

**Guildhall Gainsborough
Lincolnshire DN21 2NA**

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AGENDA

This meeting will be recorded and the video archive published on our website

Corporate Policy and Resources Committee

Thursday, 11th January, 2018 at 6.30 pm

Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA

Members:

- Councillor Jeff Summers (Chairman)
- Councillor Owen Bierley (Vice-Chairman)
- Councillor Mrs Sheila Bibb
- Councillor Matthew Boles
- Councillor David Cotton
- Councillor Michael Devine
- Councillor Steve England
- Councillor Ian Fleetwood
- Councillor Stuart Kinch
- Councillor John McNeill
- Councillor Tom Regis
- Councillor Trevor Young

1. Apologies for Absence

2. Public Participation Period

Up to 15 minutes are allowed for public participation. Participants are restricted to 3 minutes each.

3. Minutes of Previous Meeting

To confirm as a correct record the Minutes of the previous meeting.

i) For Approval

Corporate Policy and Resources Committee meeting dated 14 December. (PAGES 3 - 10)

4. Declarations of Interest

Members may make declarations of Interest at this point or may make them at any point in the meeting.

Agendas, Reports and Minutes will be provided upon request in the following formats:

Large Clear Print: Braille: Audio: Native Language

5. **Matters Arising Schedule** (PAGES 11 - 12)
Setting out current position of previously agreed actions as at 3 January 2018.

6. **Public Reports for Approval:**

- i) Collection Fund – Council Tax Surplus & Council Tax Base 2018/19 (PAGES 13 - 20)

- ii) Leisure Contract Award (PAGES 21 - 28)

- iii) Change of meeting date - February

To propose a change to the date of the meeting in July 2018, from Thursday 8 February, to Tuesday 6th February.

7. **Committee Work Plan** (PAGES 29 - 30)

Mark Sturgess
Interim Head of Paid Services
The Guildhall
Gainsborough

Wednesday, 3 January 2018

Corporate Policy and Resources Committee- 14 December 2017
Subject to Call-in. Call-in will expire at 5pm on 3 January 2018

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Corporate Policy and Resources Committee held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 14 December 2017 commencing at 6.30 pm.

Present: Councillor Jeff Summers (Chairman)
Councillor Owen Bierley (Vice-Chairman)

Councillor Mrs Sheila Bibb
Councillor Matthew Boles
Councillor Michael Devine
Councillor Steve England
Councillor Ian Fleetwood
Councillor Giles McNeill
Councillor John McNeill
Councillor Mrs Lesley Rollings
Councillor Trevor Young

In Attendance:
Ian Knowles Director of Resources and S151 Officer
Alan Robinson Strategic Lead - Governance and People/Monitoring Officer
Michelle Howard Wellbeing and Health Manager
Alison McCulloch Revenues Manager
Ady Selby Strategic Manager Services
Jo Walker Growth & Regeneration Manager
Michael Marriot Interim Commercial Accounts
Shayleen Towns Senior Community Action Officer
James Welbourn Democratic and Civic Officer

Apologies: Councillor David Cotton
Councillor Tom Regis

Membership: Councillor Giles McNeill substituted for Councillor Tom Regis
Councillor Lesley Rollings substituted for Councillor David Cotton.

69 PUBLIC PARTICIPATION PERIOD

There was no public participation.

70 MINUTES OF PREVIOUS MEETING/S

71 FOR APPROVAL

The minutes of the meeting held on 9 November were agreed as a correct record.

72 FOR NOTING

The minutes of the Joint Staff Consultative Committee meeting held on 23 November were noted.

73 DECLARATIONS OF INTEREST

Councillor Ian Fleetwood declared an interest in item 75 for all Members as all Councillors use the garden waste service.

Councillor John McNeill declared a personal interest in item 83 as he had a close friend who operated a business out of the antiques centre at Hemswell Cliff.

74 MATTERS ARISING SCHEDULE

The Matters Arising schedule was noted.

75 ANNUAL SUBSCRIPTION FOR THE COLLECTION OF GARDEN WASTE

Members considered a report recommending the setting of a charge for the garden waste service from 1 April 2018.

The Strategic Manager for Services introduced the item, and highlighted the following points to Members:

- On 5 December 2017 Prosperous Communities Committee agreed to discontinue free kerbside collections of garden waste;
- Prosperous Communities recommended to Corporate Policy and Resources Committee that a charge of £35 for a fortnightly service between April and November be introduced;
- There would be £77,000 of ongoing new costs for this service including administration, in cab technology, postage and call centre resources. The total operational cost would be £676,000, and the cost in total would be £853,000;
- The service underperforming could lead to council tax payers picking up some of the cost. If it over performed, then the service would make a profit and this is not allowed by current legislation. The proposal was to have a service that covers its costs;
- No incentives or cost savings are being offered;
- £35 is the average price across Lincolnshire. £41 is the average charge nationally. Other authorities in Lincolnshire do run the service over more months of the year, but

West Lindsey was more rural;

- Following the consultation, over 40% of consultees decided they wanted the service to remain inclusively between April and November. This was the most popular response from the consultation.

