

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CABINET

Monday 31st July 2017

Present: Councillor David Sheard (Chair)
Councillor Shabir Pandor
Councillor Peter McBride
Councillor Naheed Mather
Councillor Musarrat Khan
Councillor Viv Kendrick
Councillor Masood Ahmed
Councillor Graham Turner

Apologies: Councillor Erin Hill

Observers: Councillor Martyn Bolt

285 Membership of the Committee

Apologies for absence were received on behalf of Councillor Hill.

286 Minutes of previous meeting

Approved as a correct record.

287 Interests

Councillor McBride declared an 'other' interest in Agenda Item 14 and left the meeting during the consideration of that item.

288 Admission of the Public

It was noted that all Agenda Items 16, 17 and 18 would be considered in private session.

289 Deputations/Petitions

No deputations or petitions were received.

290 Public Question Time

Cabinet received a question from Derek Hardcastle regarding the progress of the asset transfer of Kirkburton Library to Kirkburton Parish Council.

A response was provided by Councillor G Turner.

291 Member Question Time

Cabinet received a question from Councillor Bolt regarding the progress of the asset transfer of Mirfield Library.

A response was provided by Councillor G Turner.

292 Property Investment Fund

(Under the provision of Council Procedure Rule 36 (1) Cabinet received a representation from Councillor Bolt).

Cabinet received a report which set out details of a proposal to create a property Investment Fund (PIF) which would allow the Council to support major development projects which produce wider economic benefits to the Council and the wider Kirklees economy. The report explained that the proposal, which would initially allocate £25m from the Capital Plan, would enable the Council to offer loans to development projects which offered significant economic benefits to the Council, and the wider Kirklees area. Cabinet were advised that any funding offers would be made on the basis that the loan repayments made by the recipient would cover the Council's financing costs and allow for an appropriate margin on cost of funds reflecting the level of risk involved and consistent with state aid principles. The report advised that all funding offers made would be subject to appropriate due diligence and security arrangements, and that each individual loan would be subject to a further submission to Cabinet. Cabinet noted that the £25m budget would be phased as; £5m in 2017/18, £15m in 2018/19 and £5m in 2019/20.

The report indicated that a significant number of local authorities' had created similar arrangements to enable returnable investments to be made in development projects, and that the key areas of focus had mainly been; stimulating the economic strategy, promoting development to sustain and develop a robust local economy, growth in the business rate base, and allowing land and property owned by the authority to be transferred to a different ownership model to reduce revenue budget exposure. It was noted that, within Kirklees, there were a number of potential schemes which would meet the broad objectives of a PIF and would allow the Council to intervene to stimulate the local economy and increase revenue flows or reduce liabilities.

RESOLVED -

That approval be given to the establishment of a Property Investment Fund (PIF) with £25m of provision being made in the Capital Plan, phased as detailed in paragraph 3.5 of the considered report.

293 Options for the future of Council operated older person Residential Care Facilities

(Under the provision of Council Procedure Rule 36 (1) Cabinet received a representation from Councillor Bolt).

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Cabinet gave consideration to a report which set out options on the future of (i) dementia care residential facilities at Castle Grange, Newsome and Claremont House, Heckmondwike and (ii) intermediate care residential facilities at Ings Grove House, Mirfield and Moorlands Grange, Netherton, all of which were constructed in 2006 and are currently operated by the Council.

The report explained that, due to a reduction in the overall Council budget, it would be necessary to review how the Council delivers and pays for residential care, both immediate and long term residential. The report outlined the work that date been undertaken to date to examine potential alternative delivery models, including a consultation exercise with residents and their families. The report sought approval for authority to be delegated to officers to make the final decision as to the disposal of the care homes, in accordance with the preferred to option for each, ie, for Ings Grove House and Moorlands Grange (Intermediate Homes) to be transferred to a single provider, and for Claremont House and Castle Grange (Residential Homes) to be transferred to one or more private or third sector providers following a competitive procurement process.

A copy of the consultation questionnaire was attached at Appendix A of the report. Appendix B, which was considered in private prior to the determination of this item, set out more specific detail on the transfer of ownership of the homes to another body through a long lease arrangement.

(Cabinet gave consideration to exempt information at Agenda Item 16 (Minute No. 300 refers) prior to the determination of this item).

