

Minutes

Meeting name	Cabinet
Date	Wednesday, 17 March 2021
Start time	4.00 pm
Venue	By remote video conference

Present:

Chair Councillor J. Orson (Chair)

Councillors L. Higgins (Vice-Chair) R. de Burle
A. Freer-Jones A. Pearson

Observers Councillor R. Bindloss
Councillor P. Cumbers
Councillor J. Douglas
Councillor C. Evans

Officers Chief Executive
Director for Housing and Communities
Director for Corporate Services
Democratic Services Manager
Democratic Services Officer (SE)

Minute No.	Minute
159	<p>APOLOGIES FOR ABSENCE</p> <p>There were no apologies for absence.</p>
160	<p>MINUTES</p> <p>The minutes of the meeting held on 24 February 2021 were confirmed and authorised to be signed by the Chair.</p>
161	<p>DECLARATIONS OF INTEREST</p> <p>Councillors Orson and Pearson each declared an interest in any items relating to Leicestershire County Council, due to their roles as a County Councillors.</p>
162	<p>MATTERS REFERRED FROM SCRUTINY COMMITTEE IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES</p> <p>No items had been referred from the Scrutiny Committee in accordance with the Scrutiny Procedure Rules.</p>
163	<p>STRATEGIC RISK REGISTER - 6 MONTH REVIEW</p> <p>Dawn Garton, Director for Corporate Services introduced the report, the purpose of which was to carry out the 6 monthly review of the Council's strategic risks. She explained that the Audit and Standards Committee monitored this work and had signed off the annual report. The risk register was appended to the report. She added that the register was managed by project teams and lead officers and key changes were reported regularly to the Senior Leadership Team.</p> <p>The Leader moved the recommendation and said that this was an important report and set out how the Council had to take ownership of risk management and mitigate the risks. He paid tribute to the Audit and Standards Committee and their involvement in overseeing this work. He referred to the Council's highest risk which was failure to ensure financial security and in the present circumstances through the pandemic and now the recovery, the Council had to be prudent in managing its business continuity and consider spending cuts to balance its budget. He added that the vibrancy of the town centre and supporting businesses both in the town and rural areas was essential for the future prosperity of the Borough. He mentioned the work on the Housing Revenue Account (HRA) and the signs of success coming to fruition due to Councillor Pearson's commitment supported by the Director and Chief Executive. He felt that the progress of the Council was beyond the green shoots stage.</p> <p>Councillor de Burle seconded the motion and supported the Leader's comments. He felt that due to the government's direction on climate change this should be at a higher level as there was so much work to do. Mrs Garton advised that all risks were regularly reviewed at service and management levels and there was a detailed action plan. It was noted that an Information Champion was a designated service lead who had a higher level of knowledge and skill in their area of expertise</p>

and promoted best practice as well as provided liaison between the service area and management.

The Chief Executive offered reassurance that the Council was reviewing baseline activities to then assess what was required for the future to inform a long-term plan to 2030. A climate change strategy was underway and would be available by the end of the year and the risk would be reassessed at that time.

Councillor Pearson paid tribute to Andrew Cotton, the Housing and Communities Director, for his contribution to improving the HRA position which he had inherited on his arrival 12 months ago. He also thanked Councillors and Officers for their support and said it had been a good team effort to reach the current position.

DECISIONS (NON-KEY)

Cabinet unanimously

NOTED the content of the report and the updated Strategic Risk Register and associated risk management action plan, as attached at Appendix A.

Reason for the decision

One of the key areas for Cabinet, as part of its terms of reference, is to have awareness of the strategic risks that could impact on the Council and to review the risk management arrangements in place and the activities that are being undertaken to mitigate those risks.

164

ECONOMIC RECOVERY SUPPORT PROGRAMME

This item was deferred until the Cabinet meeting to be held on 21 April 2021 due to changes in government guidance.

Councillor Higgins, the Portfolio Holder for Growth and Prosperity (and Deputy Leader) commented that

- The expected timescales of the Additional Restrictions Grant (ARG) were being brought forward by a whole year to end of March this year and the impact of this needed to be profiled and assessed as to how this compared with what was originally planned
- Officers were monitoring this position and information would be provided as soon as this was able to be assessed as to what the package entailed
- Therefore the report was delayed until the April meeting of Cabinet
- In the meantime, information was available for businesses on the website
- Over 200 of the Borough's businesses that employ 15 people or more would receive grants over the next week, totalling £250k
- The Council had listened to businesses from March last year and learnt with them how to provide support which was not always about money. He paid tribute to the Bid which had supported independent businesses and added that there had also been thought as to supporting other types of business such as taxi drivers