RESOLVED that:

- (1) Members accept the recommendation from Prosperous Communities Committee on 5 December 2017, and approve that the annual subscription for receiving the Kerbside Chargeable Garden Waste Service be set at £35 per year;
- (2) Members agree that the charge should be reviewed in December 2018.

Note: Councillors Boles, Rollings and Young asked that their vote against the recommendations be recorded.

76 REVIEW OF THE DISCIPLINARY RULES

Members considered a report on a Disciplinary Rules document which supports the Discipline at Work Guidance document.

RESOLVED to adopt the Disciplinary Rules which were attached to the agenda pack.

Delegated authority be granted to the Director of Resources to make minor housekeeping amendments to the policy in future, in consultation with the chairman of the Corporate Policy & Resources Committee and Chairman of the Joint Staff Consultative Committee.

77 REVIEW OF THE RELOCATION ALLOWANCES POLICY

Members considered a report on the review of the Relocation Allowances Policy.

RESOLVED to approve the reviewed Relocation Allowances Policy and the policy is adopted for all employees of the council. Delegated authority be granted to the Director of Resources to make minor housekeeping amendments to the policy in future, in consultation with the chairman of the Corporate Policy & Resources Committee and the Chairman of the Joint Staff Consultative Committee.

78 COUNCIL TAX SUPPORT SCHEME

Members considered a report on the local Council tax support scheme for 2018/19.

The Revenues Team Manager outlined the following points:

- Universal credit claimants whilst in employment can have a number of adjustments to their claim every month. This results in a recalculation of the Council Tax reduction entitlement. This scheme makes it difficult for claimants to budget for Council Tax and makes it difficult for West Lindsey District Council (WLDC) to collect it. More responders to a consultation on this issues favoured fixing the assessment period to 4 months;
- A second amendment related to bereavement support paid to claimants who have suffered a loss. By disregarding this support WLDC were ensuring claimants were not disadvantaged by the additional financial support they were given.

RESOLVED to:

- (1) Note the contents of the report; and
- (2) Recommend to Full Council the adoption of Option 3 of the report for the Local Council Tax Support Scheme for West Lindsey District Council for 2018/19.

79 COMMITTEE WORK PLAN

The Democratic Services Officer informed Members that the only change to the published work plan was that the Gainsborough Green Corridor item scheduled for January 2018 will now be reported later in the year.

The Committee work plan was noted.

80 CHANGE OF MEETING DATE - JULY 2018

RESOLVED to change the date of the Corporate Policy and Resources Committee meeting from July 26 2018 to July 19 2018, at 6:30pm in the Council Chamber.

81 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 paragraphs 1,2 and 3 of Part 1 of Schedule 12A of the Act.

82 NATIONAL NON DOMESTIC RATES, COUNCIL TAX AND HOUSING BENEFIT OVER PAYMENTS WRITE OFFS

The Revenues Team Manager presented the report for Members' information and for approval to write off those debts listed in the appendices.

The Committee asked a number of questions around specific cases which were answered by the Revenues Team Manager.

RESOLVED to:

- (1) Agree to write off arrears of National Non Domestic rates to the value of £447,929.13;
- (2) Agree to write off arrears of Housing benefit Overpayments to the value of £4,446.92;
- (3) Agree to write off arrears of Council Tax to the value of £14,217.84.

83 HEMSWELL CLIFF STABILISATION AND NORMALISATION STRATEGY 2017 - ESTATE MANAGEMENT PROGRAMME

Members considered the 'Hemswell Cliff Stabilisation and Normalisation Strategy 2017 – Estate Management Programme' report.

RESOLVED to approve the recommendations as set out in the report.

Note: Councillor John McNeill declared a personal interest in the above item of business as he had a close friend who operated a business out of the antiques centre at Hemswell Cliff.

84 LINCOLNSHIRE WELLBEING SERVICE PROCUREMENT

Members considered a report on a commissioning exercise, which had been run by Lincolnshire County Council (LCC), for the provision of a countywide Wellbeing Service. The overall aim of the Service is to support vulnerable adults to maintain their independence and wellbeing, therefore preventing the escalation of need and reducing demand on Hospital and Adult Social Care.

The procurement exercise has now been completed by LCC, and a new contract will be in place from 1 April 2018. A number of District Councils had worked in partnership to bid to deliver the Service.

Led by East Lindsey District Council (ELDC), the District Partnership produced a number of written submissions and engaged in an extremely intensive competitive dialogue. The District Partnership was notified on Friday 8 December that they were the preferred bidder, subject to the 'standstill' period that ends on Monday 18 December.

