dietex International Limited, application to Braintree District Council (the Council) to extend the 45 year unexpired terms of their ground lease up to 125 years in respect of industrial premises at 1 Stepfield, Witham, and; to approve the Heads of Terms for a lease surrender and re-grant.

25 ****BRAINTREE DISTRICT COUNCIL LEISURE PROVISION FROM AUGUST 2022**

Minutes Published: 13 th September 2021
Call-in Expires: 21 st September 2021

INFORMATION: Members were reminded that Item 8a of the Agenda included three confidential appendices, and that if any Member wished to refer to the private information contained within the appendices it would be necessary for the meeting to be moved into Private Session.

Members confirmed that they did not wish to refer to the information contained within the confidential appendices during their debate. Therefore, it was not necessary for the meeting to be moved into private session under Section 100(A)(4) of the Local Government Act 1972.

DECISION: Cabinet resolved that the confidential appendices to the public report would remain exempt from public disclosure in accordance with Paragraph 3 of Part 1 of Schedule 12(A) of the Local Government Act 1972.

Consideration was given to a report which sought the approval of Cabinet to extend Braintree District Council's (the Council) contract with Fusion Lifestyle.

The Council's contract with Fusion Lifestyle was due to expire on 31st August 2022; however, the contract did contain the provision to enable it to be extended for a five-year period from 1st September 2022 to 31st August 2027. In light of this, the Council had carried out an assessment on each of the options available for the District's leisure facilities from September 2022, of which there were three: to renew the

contract; to re-tender the contract or to extend the existing contract. The Council had subsequently elected to review the extension proposal option from Fusion Lifestyle. This has been compared against the likely market position, considering alternative options available at the current time and future options that might be available.

It was acknowledged that the emergence of the Covid-19 pandemic had resulted in unprecedented challenges for the District's leisure industry. Regardless of the difficulties experienced, the benefits that the Council's contract with Fusion Lifestyle had brought for the District were numerous; for example, the current contract required Fusion to pay the Council directly for the use of the District's leisure facilities, and had generated a substantial income stream over the course of the five-year period. In addition to the financial benefits, Fusion had also contributed towards the Council's overall strategic objectives beyond what was specified in the original contract, including the provision of gym equipment suitable use by those living with disabilities, and activities catered towards those residents who lived with long-term illnesses, ill-mental health or other physical issues.

Despite the benefits that the extension of the Council's contract with Fusion would bring for the District, due to the ongoing impacts of the pandemic, there still remained uncertainties around the long-term future of Local Authority provided leisure facilities, including that of swimming pools. In light these uncertainties, the Council had recommended that rather than agreeing to the full five-year extension to the contract, there be a break clause inserted of three years to act as a safeguard.

It was projected that should the Council proceed with the recommendation, the Council would receive an increase in revenue in the sum of £22k per annum, although this was caveated on leisure provisions returning in line with industry and Government projections. Through the extension of the contract, the financial and operational risk to the Council would be reduced in the short-term allowing for the leisure industry to continue with its recovery as Covid-19 restrictions continued to be lifted. Through retaining continuity of service, the Council would not incur any contract start-up costs which would impact on the revenue available to the Council.

Members were informed investment of £1.1m had been identified as part of the Fusion proposal for gym/studio refurbishments, sports equipment and lifecycle works which would be funded entirely by Fusion. Furthermore, discussions with Fusion had indicated that by extending the agreement, the proposed refurbishment programme could be brought forward before the expiry date of the existing contract, which could help entice new and returning customers into leisure centres.

Lastly, it was noted that the National Leisure Recovery Fund had refunded £330,000, the amount of which the Council had previously set aside in the event of any issues that might have occurred regarding its contract with Fusion.

DECISION: That Cabinet:

- a) Approved the extension to the contract held with Fusion Lifestyle for a further 5 year period at a total Braintree District Council income value of £1,077,650.00; and
- b) Approved the inclusion of a break clause at year 3 of the contract.

REASON FOR DECISION: This report seeks approval to extend the Braintree District Council's (the Council) contract held with Fusion for leisure facilities within the District, and; to set out details of the options for the future modelling of the District's leisure facilities.

The meeting commenced at 7.15pm and closed at 7.52pm.

COUNCILLOR G BUTLAND
(Leader of the Council)