

were members of their respective Parish Councils, so declared personal interests.

46 MATTERS ARISING SCHEDULE

RESOLVED that progress on the Matters Arising Schedule as set out in the report be noted.

47 CORPORATE HEALTH AND SAFETY UPDATE

The Health and Safety Co-ordinator introduced the report describing the activity of the Safety Champions who were active in investigating solutions to any incidents which occurred. Records were kept on Minerva and no incidents were reportable to the HSE in the previous year.

There had been a reduction in incidents within operational services. All staff were encouraged to report all incidents.

Training sessions had recently been held on how to deal with difficult or dangerous customers, and also how to handle spillages. A review of archives storage access and manual handling (this is still ongoing), as was discussions with partners within the building.

RESOLVED: That the Corporate health and safety report be noted and supported.

48 REVIEW OF THE ADOPTION, PARENTAL, PATERNITY AND MATERNITY POLICIES

The People and Organisational Development Manager informed the Committee that the council has Adoption, Parental, Paternity and Maternity Policies in place, however due to updates in legislation a review was required to provide employees and the council with the most up to date information.

These policies applied to all employees within the council.

The list of changes made to the policies were appended to the report.

Relevant publications have been considered such as ACAS and Government guidance, and engagement had taken place with a number of staff that had used the various policies, to help ensure that the reviewed policies provided the necessary information and clarity.

The policies had been considered and supported by the Joint Staff Consultative Committee, attended by Members, Unison and Staff Representatives.

The policies would be made available to view on the Minerva site and hard copies available at the depots once formally agreed. A clear communication would be sent to Managers to make them aware that the policies had been reviewed and to update them on their responsibilities. Training and support would also be offered in the implementation and application of the policies.

Members welcomed the format of the report and congratulated the People and Organisational Development Manager on its presentation.

RESOLVED: that

- a) the Adoption, Parental, Paternity and Maternity Policies be approved and the policies be adopted for all employees of the council;
- b) delegated authority be granted to the Director of Resources to make minor housekeeping

amendments to the policies in future, in consultation with the chairman of the Corporate Policy and Resources committee and chairman of JSCC.

49 WITHDRAWAL OF LCTS GRANT TO TOWN AND PARISH COUNCILS

The Financial Services Manager presented the report for consideration of the withdrawal of grant funding to Town and Parish Councils for the Localisation of Council Tax Support Scheme (LCTS) from 2017/18 onwards.

The report had been prepared taking into account the significant financial challenges faced by the Council over its Medium Term Financial Strategy and the removal of Revenue Support Grant by 2019/20. The Council's savings target was in excess of £2m.

The Welfare Reform Act 2012 abolished the nationally funded Council Tax Benefit Scheme and replaced it with the (LCTS) from April 2013. This new scheme was funded by the DCLG through a cash limited grant, but at 90% of the previous council tax benefit scheme.

The LCTS scheme took the form of a discount on the council tax bill rather than the previous council tax benefit payment onto claimants' council tax accounts. The impact of these discounts on the tax base was to reduce it.

West Lindsey District Council received a total grant of £519,000 of which £169,811.82 was provided as grant to the Town and Parish Councils to reduce the impact of the reduction in their tax base.

Since that time the Revenue Support Grant which included an element for this support, had reduced by 81%, however WLDC have continued to issue grants at the original level. It was now considered that this position was unsustainable.

West Lindsey District Council, unlike many other local authorities had maintained the original LCTS grant level as at 2013/14, and therefore the Town and Parish Councils had benefitted from additional support over the past three years.

As the Council's revenue budget continued to come under pressure from continuous reductions in Central Government funding, the level of support that was provided to the Town and Parish Councils also needed to be reviewed.

Given these reductions it was proposed that the funding to Town and Parish Councils be withdrawn from 2017/18 onwards.

Members debated the report at some length and asked further questions such as the actual cost per Parish Council. This was confirmed as varying amounts depending upon the size of the Parish and the number of properties, with Gainsborough being the largest, at a cost of £69,000.