A formal partnership agreement with ELDC, with a sub-contract in place would allow WLDC to deliver a specific strand of the Service. WLDC have engaged solicitors to ensure that any partnership agreement protects its interests as an authority.

Members congratulated the Wellbeing and Health Manager on this report, and also asked where the defaults on the contract lie. The Wellbeing and Health Manager responded that the overall contract responsibilities lie with ELDC as the lead bidder. In relation to specific performance indicators, ELDC would look to share risk with their partners. WLDC have a 12.4% share of the overall contract, and would look for a proportionate share of that overall risk. There would be a small surplus that would apply to the partnership, and this would be used first before any default payments.

The first 6 months of the Service would be used to benchmark performance.

RESOLVED that authority be delegated to the Director of Resources to enter into a partnership agreement with East Lindsey District Council to enable West Lindsey District Council to be sub-contracted as a delivery partner of the Wellbeing Service, ensuring due diligence and legal advice is in place. This is subject to the partnership bid being successful in the Lincolnshire County Council procurement process.

85 MANAGED WORKSPACE: REVISED PROPOSAL

Members considered a report containing a revised proposal for workspace provision at Saxilby, based on an alternative model of delivery and financial forecast.

Note: At this point in proceedings, Councillor Ian Fleetwood raised a potential interest as Chair of the Planning Committee. The Monitoring Officer outlined to members of the Planning Committee that were present that no decision made during this item would preclude Planning Members from taking part in any planning application, as long as this report was declared as an interest at the relevant Planning Committee.

The site is a prominent position visible from the A57, offered on a freehold, rather than a leasehold basis for 20 years. With it being freehold, it was likely that the asset would have a value beyond the 20 year period.

There was also a 6 month option on a new site beyond the railway line opposite the Saxilby Enterprise Park; this was an opportunity to test the market with a smaller scheme on a prominent site. If it were to prove successful, the Council could then trigger a second phase and acquire additional space on the Enterprise West Lindsey site.

The Enterprise Park was an allocated site within the Saxilby Neighbourhood Plan and was earmarked for employment growth.

RESOLVED that:

- (1) Members approve a capital budget and expenditure of £670k to be funded from the Investment for Growth Earmarked Reserve for the freehold purchase of 6,000 sq ft of workspace on the Riverside Enterprise Park, with a 6-month Option to purchase further workspace of circa 12,000sq ft on the Enterprise West Lindsey site on a freehold or leasehold basis. Lincolnshire Legal will advise on the mechanism and terms of this agreement;
- (2) Members agree to delegate the final signing of the legal agreement for this proposal to the Director of Resources in consultation with the Chairman of Corporate Policy and Resources Committee.

Note: Councillor Ian Fleetwood requested that his abstention from voting be recorded.

86 MSRL - SECURED BORROWING

Members considered a report on increasing the funding envelope for Market Street Renewals Limited (MSRL).

RESOLVED that:

- (1) Members agree to increase the funding envelope by £50k for Market Street Renewals Ltd.
- (2) Members agree Option B as detailed in section 1.5 of the report as the means of providing these additional funds;
- (3) Members approve a capital budget of £125k to be funded from borrowing.

The meeting concluded at 7.50 pm.

Chairman

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Corporate Policy & Resources Committee Matters Arising Schedule

Purpose:

To consider progress on the matters arising from previous Corporate Policy & Resources Committee meetings.

Recommendation: That members note progress on the matters arising and request corrective action if necessary.

Matters arising Schedule

Active/Closed	Active				
Meeting	Policy and Resources Committee				
Status	Title	Action Required	Comments	Due Date	Allocated To
Black					
	By election costs	Cllr G McNeill requested a breakdown of costs for by elections as there seemed to be a standard cost of £8000 from Elections.	The costs for Scotter, and the Sudbrooke by-election seem to be the same - could a breakdown be submitted to Cllr G McNeill?	14/12/17	Celia Chapman
Green					

	The Customer First Programme	Minute extract 04/04/17, following presentation on Quality Customer Service. "A report would then be submitted to each Committee with a Chief Executive report. A report on the new procedure would be submitted to the July Corporate Policy and Resources Committee, and a workshop would be organised with Parish Councils."	A brief and scope for this work will be considered by the Prosperous Communities Committee at their October meeting. Any financial implications emerging from that report will be brought through to Corporate Policy and Resources Committee for approval.	11/01/18	Mark Sturgess
Grand Total					