RESOLVED -

- 1) That, in relation to Immediate Homes, (i) approval be given to the alternative provision as set out in Appendix B of the considered report (ii) the terms and timing of any further consultation be delegated to the Chief Executive (or their nominee) in consultation with Cabinet Portfolio Holders for Corporate/ Adults and Public Health (iii) upon receipt and evaluation of the terms of the proposals as set out in Appendix B, powers to agree the preferred options be delegated to the Chief Executive (or their nominee) in consultation with Cabinet Portfolio Holders for Corporate /Adults and Public Health to inform a final decision (iv) following such a decision by the Chief Executive (or their nominee) authority be delegated to the Service Director (Legal, Governance and Commissioning), to enter into and execute any agreements or instruments relating to the transfer of a business and/or disposal of assets.
- 2) That, in relation to Residential Homes, (i) approval be given to market the residential homes for business transfer and delegate the terms and timing of any further consultation to the Strategic Director (Adults and Health) in consultation with Cabinet Portfolio Holders for Corporate/ Adults and Public Health (ii) upon receipt and evaluation of the terms of the sale of business proposals, authority be delegated to the Strategic Director (Adults and Health) in consultation with Cabinet Portfolio Holders for Corporate/ Adults and Public Health, to agree the preferred options (iii) following such a decision by the Strategic Director (Adults and Health) authority be delegated to the Service Director (Legal, Governance and Monitoring) to enter into and

execute any agreements or instruments relating to the transfer of a business and/or disposal of assets.

294 Freehold Asset Transfer of Birstall Community Centre and Library, Market Street, Birstall, WF17 9EN

Cabinet received a report which set out a proposal to transfer the land and buildings which currently make up Birstall Community Centre and Library to Birstall Community Holdings Ltd (BCH) (or Charitable Incorporated Organisation) on a freehold transfer. Paragraph 2 of the considered report set out the background to the transfer which included detail relating to the submission of the business case, and proposals for the lease back of part of the asset to enable the Council to continue to provide a library service from the building. The report advised that the building was in an acceptable state of repair, though a condition survey had identified required works totalling £48,835, and that the running costs for 2016/17 had been £33,029, hence making the transfer revenue saving. It also advised that BCH had requested 15% of the average of the previous two years running costs, in line with the 2017 Community Asset Transfer Policy, which would result in a one-off revenue implication of £5,003.

RESOLVED -

- 1) That authorisation be given, in principle, to the freehold transfer of Birstall Community Centre and Library to Birstall Community Holdings Ltd or Charitable Incorporated Organisation (CIO) if created in sufficient time for nil consideration, to include covenants for community use with the exception of up to 30% commercial use, subject to Birstall Community Holdings Ltd providing information relating to ongoing CIO governance, details of the Management Committee and its Members, and the outcome of the second round of consultation before the legal completion of transfer.
- 2) That authorisation be given to a requirement within the transfer to lease back part of the asset for use of the Library and Information Centre for a period of five years with a three month break clause at nil rent but with an agreed service charge.
- 3) That it be required that the asset transfer contains arrangements that enable the Council to continue to use the property as an Electoral Polling Station, as this is not outlined within the 2017 Community Asset Transfer Policy.
- 4) That authority be delegated to the Service Director (Economy, Regeneration and Culture) and Service Director (Legal, Governance and Commissioning) to negotiate and agree the terms and red line boundary of both the freehold transfer of the Centre and the leaseback for the library to Birstall Community Holdings Ltd or CIO, if created within sufficient time to complete the transfer.

295 125 Year Leasehold Asset Transfer of Honley Community Centre, Stoney Lane, Honley, HD9 6DY

Cabinet received a report which set out a proposal to transfer the land and buildings which currently make up Honley Community Centre to Netherton Community Centre CIC (NCC) on a 125 year leasehold transfer. Paragraph 2 of the considered report set out the background to the transfer which included detail relating to the submission of the business case, and the current operation of the Centre. The report advised that the building was in an acceptable state of repair, though a condition survey had identified required works totalling £67,855 and that the running costs for 2016/17 had been £6,723, hence making the transfer revenue saving. It also advised that NCC had requested 15% of the average of the previous two years running costs, in line with the 2017 Community Asset Transfer Policy, which would result in a one-off revenue implication of £874.52.

RESOLVED -

- 1) That authorisation be given, in principle, for the 125 year leasehold transfer of Honley Community Centre to Netherton Community Centre Community Interest Company (CIC) for nil consideration and to include covenants for community use with the exception of up to 30% commercial use, subject to Netherton Community Centre CIC providing information relating to the CIC governance, an increase in Directors on its Board, full details of the Management Committee and their accounts for 2016/2017.
- 2) That it be required that the lease contains arrangements that enable the Council to use the property as an Electoral Polling Station, as this is not outlined in the 2017 Community Asset Transfer Policy.
- 3) That authority be delegated to the Service Director (Economy, Regeneration and Culture) and the Service Director (Legal, Governance and Commissioning) to negotiate and agree the terms of the lease (including the red line boundary of the 125 year leasehold transfer) that relate to the transfer of Honley Community Centre to Netherton Community Centre CIC.

296 Update on the Council Financial Outturn and Rollover Report 2016-17; deferred at Council on 11 July 2017

Cabinet received a report which set out an update on the Council's financial outturn and rollover report, following its deferral at the meeting of Council on 11 July 2017. The report explained that the discrepancies with figures previously presented had been reviewed and had been identified as mainly typographical errors, with the overall revenue and capital budget outturn positions being unaffected by the corrections. The revised figures were summarised within an appendix to the considered report. It was noted that the revisions would be submitted to the next meeting of Council on 13 September 2017.