The Financial Services Manager informed the Committee that some authorities had withdrawn the funding three years previously, however some Members felt that whilst the total cost was relatively small to West Lindsey District Council, the withdrawal would have a major impact on Town and Parish Councils. Parish Councils managed their funds wisely and their Councillors were volunteers. Suggestions were made that the withdrawal be

phased or that it continue to be funded by WLDC. It was pointed out that some Members had conflicting interests and that in the context of the meeting, Members were representing the interest of the District Council, and that all public bodies were having to make cuts.

Councillor Shore proposed that the withdrawal of the funding be phased over a period of three years, this was seconded by Councillor Boles.

On being voted upon the **MOTION WAS LOST**.

It was agreed that if the proposal had been resolved, other cuts would have to be made elsewhere. WLDC already had to find a £2m saving, and this funding withdrawal would help to share the burden.

The recommendations as set out in the report were then moved, seconded and voted upon.

RESOLVED: that

- a) the Localisation of Council Tax Support Grant for Town and Parish Councils be withdrawn from 2017/18 onwards; and
- b) the WLDC contribution to the first £100 of Budget Requirement be continued at this time but reviewed for the 2019/20 budget.

50 FOUR YEAR AGREEMENT / EFFICIENCY PLAN

The Director of Resources explained to the Committee that as part of the local government final settlement in February 2016, the DCLG had offered Local Authorities the opportunity to sign up to a four year deal regarding the three elements of grant within the announcement. Those grant areas were, Revenue Support Grant (RSG), Rural Services Delivery Grant (RSDG) and Transition Grant (TG).

The report set out the four year profile provided for these grants, the summary of the MTFP for 2016/17 and the current proposals to balance the future years.

The level of reductions to the bottom line exceeded the net funding gap for the years 2018/19 and 2019/20 as there was a requirement in 2020/21 of £1,065k.

The available options were set out as being:

- 1 – To submit an efficiency plan (expected to be a summary of the MTFP providing detail behind the proposals above) to DCLG and fix the levels of grant for the next four years.
- 2 – To choose not to submit an efficiency plan and run the risk of the grant levels being changed by Government.
- 3 – To write expressing our commitment to delivering a balanced position over the four year period but not submitting an efficiency plan.

In making a decision on submitting a four year efficiency plan and agreeing the level of government funding set out in the settlement for 2016/17 the following matters should be taken into account:

Revenue Support Grant (RSG)

The RSG would no longer exist by 2019/20 and WLDC ceased to receive RSG within three years. By agreeing to a four year deal it is proposed that this arrangement would not change

Rural Service Delivery Grant (RSDG)

This grant was substantially increased in the revised settlement in February. WLDC's settlement provided the following levels of grant over the next four years:

2016/17 £ 471k, 2017/18 £381k, 2018/19 £293k, 2019/20 £381k.

The four year deal would secure this income stream for the four years.

WLDC Strategy

West Lindsey District Council was committed to being independent of RSG in the next four years.

The Government's commitment would provide some certainty over that period whilst provision was put in place to deliver that strategy.

A commitment to DCLG would require confidence in plans to secure a balanced budget over the medium term.

The new government had made no announcements regarding this proposition and it was therefore assumed it was still committed to the four year deal arrangements. However, it was known that the new Chancellor would deliver his first autumn statement on 23 November which would set the new government's financial strategy for the remainder of the current political term.

Councillor Bierley, as the Council's representative on the Rural Services Network questioned whether WLDC would be disadvantaged in the future if more Rural Services Grant became available. The Director of Resources indicated that whilst the report contained as much information as was available, those Councils that had signed up to the four year agreement could get preferential treatment. It was not known what would happen to those Councils who were unable to sign up to the agreement.