Committee: Corporate Policy and Resources

Date: 11 January 2018

Subject: Collection Fund – Council Tax Surplus & Council Tax Base 2018/19

Report by:	Director of Resources (S151)
Contact Officer:	Tracey Bircumshaw- Finance & Business Support Manager 01427 676560
Purpose / Summary:	<p>The report sets out the declaration of the estimated surplus on the Council's Collection Fund relating to Council Tax at the end of March 2018 and how it is shared amongst the constituent precepting bodies.</p> <p>It also sets out the Council tax base calculation for 2018/19. The tax base is a key component in calculating both the budget requirement and the council tax charge.</p>

RECOMMENDATION(S):

- 1) **To recommend to Council** that the estimated surplus of £105,010 be declared as accruing in the Council's Collection Fund at 31 March 2018 relating to an estimated Council Tax surplus.
- 2) **That the Council** uses its element of the Collection Fund surplus/deficit in calculating the level of Council Tax in 2018/19.
- 3) That the calculations of the Council's tax base for 2018/19 as set out in Appendix A **be recommended to Council**, and that in accordance with the Local Authorities' (Calculation of Council Tax Base) Regulations 1993 (as amended), the tax base for each part of the Authority's area shall be as set out in Appendix B.

IMPLICATIONS

Legal: It is a requirement under the Local Government Finance Act 1992 that the Council calculates the tax base for council tax purposes. This must be done before 15 January prior to the financial year to which the tax base relates. It is also a requirement that the resolution determining the calculation be notified to the County Council between 1 December 2017 and 31 January 2018.

It is a requirement under the Local Government Finance Act 1992 that any estimated surplus on the previous year's Collection Fund shall be shared amongst the major precepting bodies.

Financial : FIN/127/18

The estimated surplus in respect of the surplus in Council tax totals £650,180 to be shared as follows:-

Lincolnshire County Council £463,890

Lincolnshire Police Authority £ 81,280

West Lindsey District Council £ 105,010

West Lindsey District Council will include its surplus and deficit shares within its budget 2018/19 and take into account for Council Tax setting. The surplus share of £105,010 represents a decrease of £113,886 against the 2017/18 budgeted surplus of £218,896.

Staffing : None directly arising as a result of this report

Equality and Diversity including Human Rights: None directly arising as a result of this report.

Risk Assessment: The Council is bound by legislation undertake the necessary work to determine the Council Tax Base and to distribute the estimated surplus on the Collection Fund. Failure to do so would mean that the Council would be acting illegally and would be prone to appropriate sanctions.

Climate Related Risks and Opportunities: None arising as a result of this report.

Title and Location of any Background Papers used in the preparation of this report:

None.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

Collection Fund Surplus for 2018/19

1 Introduction

- 1.1 The Council is required to declare an estimate of the surplus or deficit that will occur on the Collection Fund at the end of each year. The Collection Fund records the amount of income collected from Council Tax, together with precept payments to principal authorities. These elements will generate a surplus or a deficit which should be taken into account when determining the Council Tax in the following year.
- 1.2 Any surplus or deficit generated through the Collection fund in relation to Council Tax is shared between the County Council, the Lincolnshire Police Authority and this Council in the same proportion as the amount of their precepts for 2017/18.
- 1.3 A surplus or deficit may occur in the Collection Fund if the Council tax base is larger or smaller than originally anticipated or collection rates are higher or lower than expected.

2 Estimated Council Tax Surplus for 2018/19

- 2.1 The amount calculated as available from the Collection Fund for distribution during 2018/19 has been calculated as £650,180
- 2.2 This amount will be shared amongst the precepting authorities as follows:

	£
Lincolnshire County Council	463,890
Lincolnshire Police Authority	81,280
West Lindsey District Council	105,010

	£650,180

- 2.3 This Council must take the £105,010 into account when it sets its element of the Council Tax for 2018/19.

3 The Council's Tax base for 2018/19

- 3.1 The tax base is an important factor in determining the level of Council Tax for the next year. It is expressed as the equivalent of the number of dwellings in Band D.
- 3.2 The calculation takes into account the following factors:-
 - 3.2.1 The number of chargeable dwellings in each valuation band in each Parish on 30 November 2017.
 - 3.2.2 The number of discounts available to single and other eligible persons and for vacant dwellings.