	<ul style="list-style-type: none"> • Thanked Lee Byrne and the team and said that the officers' support to businesses had been outstanding and they had made themselves fully available including weekends to help business owners receive funding.
165	<p>UPDATE ON WORK TO SUPPORT LEICESTERSHIRE COUNTY COUNCIL SECURE THE HOUSING INFRASTRUCTURE FUND</p> <p>This item was deferred until the Cabinet meeting to be held on 21 April 2021.</p>
166	<p>DEVELOPER CONTRIBUTIONS SUPPLEMENTARY PLANNING DOCUMENT</p> <p>This item was deferred until the Cabinet meeting to be held on 21 April 2021.</p>
167	<p>AWARD OF LEISURE CONTRACT EXTENSION</p> <p>Andrew Cotton, Director for Housing and Communities, introduced the report, the purpose of which was to update Members on the Council's leisure contract and consider continued support to the leisure service in light of the pandemic and seek approval for a Deed of Variation.</p> <p>Councillor Pearson, Portfolio Holder for Housing and Communities, moved the recommendations and explained that the Council was committed to providing good quality leisure and had a statutory responsibility to support the leisure provider and had taken a pragmatic and considered approach to reach the recommendations in this report. The Leader seconded the motion.</p> <p>There was a query relating to the number of years of the contract and aligning this with previous arrangements. It was noted these would be aligned to end at the same time.</p> <p>Councillor Higgins lost visual connection during this item however he was able to contribute to the debate and vote by phone.</p> <p>DECISIONS (KEY)</p> <p>Cabinet unanimously</p> <ol style="list-style-type: none"> 1) NOTED the decisions taken to date in respect of the interim support provided to the Leisure Operator, Sports Leisure Management (SLM) during closure & remobilisation periods, and the Deed of Variation agreed for the period September 2020 to March 2021; 2) APPROVED the extension of the contracts for Waterfield Leisure Centre (WLC) and Melton Sports Village (MSV) for a period of 2 years, on the basis of the contract terms detailed in the report and the financial information in Appendix A; 3) DELEGATED authority to the Chief Executive, in consultation with the Leader of the Council, to finalise and enter into any contract / property documentation necessary to affect the extension within the parameters set out in this report;

- 4) **APPROVED** further work to be undertaken on:
- (a) the options around the Council's offer to residents in respect of leisure services from April 2024;
 - (b) an options appraisal of Council-owned leisure sites in the context of the Council's Corporate Asset Management Strategy;
 - (c) the recommendations from 2.4.a and 2.4.b to be submitted for Cabinet's consideration in February 2022.

Reasons for the decision

- 1.1.a *The government enforced closure of leisure centres affected the viability of SLM to generate any revenue to cover the costs of the period of closure.*
- 1.1.b *The government's guidance was that local authorities should act to ensure leisure operators at risk are in a position to resume normal contract delivery once the outbreak is over and, by implication, seek ways of providing support. Public sector outsourcing contracts such as the two leisure services contracts typically include a provision to apportion the cost risk of specific ("qualifying") changes in the country's laws. This means that contractors do not have to include a risk premium for these changes in their pricing which the public sector would pay even if that risk does not materialise. On balance these clauses result in better value for money for the public sector, however if the risk does materialise – as has been the case with the various Coronavirus Regulations in force since March 2020 – then the public sector bears the cost. These clauses provide that SLM should be put in a "no better and no worse" position that it would have been in (looking at each contract's financial model) had the Qualifying Change in Law not taken place.*
- 1.1.c *Both of the Council's contracts with SLM entitled SLM to claim (where a "Qualifying Change in Law" event has taken place):*
- a) *relief from obligations under the contracts; and*
 - b) *adjustments to the Management Fee.*
- 1.1.d *Varying the agreements avoided the risk of costly litigation should the Leisure provider sought to pursue a breach of contract claim against the Council if support had not been provided.*
- Contract Extensions**
- 1.1.e *The extension of the contracts provides some certainty for leisure provision in the Borough and the financial position up until March 2024. The Council has negotiated provision to enable it to recoup the support it has provided to SLM during the Coronavirus pandemic by way of a profit share agreement. Recovery of such support relies on profits being generated by SLM.*
- 1.1.f *The Council is acting in line with guidance and procurement regulations – see below at 5.1.e et seq.*

1.1.g *If the Contracts are not extended, there is a risk that any procurement exercise undertaken during the current pandemic will be fettered by the uncertainty in the leisure industry. Leisure providers are not in a position to bid for new contracts or provide competitive financial proposals due to the uncertainty of footfall and other business pressures resulting from Covid 19.*

Further work on options around leisure delivery and best use of Council assets

1.1.h *The extension allows the Council to consider the future leisure offer to residents of the Borough within the context of a changed environment for the industry in the post-Covid era.*

1.1.i *An options appraisal will demonstrate a Best Value approach to the best use of Council-owned assets in the context of the future leisure offer.*

The Leader thanked Andrew Cotton for his work at the Council and wished him well in his future career.

The meeting closed at: 4.40 pm

Chair