Although some Members did not feel that the proposals equated to a good deal, the recommendations in the report were moved and seconded, and on being voted upon it was:

RESOLVED that:

- a) the Council pursue a four Year Settlement and provide a supporting Efficiency Plan;
- b) the submission of the efficiency plan attached to the report, along with the MTFP agreed in March 2016, be recommended to Council; and
- c) the Chief Executive and Director of Resources, in consultation with the Leader, be delegated with any presentational changes deemed appropriate before submission.

51 LGA LOAN

The Director of Resources presented the report to Members informing that in June 2016 the Chief Executive had received an email from the Deputy Director of the Local Government Association (LGA), asking Local Authorities if they would be interested in lending to the LGA for the purposes of building refurbishment and at the same time supporting the Municipal Bonds Agency (MBA) in its first market bond in order to fund the loan.

During subsequent discussions a key question had been what an appropriate markup would be for the lending authorities. West Lindsey and Westminster had indicated early on a 1% markup would be sought against the rate obtained from the Public Works Loans Board or the market if supported by the MBA whilst the LGA were of the opinion .5% was more acceptable.

Following initial discussion the following proposal had been received from the LGA:

- a) Borrow between £5m and £10m (total to be borrowed from across LAs was

- £20m).
- b) At a rate equivalent to PWLB or better (if through the MBA) plus a margin.
 - c) The margin expected from the LGA was .5%
 - d) Security would be through a charge on Hayden House currently valued at £25.6m
 - e) The LGA was looking to make arrangements with three or four Authorities.
 - f) Appropriate set up fees should be charged. The bank comparator here was 1% arrangement fee and 1% commitment fee.

The Potential revenue return were set out in the report. In addition there would be the opportunity for a set-up fee depending on the amount loaned.

A further condition of the proposal was that the Authority loaning the money should commit to supporting the first Bond to be issued by the MBA as a way of supporting the MBA in taking its first Bond to market and establish the principle of Local Authorities collectively going to the market for borrowing.

In conclusion the proposal met with WLDC's commitment of being entrepreneurial and commercial although the proposal had not been through our financial modelling at this stage.

The two aspects of the risks involved were set out in the report. If there was support for the proposal then the figures would be run through the financial modelling applied to all projects and Member support sought at the next Commercial Members Steering Group and Corporate Policy and Resources Committee.

Members debated the report briefly, however felt that the return rate of .5% was too low.

It was moved and seconded that the request be refused, and on being voted upon it was:

RESOLVED that the loan request from the LGA be declined.

52 COMMITTEE WORK PLAN

It was questioned why there was a report on the LCTS scheduled for the December meeting, if funding was to cease, but verified that the support scheme would still be in existence.

RESOLVED that the Work Plan be noted.

53 EXCLUSION OF PUBLIC AND PRESS

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

54 SUN INN / MARKET STREET REGENERATION

The Strategic Lead for Economic Development and Neighbourhoods presented Members with a report containing proposals for the refurbishment of the Sun Inn and the regeneration of Market Street.

It was recognised that securing a hotel in Gainsborough should have a positive impact on the town in terms of its regeneration, improving market attractiveness, addressing a known demand for bed spaces and making an economic contribution in terms of new jobs and additional business rates. The Sun Inn had been vacant for over five years despite active marketing and a planning consent for a hotel. The building had been the subject of vandalism and the adjoining Chapel Alley was in a very poor state of repair. The building is located on the corner of Market and North Street and was considered a key gateway into the town centre. Upgrading Market Street would entice footfall from Marshall's Yard into the town centre. Market Street had a number of empty properties and dereliction adjoining the Sun Inn.

In progressing the Gainsborough Regeneration Delivery Plan (GRDP) and in discussions with Historic England to bid for a Townscape Heritage Initiative, officers had lobbied the owners of the Sun Inn to implement the hotel planning consent or refurbish the building. These discussions had resulted in the current proposals to assist in the delivery of the hotel with a ground floor restaurant and the wider regeneration of Market Street to accelerate the delivery of regeneration in the town centre.