- 3.2.3 The number of premiums effective at the relevant date.
- 3.2.4 The number of valuation band reductions for dwellings adapted for the disabled.
- 3.2.5 The number of dwellings exempt from liability.
- 3.2.6 The total amount estimated to be applied for the Council Tax Support Scheme.
- 3.2.7 The estimated amount of Council Tax collection in the financial year.
- 3.2.8 The proportion which dwellings in each band bear to Band D, on a full year basis.
- 3.3 The Council Tax Support scheme was introduced in April 2013 enabling actual information to be used as a basis for the estimation in calculating the impact of the reductions on the tax base. These are detailed within Appendix A.
- 3.4 The number of chargeable dwellings in each valuation band has been taken from the valuation list supplied by the Valuation Office on 31 October 2017 and updated by the Council tax department on 30 November 2017. A summary of the calculation and adjustments taken into account is shown at Appendix A. The overall tax base for 2018/19 is estimated to be 29,224.12 (28,959.46 2017/18) (total of parishes below) Band D properties.
- 3.5 The number of properties exempt from Council Tax, including Ministry of Defence buildings, has been deducted from the initial tax base. Direct payments in lieu are received from the Ministry of Defence and these are included later in the tax base calculation.
- 3.6 A loss of collection from Council Tax equal to 98.3% has been taken into account, reflecting current levels of collection and assumed collection rates for the changes proposed.
- 3.7 The Council levies additional amounts for the precepts of Local Councils, and separate tax bases are required for those areas. These are shown at Appendix B.

Appendix A

COUNCIL TAX BASE

Band	Z	A	B	C	D	E	F	G	H	TOTAL
Number of dwellings	0.00	16,106.00	8,008.00	7,610.00	5,708.00	3,419.00	1,420.00	513.00	67.00	42,851.00
Exempt properties	0.00	(369.00)	(145.00)	(107.00)	(41.00)	(18.00)	(7.00)	(1.00)	(6.00)	(694.00)
No of Chargeable dwellings	0.00	15,737.00	7,863.00	7,503.00	5,667.00	3,401.00	1,413.00	512.00	61.00	42,157.00
Disablement relief	26.00	8.00	23.00	(22.00)	(1.00)	(15.00)	(10.00)	1.00	(10.00)	0.00
Adjusted Chargeable dwellings	26.00	15,745.00	7,886.00	7,481.00	5,666.00	3,386.00	1,403.00	513.00	51.00	42,157.00
Discounts on relevant day	(1.75)	(1,876.80)	(688.75)	(544.65)	(293.35)	(141.35)	(58.10)	(26.80)	(6.35)	(3,637.90)
Premiums	0.00	59.50	13.50	12.50	4.50	4.00	1.00	2.00	1.00	98.00
Total Discounts	(1.75)	(1,817.30)	(675.25)	(532.15)	(288.85)	(137.35)	(57.10)	(24.80)	(5.35)	(3,539.90)
Adjusted Total Dwellings	24.25	13,927.70	7,210.75	6,948.85	5,377.15	3,248.65	1,345.90	488.20	45.65	38,617.10
Reduction in tax base due to CTS	6.69	3,846.22	691.17	369.56	132.22	61.06	14.08	4.51	0.00	5,125.51
Equivalent after reduction due to CTS	17.56	10,081.48	6,519.58	6,579.29	5,244.93	3,187.59	1,331.82	483.69	45.65	33,491.59
Ratio to band D	5/9	6/9	7/9	8/9	9/9	11/9	13/9	15/9	18/9	
	5.00	6.00	7.00	8.00	9.00	11.00	13.00	15.00	18.00	
Total No of Band D equivalents	9.77	6,71.34	5,070.77	5,848.27	5,244.93	3,896.07	1,923.75	806.18	91.30	29,612.38
Band D contributions in lieu (MOD)	0	41	35.03	30.68	5	0	1.44	0	2	115.15
	9.77	6,762.34	5,105.80	5,878.95	5,249.93	3,896.07	1,925.19	806.18	93.30	29,727.53
Adjusted for Collection rate 98.3%**	9.60	6,648.08	5,019.60	5,779.53	5,160.76	3,829.84	1,892.49	792.47	91.75	29,224.12

* The total number of Band D equivalents has been calculated at a parish level.

** Total No Band D Equivalent x Collection Rate + Band D contributions in Lieu.

Parish Tax Base

Parish	2018/19 Tax Base
Aisthorpe	38.44
Bardney - Apley - Stainfield	682.93
Bigby	152.69
Bishop Norton	128.23
Blyborough	32.74
Blyton	369.30
Brampton	30.51
Brattleby	51.60
Broadholme	38.83
Brocklesby	35.45
Brookenby	155.88
Broxholme	31.12
Bullington	11.58
Burton	413.42
Buslingthorpe	20.83
Cabourne	26.44
Caenby	26.90
Caistor	912.74
Cammeringham	48.67
Cherry Willingham	1,326.02
Claxby	69.59
Corringham	165.64
Dunholme	687.25
East Ferry	39.38
East Stockwith	67.57
Faldingworth	178.35
Fenton	135.64
Fillingham	83.60
Fiskerton	365.43
Friesthorpe	10.82
Fulnetby	4.81
Gainsborough	4,488.26
Glentham	163.76
Glentworth	110.38
Golto	25.00
Grange de Lings	10.43
Grasby	185.66
Grayingham	58.54
Great Limber	79.36
Greetwell	295.85
Hackthorn - Cold Hanworth	82.11
Hardwick	15.66
Harpwell	23.35
Heapham	40.25
Hemswell	114.36