RESOLVED -

That the corrections as set out within the report be noted and that the report be submitted to the meeting of Council on 11 September 2017.

297 Investment in Transformation Update

Cabinet gave consideration to a report which provided an update on the Council's transformation programme, specifically on the scope of work that had been agreed with Deloitte for the 2017/2018 financial year, and sought approval for funding from the New Council Development Reserve to support it. The report advised that the Chief Executive, as Chair of the Transformation Portfolio Board, had given approval for funds to be drawn down to support the activity to date, in accordance with the delegation agreement and explained subsequent changes to the governance arrangements to the New Council Programme.

The report explained Deloitte's role in supporting the Council to identify savings and implement the changes needed, and advised that an agreement had been reached that priority support would be focussed upon Adult Social Care, All Age Disability, Children's Services Improvement and Transformation, Procurement and Sufficiency and Planning.

It was noted that Cabinet would receive regular reports, as part of the quarterly revenue monitoring report cycle, on the use of the New Council Developments Reserve and the overall programme of work for New Council.

(Cabinet gave consideration to exempt information at Agenda Item 17 (Minute No. 301 refers) prior to the determination of this item).

RESOLVED -

- 1) That it be noted that the Chief Executive, in her capacity as Chair of the Transformation Board, has given approval for funds to be drawn down from the New Council Development Reserve to support this activity to date, in accordance with the delegation agreed by Cabinet for this reserve in July and August 2015.
- 2) That the New Council Development Reserve be utilised to support the next phase of the Council's transformation programme in line with the proposals set out in the considered report.
- 3) That it be agreed that overall budget responsibility for the New Council Development Reserve be delegated to the Chair of the Redesign Board.

298 John Smith's Stadium Site, Huddersfield - request to restructure existing Lease Agreements

Cabinet received a report which set out a request from Kirklees Stadium Development Ltd to restructure existing lease arrangements in respect of John Smith's Stadium site to facilitate the HD One development. The report advised that, as part of the preparation work for the development, KSDL had requested that the Council restructures the existing leases in order to provide three new leases to cover the discrete areas of the site as planned as part of the development, and that the new leases be for a period of 250 years to meet funder expectations. The report advised that the progression of proposals for HD One were now at a stage whereby

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potential funders required an extended term for the leases that KSDL was able to provide to them, and that a term of 250 years would allow optimal funding terms to be secured. An appendix to the considered report illustrated the three site areas requested for the 250 year lease arrangement.

(Cabinet gave consideration to exempt information at Agenda Item 17 (Minute No. 302 refers) prior to the determination of this item).

RESOLVED -

- 1) That the proposal from KSDL to restructure the existing property leases at the Stadium site and dispose of the additional Council land as set out at paragraph 2.5 of the considered report be accepted.
- 2) That the Strategic Director (Economy and Infrastructure) and Service Director (Legal, Governance and Monitoring) be authorised to negotiate and agree the terms of the new lease restructure.
- 3) That the Service Director (Legal, Governance and Commissioning) be authorised to enter into and complete all documentation necessary to implement the requested lease structure.

299 Exclusion of the Public

300 Options for the future of Council operated older person Residential Care Facilities

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It was considered that it would not be in the public interest to disclose the information contained in the report as disclosure could potentially adversely affect overall value for money and could compromise the commercial confidentiality of the bidding organisations and may disclose the contractual terms, which is considered to outweigh the public interest in disclosing information including greater accountability, transparency in spending public money and openness in Council decision making.)

Cabinet gave consideration to the exempt information prior to the determination of Agenda Item 9 (Minute No. 293 refers).

RESOLVED -

Cabinet received exempt information prior to the determination of Agenda Item No. 9.

301 Investment in Transformation Update

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation)

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Order 2006, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It was considered that the public interest in maintaining the exemption, which would protect the interests of the Council and third party organisations concerned, outweighed the public interest in disclosing the information and providing greater openness in the Council's decision making.)

Cabinet gave consideration to the exempt information prior to the determination of Agenda Item 13 (Minute No. 297 refers).

RESOLVED -

Cabinet received exempt information prior to the determination of Agenda Item No. 13.

302 John Smith's Stadium Site, Huddersfield Request to restructure existing lease arrangements

(Exempt information within Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006, as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It was considered that it would not be in the public interest to disclose the information as disclosure could adversely affect overall value for money and compromise the confidentiality of the bidders and the Council. The public interest in maintaining the exemption outweighed the public interest in disclosure of information in terms of accountability, transparency in spending public money and openness in Council decision making.)

Cabinet gave consideration to the exempt information prior to the determination of Agenda Item 14 (Minute No. 298 refers).

RESOLVED -

Cabinet received exempt information prior to the determination of Agenda Item No. 14.