



MEETING OF THE CABINET
3 FEBRUARY 2014 - 11.02 AM – 11.38 AM

PRESENT:

Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor John Smith
Councillor Mike Taylor
Councillor Teri Bryant
Councillor Bob Adams

Councillor Mrs. Linda Neal - Chairman

Chief Executive (Beverly Agass)
Strategic Director Corporate Focus/Section 151 Officer
(Daren Turner)
Strategic Director Community & Environment (Tracey
Blackwell)
Head of Finance (Richard Wyles)
Property Development Manager (Neil Cucksey)
Head of Legal & Democratic Services/Monitoring Officer
(Lucy Youles)
Head of Community Assets (Paul Stokes)
Cabinet Support Officer (Lucy Bonshor)

Non-Cabinet Members : Councillor Nick Craft

CO37. MINUTES

The decisions from the meeting held on 13 January 2014 were agreed as a correct record.

CO38. DISCLOSURE OF INTERESTS (IF ANY)

None disclosed.

Your council working for you

CO39. *DETERMINATION OF BUDGET REQUIREMENT FOR 2014/15 AND INDICATIVE FOR THREE YEARS THEREAFTER

Decision:

General Fund (Revenue)

That Cabinet recommends part a. to c. to Council:

- a. to set a General Fund budget requirement of £13.170M for 2014/15 shown at Appendix A to report HOF265 (inclusive of special expenses)
- b. to approve a level of Council Tax for 2014/15 (no increase same level as 2013/14)
- c. to note the indicative base estimates for 2015/16 and 2016/17 as detailed in the summary at Appendix A to report HOF265;

Capital Programme

That Cabinet recommends d. to e. to Council:

- d. to approve the General Fund Capital programme for 2014/15 to 2018/19 as detailed at Appendix C page 1 to report HOF265
- e. to approve the Capital Financing statement as detailed at Appendix C page 2 to report HOF265

Reserves and balances

That Cabinet recommends f. to Council:

- f. To note the movements in Revenue and Capital reserves and balances as detailed in Appendix D to report HOF265.

Treasury Management and prudential indicators

That Cabinet recommends g. to Council:

- g. To approve the Treasury Management Strategy provided at Appendix E to report HOF265;

Considerations/reasons for decision:

- 1) Report HOF265 from the Strategic Director Corporate Focus and the Head of Finance in relation to:
 - Budget Estimates 2014/15.
 - The Districts basic amount of Council Tax for 2014/15 and the

- Government's Council Tax freeze grant enabling the Council Tax to be held at 2013/14 level.
- Provisional settlement figures for 2015/16 announced by Government which show a continuing reduction in the amount of Revenue Support Grant that will be provided by £1.2M.
 - Reserves and Balances
 - The Capital Programme 2014/15 - 2018/19
 - Treasury Management and Investment Strategy
- 2) The budget for 2014 /15 and indicative budgets for 2015/16 to 2016/17 have been drawn up to take account of the Council's various strategies, policies and the financial context, in particular:
 - The Corporate Plan – 2021 Vision
 - The Medium Term Financial Strategy (MTFS)
 - Service Strategies and Plans
 - Asset Management Strategy
 - The economic context and recent grant announcements
 - The 2013/14 forecast outturn
 - 3) The proposals have regard to accounting requirements and external factors affecting the budget including:
 - The Prudential Code for controlling Local Government capital.
 - The grant settlement from Government for future years.
 - The impact of the economic climate placing a higher demand on particular services in relation to social care and well being, specifically benefit advice and support and homelessness.
 - Investment Income and fees and charges.
 - 4) The need to keep the Medium Term Financial Strategy under review and updated following national policy announcements, in particular any further changes to funding arrangements.
 - 5) Confirmation from the Section151 Officer that the budget presented to the Cabinet for 2014/15 was robust in its formulation and the level of reserves were adequate for the organisation.
 - 6) Consultations undertaken with members of the Council's Citizens' Panel and the wider community via an on-line survey which were receptive to an increase in Council Tax going forward.
 - 7) Comments made about the clarity of descriptions within the report and the inclusion of words to add clarity.
 - 8) Comments made thanking the Officers and their team for all the hard work in putting the budget together.
 - 9) Comments made by the Strategic Director Corporate Focus and the Head of Finance.
 - 10) Comments made by the Leader thanking all those who had been involved in the budget preparation including the Resources PDG. Due to hard work and diligence a balanced budget had been produced without the necessity to increase the Council Tax. The achievement made should not be under estimated.

Decision:

Housing Revenue Account (HRA)

That Cabinet recommends a. to d. to Council:

- a. to approve dwelling rent increases in accordance with Government guideline rent providing an average rent of £78.13 (an average rental increase of 5.13%)**
- b. to approve an increase in garage rents of 3.2%**
- c. to approve an increase in service charges by 3.2%**
- d. to approve the Housing Revenue Account for the year 2014/15 (including the items at Appendix A to report HOF264) and indicative years 2015/16 and 2016/17 as shown at Appendix B to report HOF264**

Investment Programmes

That Cabinet recommends e. to f. to Council:

- e. to approve the Housing Investment programme for 2014/15 to 2018/19 as shown at Appendix C to report HOF264**
- f. to approve the Capital Financing statement as detailed at Appendix C to report HOF264**

Reserves and balances

That Cabinet recommends g. to Council:

- g. To approve the movements in HRA revenue and Capital reserves and balances as detailed in Appendix D to report HOF264.**

Considerations/reasons for decision:

- 1) Report HOF264 from the Strategic Director Corporate Focus and the Strategic Director Community & Environment.
- 2) The introduction of self-financing and the changes introduced by the Localism Act had meant that the Council could embark on a programme of housing related projects.
- 3) A new medium term Housing Strategy had been adopted, together with an updated Tenancy and Allocations policy and a comprehensive review of the HRA Asset Management Strategy was being undertaken.
- 4) The Council's existing policy to meet rent convergence (the process whereby the rental levels are in line with similar properties in the social sector). At the level of individual dwellings, the percentage increase depended upon each property's proximity to its target, increases varied between 4.13% and 5.57%. For most properties the rent convergence

- target would happen in 2015/16.
- 5) Changes by central government to the level of housing benefit being paid to social housing tenants.
 - 6) Consultations undertaken with tenants.
 - 7) The introduction of a number of welfare reform changes and the Local Council Tax Support scheme.
 - 8) The HRA Budget and indicative budgets for 2015/16 to 2016/17 had been drawn up to take account of the relevant Council's strategies, policies and the financial context, in particular:
 - The Corporate Plan
 - The Housing Business Plan
 - Service Strategies and Plans
 - HRA Asset management Strategy
 - The economic context and recent grant announcements
 - The 2013/14 HRA forecast outturn
 - 9) Comments from the Leader once again thanking all those involved in the preparation of the HRA budget for all their hard work and the difficult decisions that had been made.

CO40. *CINEMA SCHEME DEVELOPMENT AT ST CATHERINE'S ROAD

Decision:

- 1) That Cabinet approves in principal the redevelopment of land and premises off St Catherine's Road and St Peter's Hill, Grantham as set out in report PD015 subject to securing suitable detailed Planning Permission and terms of agreement with interested parties and funding.
 - 2) That Cabinet recommends to Council the allocation of up to £6.1m in the capital programme over a 3 year period for delivery of the scheme of redevelopment. The composition of the scheme will be dependent upon the validity of the detailed business case and contract build cost for the scheme, which will be subject to a Key decision by Cabinet.
 - 3) That delegate authority is given to the Strategic Director- Corporate Focus in consultation with the Portfolio holder for Grow the Economy and Economic Development and the Portfolio Holder for Strategic Resources - Well Run Council to incur expenditure on professional fees, application fees, etc to conclude the detailed business case up to a maximum of £75k and negotiate and enter into the following transactions and agreements at the appropriate time and where necessary subject to the grant of planning permission for development and the necessary budget provision being agreed by Council:*
- Heads of Terms with KRNS Properties Limited (KRNS) for Reel

Cinema Limited.

- **Apply for detailed Planning Permissions as necessary for delivery of the scheme.**
- **Agree procurement route for construction works**
- **Release of 3R's (now Reel Cinema Limited) existing ground lease. ***
- **Release of existing premises and Lease on new premises for Grantham Senior Citizens Club. ***
- **Development Agreement/Agreement for lease with (KRNS) for Reel Cinema. ***
- **Extinguish existing Car Parking orders (St Catherine's Road) and confirm rights.**
- **Contract for construction works ***
- **Lease of cinema building to KRNS.***
- **Warrantees/ guarantees etc to ensure performance of the construction works. ***
- **Agreement for lettings on completed commercial units. ***

Considerations/reason for decision

- 1) Report PD015 by the Property Development Manager.
- 2) A Non Key decision ref PD 014 had been taken to enable the design solution to be developed.
- 3) The St Peter's Hill site presented an opportunity for a new leisure, entertainment and business quarter to be created in the town centre using land already in the ownership of the District Council.
- 4) The relocation of Grantham Senior Citizens Club (GSCC) into a fit for purpose accommodation allowed the club to continue and thrive whilst enabling the cinema to be extended with 4 new screens to make a 6 screen multiplex cinema offer for Grantham.
- 5) Comments made by the Leader about the size of the proposed project and what can be delivered subject to the budget allocation and planning permission. The proposal would be a significant asset to Grantham and the surrounding district and it had not been looked at routinely and she thanked those officers who had been involved in the project to date.
- 6) Comments made by a Member about the size of the GSCC.

Other Options Considered

Comparison of alternative economic related investment options, supported by general capital funding, based on spending the equivalent of £6 million on each option.

Business Innovation Centre

To create a standalone BIC as envisaged for station approach on a privately owned site of approximately 24,000 sq ft, built to high environmental standards to attract external funding would cost in the

region of £6m being £5.4m to build and circa £0.6m to acquire land.

Quantitative outputs (over 3 years): source, Station Approach ERDF business case.

- 93 new start up businesses
- 19 growing businesses
- 9 Spin out businesses
- 31 inward investors
- 170 New jobs created
- 56 Safeguarded jobs
- 24,000 sq ft floor space
- 1 acre of brown field land redeveloped
- 3,000 users of the centre
- 12 innovation events

Provide serviced employment land

To purchase and service land with the necessary infrastructure to support business development and growth, 25 acres of serviced land could be delivered (subject to availability).

Assume 50% built footprint- 12.5 acres or 5.05 ha= 50,586 sq m built (NIA)

10% office = 5058 m sq	= 420 jobs
Industrial = 45,528 m sq	= 1264 jobs

Total jobs = 1684

Having recently completed the purchase of 5.5 acre of land for such a purpose, following an extensive site finding exercise, officers believe the purchase of an additional 25 acres of employment land within the Grantham area is not considered achievable at this point in time.

DATE DECISIONS EFFECTIVE:

Decisions CO39 and CO40 stand referred to Council on Monday 3rd March 2014.

**South Kesteven District Council, Council Offices, St. Peter's Hill, Grantham,
Lincolnshire NG31 6PZ**

**Contact: Cabinet Support Officer - Lucy Bonshor Tel: 01476 40 61 20
e-mail: l.bonshor@southkesteven.gov.uk**