Parish	2018/19 Tax Base
Hemswell Cliff	160.54
Holton Beckering	42.47
Holton le Moor	61.89
Ingham	312.98
Keelby	679.39
Kettlethorpe	163.09
Kexby	117.96
Kirmond le Mire	13.26
Knaith	118.64
Langworth - Barlings - Newball	208.94
Laughton	151.50
Lea	375.55
Legsby	80.13
Linwood	39.38
Lissington	50.66
Market Rasen	1,217.51
Marton - Gate Burton	242.82
Middle Rasen	700.66
Morton	429.20
Nettleham	1,373.08
Nettleton	229.66
Newton-On-Trent	135.61
Normanby-By-Spital	138.23
Normanby le Wold	18.56
North Carlton	77.78
North Kelsey	337.91
North Willingham	48.48
Northorpe	47.82
Osgodby	203.11
Owersby	88.66
Owmy-By-Spital	106.24
Pilham	27.46
Rand	18.43
Reepham	337.12
Riby	43.89
Riseholme	110.73
Rothwell	65.69
Saxby	16.58
Saxilby - Ingleby	1,340.81
Scampton	349.67
Scothern	330.48
Scotter	1,148.28
Scotton	211.76
Searby cum Owmy	77.12
Sixhills	14.67

Parish	2018/19 Tax Base
Snarford	17.34
Snelland	32.27
Snitterby	91.69
Somerby	25.53
South Carlton	37.20
South Kelsey	206.58
Spridlington	84.30
Springthorpe	57.12
Stainton le Vale	35.15
Stow	117.92
Sturton-By-Stow	492.01
Sudbrooke	695.23
Swallow	93.84
Swinhope	48.24
Tealby	260.09
Thonock	8.76
Thoresway	36.53
Thorganby	11.49
Thorpe le Fallows	6.11
Toft Newton	126.65
Torksey	279.35
Upton	159.50
Waddingham	202.88
Walesby	106.07
Walkerith	26.50
Welton	1,416.47
West Firsby	11.30
West Rasen	33.44
Wickenby	80.98
Wildsworth	27.39
Willingham	191.10
Willoughton	105.32
Total	29,224.12



**Corporate Policy &
Resources Committee**

Date 11th January 2018

Subject: Leisure Contract Award

Report by:

Director of Resources

Contact Officer:

Karen Whitfield
Communities & Commercial Programme
Manager
01427 675140
Karen.whitfield@west-lindsey.gov.uk

Purpose / Summary:

To update Members on the successful conclusion of the leisure procurement project and to seek authority to award the contract.

RECOMMENDATION:

a) Members agree to appoint Sports and Leisure Management (SLM) Ltd. as the Council's preferred partner and award them a 15 year contract to include the provision of a District wide sports outreach service: the contract is to commence on the 1st June 2018.

IMPLICATIONS

Legal: Legal Services Lincolnshire have compiled the contract documentation which has been made available to all contractors through the procurement process. They will be fully involved in formalising the contract once it is awarded.

Financial : FIN/122/18/TJB

The current cost of the Leisure Management Contract is £268,700 per annum. This contract is due to end in May 2018 and therefore a procurement exercise has been undertaken to secure a Leisure Management provision for the next 15 years which will include a full repairs and maintenance element and a management fee which has at least a £0 contribution from West Lindsey District Council (WLDC) and return at least a £1.5m+4% over the term.

Within the Capital Programme there is a budget of £7.8m, funded from borrowing, for improved Leisure Provision.

With significant investment requirements at Gainsborough Leisure Centre £1.4m will be expended based on the proposals within the SLM bid.

In addition £6.3m will be allocated to deliver the provision of a dry leisure facility in the Market Rasen area.

The successful bid includes the provision of management and maintenance of both leisure facilities in addition to an outreach service. It achieves not only a return on our £1.4m investment + 4% but in addition a contribution to the Council of an average management fee of £136k p.a.

This equates to a £2.47m revenue benefit over the 15 year life of the contract and this is after deducting the costs of borrowing for the £7.8m capital investment, the details of which are;

Saving on current management fee	£3.986m
New Management Fee Income	£4.218m
Other budget net Savings	£0.324m
Less	
<u>Cost of Borrowing</u>	<u>£6.051m</u>
Net Revenue Benefit	£2.477m

Other budget net savings include saving on property maintenance, which is now embedded in the contract and the additional cost of grounds maintenance at Market Rasen.

The average net contribution per annum is therefore £0.165m

The annual budgetary impact of the contract will be built into the Medium Term Financial Plan.