The Council's commercial advisors had confirmed that the cost of developing the Sun Inn as a new hotel was higher than the end value, as such there was a viability gap. The Council had acknowledged the need to support commercial development in Gainsborough through the Gainsborough Growth Fund (a grant funding regime) and through the creation of enabling funds for the GRDP. An options appraisal to assess the best way of delivering a new hotel had been undertaken. The conclusion was, given the existing planning consent that the owner was best placed to deliver this project based on their existing land interests, their expertise and vested interest, and to safeguard the Council from development risk.

The options considered included:

- investing in a hotel in an alternative location (eg Old Guildhall site; Thorndyke Way).
- investing in the proposed community hotel.
- the Council acquiring the Sun Inn site and developing a hotel itself.
- the Council acquiring and developing the Sun Inn site with its development partner once they are procured.
- do nothing and leave hotel development in Gainsborough to the market.

In February 2016 both Prosperous Communities and Corporate Policy and Resources committee agreed to the creation of the Gainsborough Regeneration Delivery Plan (GRDP) and a funding strategy including an enabling fund regime to support and deliver regeneration projects. Relevant to the consideration of this report were the proposals around developing the town centre, recognition that commercial development in Gainsborough was not viable without public sector intervention and the establishment of "gap funding" principles.

In July 2016, a special Prosperous Communities and Corporate Policy and Resources committee agreed to seek to procure a Development Partner for WLDC to develop the Council owned sites in the town centre, possibly in addition to the Housing Zone and parts of the Commercial Land and Property Agenda. In recognition of the lack of viability of the town centre sites and Gainsborough, these committees agreed to £5 million of enabling funds to bridge the viability gaps in developing these projects and effectively nil land value.

These decisions acknowledged the need for the Council to work in partnership with the private sector and provide financial support to developers to achieve a minimum return on investment to secure commercial development in the town.

The report therefore contained proposals for how to progress with the development of this area of

Gainsborough.

Lengthy debate ensued with Members agreeing that regeneration of the derelict building was imperative for the regeneration of the surrounding area, however some felt that the financial proposals were not conducive to the Council's budget management. Assurance was given that without the proposed agreement it was unlikely that the work would be undertaken, and the site left to deteriorate further.

Some doubts were expressed about the Value for Money aspect, however the multiplier effect and subsequent increased confidence in the town, whilst difficult to quantify, were likely to be substantial.

Although the majority of Members were, in principle, in agreement with the proposals, reservations were voiced regarding the proposed design, as the hotel was not felt to be architecturally aesthetic or attractive. It was verified that there could be scope for negotiation on design.

Some Members felt that the financial arrangements could be made more favourable to WLDC, however the proposals were felt to be the best option available at the present time. The Heads of Terms contained an overage clause, and there would also be income received from Business Rates, further details of which would be contained in a subsequent report, along with additional Value for Money consideration.

The recommendations within the report were then moved and seconded, and on being voted upon it was:

RESOLVED that:

- a) the principle of a grant to the developer pursuant to a Grant Funding Agreement be approved, to deliver the redevelopment of the Sun Inn, which involves the creation of a new 54 bedroom hotel with an independent ground floor restaurant, subject to the approval of the policy principles by Prosperous Communities Committee;
- b) the principle of entering into a 50/50 joint venture company with the developer to facilitate the regeneration of Market Street (including the acquisition of vacant shop units, refurbishment of shop units and environmental improvements to the area) as part of the Gainsborough Regeneration Delivery Plan, be approved subject to the approval of the policy principles by Prosperous Communities Committee; and
- c) authority be delegated to the Chief Executive in consultation with the Chairmen of Corporate Policy and Resources and Prosperous Communities Committees to finalise both the requisite Grant Funding and Joint Venture Agreements (in accordance with the contents of the report and the legal and financial parameters), and to return to both Prosperous Communities and Corporate Policy and Resources Committees for approval prior to the execution of the Grant Funding Agreement and Joint Venture Agreement.

The meeting concluded at 8.23 pm.

Chairman