The costs of the consultancy support for this procurement exercise has been £45k against a budget of £50k, this was funded from the Invest to Save Earmarked Reserve. This has been an innovative approach to procurement and the Consultants advice, experience and understanding of the market has been invaluable in achieving this outcome.

Staffing : No impact on staffing arrangements. Leisure centre staff are employed by our leisure contractor and the incumbent contractor has been successful in retaining the contract.

Equality and Diversity including Human Rights :

Leisure facilities and activities will be accessible and available for all service users and will be promoted as such. SLM Ltd. have their own Equality and Diversity policy which will sit alongside the Council's own policy.

Risk Assessment :

The financial submission received includes the dry leisure facility in Market Rasen. Failure to secure either land or planning permission will have an adverse effect on the payment to the Council over the lifetime of the contract. Currently the Council are assessing four sites as to their suitability and hope to secure one of these early in the New Year.

Net benefit projections have been calculated on current interest rates which are low. Any raise in interest rates will affect the net income projections.

Climate Related Risks and Opportunities :

Both the refurbishment of West Lindsey Leisure Centre and the new build in Market Rasen will include energy efficient and saving technologies.

Title and Location of any Background Papers used in the preparation of this report:

None.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

1 Introduction

- 1.1 The Council's current leisure contract with Everyone Active (previously SLM Ltd) is due to expire on the 31st May 2018. The current contract arrangements cost the Council circa £300,000 per year, comprising of a management fee and some elements of maintenance that the Council are still responsible for.
- 1.2 At the start of the procurement exercise the ambition was set that any new arrangement would be cost neutral as a minimum but ideally would generate an income for the Council. There was a recognition that the Council would need to allow a contractor flexibility in order to generate sufficient income.
- 1.3 In addition to this financial ambition a key principle of any new contract arrangement was to provide more opportunities to get more people active and to drive health benefits across the District.

2 Background

- 2.1 Prosperous Communities Committee have previously considered reports to agree the key principles of both the leisure contract procurement process and future contract on the 8th December 2015, 19th July 2016 and 2nd May 2017. In addition progress has been monitored throughout by the Leisure, Culture, Events and Tourism Member Working Party, which reports to Prosperous Communities, to ensure the key principles agreed have been incorporated within the tender opportunity.
- 2.2 In July 2016 Corporate Policy and Resources committee considered the impact of the leisure procurement on Council assets and resources and approved the procurement timeline and project plan. £7.8million of capital was set to support the leisure procurement, up to £1.5million of this was to be used to upgrade the current facility in Gainsborough with the remaining amount to be used to purchase land and develop a dry leisure facility in Market Rasen.
- 2.3 The Council engaged Sports and Leisure Consultancy (SLC), dedicated leisure procurement specialists, to support them with the leisure procurement.
- 2.4 Procurement Lincolnshire have been involved throughout the procurement process and have provided assurance with regard to procurement procedures and regulations.

3. Leisure Procurement

- 3.1 The leisure contract procurement has followed a full Official Journal of the European Union (OJEU) competitive procedure with negotiation route, the leisure services specification containing the key principles agreed by Prosperous Communities Committee.

- 3.2 The invite to tender contained a range of method statements which tested contractors ability with regard to health and safety and facility operation together with a financial submission. Tenders were assessed on a 40% finance and 60% quality basis. Due to the amount of potential capital investment key method statements were included which concentrated on both how this would be utilised to generate additional income and what experience contractors had with regard to refurbishment of facilities and new builds.
- 3.3 Contractors were also asked to complete a method statement on the proposed dry leisure facility in Market Rasen looking at the facility mix and likely cost of construction. They were also asked to include income projections and how this would increase the resulting income to be received by the Council. Whilst a site has not yet been secured, this has allowed the Council to bring the Market Rasen opportunity into a competitive procurement situation. In terms of site selection the Council are currently assessing four sites in terms of both the cost involved and ease of development.
- 3.4 As the financial outcome was paramount, the Council worked with our leisure advisers to compile a shadow bid which forecasted the level of income a new contract should provide. The results of this formed an affordability target which was added to the invite to tender as a minimum expectation. Contractors were therefore asked to submit financial solutions which generated the Council in addition of £1.5 million over the lifetime of the contract. This formed the base bid within tender submissions and includes management of West Lindsey Leisure Centre together with the new centre in Market Rasen.
- 3.5 In addition to the base bid the Council requested contractors to submit a variant bid to provide a district wide Sports Outreach service which would take activities out into local communities and service the 80% of residents that either did not have access to leisure facilities or did not wish to use them. As a variant bid this could then be assessed against the base bid to evaluate whether the Council could afford this service and whether it represented value for money.
- 3.6 The competitive procedure with negotiation process adopted by the Council provided the opportunity for contractors to submit initial solutions and then, following evaluation of these, gave the Council the opportunity to meet with contractors to discuss aspects of their bid and, following this, provide them with an opportunity to submit a revised solution.
- 3.7 An evaluation team was formed comprising support from Health and Safety, HR, Finance, Business Improvement and SLC. Final solutions were received in November and evaluated in early December allowing the Council to nominate a preferred contractor.

4. Result of Contract Procurement

- 4.1 After full evaluation the preferred contractor is Sport and Leisure Management (SLM) who are our incumbent contractor. The Council have had a contractual relationship with SLM since the commencement of the current contract which commenced on 1st June 2009. This relationship has been very positive and the leisure facilities have developed and prospered under their management. SLM also have extensive experience of managing both refurbishments of leisure facilities and new build facilities.
- 4.2 Their bid provides the following:
- a) 15 year contract with full transfer of risk to the contractor in terms of repairs and maintenance, thus giving the Council a known financial position over the lifetime of the contract.
 - b) £2.0 million positive income over the lifetime of the contract including a District wide sports outreach service.
 - c) £1.4 million of the agreed capital budget of £7.8 million will be used to transform West Lindsey Leisure Centre to a health and wellbeing centre, upgrading the outside of the building, investing in new equipment (including specialised equipment for rehabilitation and the older population) and plant equipment. In addition to the positive income this £1.4 million will be paid back to the Council over the lifetime of the contract plus 4% interest. The remaining capital will be used to purchase land and develop the dry facility in Market Rasen.
 - d) Full project development support in designing and constructing the new facility at Market Rasen and management of this once complete. This facility will include:
 - 4 court sports hall
 - Changing facilities
 - Fitness suite comprising state of the art gym equipment
 - Multi purpose room for exercise classes
 - Outdoor 3G pitch
- 4.3 The preferred contractor's bid includes a range of improvements at West Lindsey Leisure Centre which will see redundant areas, or areas of low use, reconfigured in order to accommodate additional users.
- 4.4 After the cost of borrowing the net benefit to the Council over the lifetime of the new contract will be £2.477 million.
- 4.5 Following appointment Officers will be in a position to firm up contract arrangements and will be in a position to start to plan the scheme of

refurbishment and the new build ahead of the new contract commencement.

- 4.6 In terms of timelines it is proposed that the scheme of refurbishment begins at West Lindsey Leisure Centre from the start of the new contract in June next year. The first year of the new contract will be used to finalise plans for the Market Rasen facility, including submission of planning application, and it is proposed that construction commences in Summer 2019 with the facility being operational from June 2020.

5 Recommendation

- 5.1 It is hereby **RECOMMENDED** that

a) Members agree to appoint Sports and Leisure Management Ltd as the Council's preferred partner and award them a 15 year contract to include the provision of a District wide sports outreach service, such contract to commence on the 1st June 2018.

Corporate Policy & Resources Committee Work Plan

Purpose:

This report provides a summary of reports that are due on the Forward Plan over the next 12 months for the Corporate Policy & Resources Committee.

Recommendation:

1. That members note the schedule of reports.

Active/Closed	Active		
Date	Title	Lead Officer	Purpose of the report
Being scoped	Community Funding Programme 2018-2021	Grant White	To update on the Council's Community Funding Programme 2015-2018 and recommend options on how the programme can continue.
08/02/2018	p and d period 3	Mark Sturgess	to present p and d position as at end of q3
	Period 3 Budget and Treasury Monitoring	Tracey Bircumshaw	To update members on forecast out-turn position and request approval for new budgets or approval to spend capital
	Medium Term Financial Strategy 2018/19 to 2022/23	Tracey Bircumshaw	To approve the Medium Term Financial Strategy and the 2018/19 Revenue and Capital Budget and Treasury Management Strategy
	The Customer First Programme	Mark Sturgess	To set out the new procedures

	Gainsborough Green Corridor	Elaine Poon	After the unsuccessful bid to ERDF for the Gainsborough Blue Green Corridor (including the marina) as DCLG is not supportive of a commercial marina, officers have packaged up the green elements of the bid and resubmitted it for the same funding. The outline application was submitted on 31/10/17 and officers now await decision on whether the project should progress as a full application.
	Review of Corporate Plan 2016-2020	James O'Shaughnessy	To present an update on progress against corporate priorities and work to be completed in the remainder of the Plan's lifetime.
10/05/2018	p and d - period 4	Mark Sturgess	to present the year end position for p and d
	Review of Discipline at Work Procedure	Emma Redwood	To review and update the discipline at work procedure
	Review of Career Break Scheme	Emma Redwood	To review the Career Break Scheme
14/06/2018	Period 4 Budget and Treasury Monitoring	Tracey Bircumshaw	To update members on forecast out-turn and to gain approval of new budgets and capital expenditure
	Review of Equality Policy	Emma Redwood	To review the Equality Policy
Grand Total			