

The Executive – 13 July 2022

Minutes of the meeting of **The Executive** held on **13 July 2022** when there were present:-

Chairman: Cllr S E Wootton
Vice Chairman: Cllr Mrs C E Roe

Cllr Mrs D L Belton
Cllr D S Efde
Cllr D J Sperring

Cllr I H Ward
Cllr M J Webb
Cllr A L Williams

OFFICERS PRESENT

J Stephenson	- Chief Executive
A Hutchings	- Strategic Director
M Harwood-White	- Assistant Director, Assets & Commercial
A Law	- Assistant Director, Legal & Democratic
N Lucas	- Assistant Director, Resources
M Aldous	- Senior Leisure & Cultural Services Officer
D Goodman	- Team Leader, Strategic Planning and Economic Development
W Szyszka	- Democratic Services Officer
H Lock	- Democratic Services Officer

OTHERS PRESENT

Cllr S A Wilson
Richard Brooks - Anthony Collins Solicitors

131 MINUTES

The Minutes of the meeting held on 13 June 2022 were approved as a correct record and signed by the Chairman.

132 MEMBER QUESTIONS ON NOTICE

Pursuant to Executive Procedure Rule 3.1, the following Member questions had been received:-

(1) From Cllr A G Cross to the Portfolio Holder for Housing, Assets & Leisure:-

"In view of the lack of maintenance of Mill Hall over recent times and the proven fact that residents want Mill Hall to succeed as our premier local venue, please could the Executive confirm that they will allow interested residents to oversee the working of approved Managers and engage in the running and maintenance of the Mill Hall going forward in order that we don't have the same problems in the future?"

The Portfolio Holder for Housing, Assets & Leisure, Cllr M J Webb, responded as follows:-

"Subject to Option 3 being agreed, the Council will ensure the necessary works are completed to ensure the Mill can re-open from September this year. This will ensure the community can once again book the facility for their community events.

In addition, the Council will also initiate a community engagement programme, inviting interested community partners to come forward and explore with the Council new and exciting operating models for the building.

As part of this process, the Council will be pleased to discuss options for maintenance of the building as part of a new community model going forward.

I believe this community led approach is the best way to design the service and maintain the asset for the community."

A supplementary question was asked as to whether it would be permitted for interested parties to oversee the running of the asset should the Council fail to receive expressions of interest within the four week consultation period, during which the running of the Mill Arts & Events Centre would revert back to the Council.

In response to the supplementary question, the Portfolio Holder for Housing, Assets & Leisure advised that in such eventuality that there would be no interested parties, the Mill Arts & Events Centre would be overseen by the Council's Leisure Team to ensure that the premises would be maintained to a high standard.

(2) From Cllr J E Newport to the Leader of the Council:-

"If a decision is taken to reopen the Mill Hall and Freight House, will the Council amend/vary the contract with Fusion to remove the Mill hall and freight house and procure a specialist events company to effectively market and hire the facilities to maximise the use of the facilities for the residents?"

The Leader, Cllr S E Wootton, responded as follows:-

"I have never made a secret of the fact that I did not feel that Fusion were the most appropriate organisation to work alongside the Council to commercially optimise the community facilities and realise the potential which the Mill Hall has to offer.

Should Option 3 be agreed this evening, and I am hopeful that it will, the Council will reach out to community groups, including those with proven specialist and commercial experience and welcome expressions of interest in the future operating model of the building, whatever that may look like.

This does, however, need to be done in such a way that the facility and the building itself remains commercially viable and does not sustain huge losses at the expense of the Rochford District Council taxpayer.

Part of this conversation with the community will include the many and varied options to promote the facilities to the local and wider community.

I am committed to re-opening the building in September and we will hold open days, continue to engage with our partners and widely promote the facility as part of this process.”

A supplementary question was asked regarding Option 3 on page 7.2 within the Asset Delivery Programme Update report querying the cost of varying the contract with Fusion Lifestyle.

The Assistant Director for Assets & Commercial responded that the cost would depend on any terms of agreement should such a variation be completed.

133 REPORT FROM THE OVERVIEW & SCRUTINY COMMITTEE

The Leader welcomed Cllr S A Wilson, Chairman of the Overview & Scrutiny Committee to present the proposed recommendations of the Overview & Scrutiny Committee from their meeting on 6 July 2022 following the scrutiny of the report due to being called-in.

Cllr S A Wilson advised that recommendation 2.1 on page 6.1 of the report focused on a feasibility study for consideration by the Planning Policy Committee to explore alternative companies other than the proposed Ringway Jacobs.

In response, the Portfolio Holder for Strategic Planning suggested an amendment to recommendation 2.1 on page 6.1 of the report, “the Executive ask the Portfolio Holder and incoming Assistant Director for Strategic Planning to examine consultative options for consideration by the Planning Policy Committee.”

Speaking to the amendment, Cllr S A Wilson queried whether this would include the possibility of exploring alternatives other than Ringway Jacobs. In response, the Portfolio Holder for Strategic Planning confirmed that once the consultative options had been explored and examined, these would then be presented to the Planning Policy Committee for consideration, including any financial implications that could arise.

The Leader expressed that whilst he agreed with the sentiment of recommendation 2.1, it could present the Council with potential legal difficulties. The Leader also highlighted that there could be a potential change of the Terms of Reference of the Planning Policy Committee should recommendation 2.1 be agreed. Cllr S A Wilson responded that the amendment to recommendation 2.1 proposed by the Portfolio Holder for Strategic Planning provided sufficient assurance and was welcomed.

The amendment to recommendation 2.1 on page 6.1 of the report was unanimously agreed.

Resolved

- (1) That the Executive ask the Portfolio Holder and incoming Director for Strategic Planning to examine consultative options for consideration by the Planning Policy Committee.
- (2) That the Local Plan Transport Assessment be considered by the Planning Policy Committee. (ADPE)

(This was unanimously agreed.)

134 ASSET DELIVERY PROGRAMME UPDATE

Cllr M J Webb moved a Motion, seconded by Cllr Mrs C E Roe, that recommendations at paragraph 1.1 on page 7.1 of the report be approved.

In response to a Member query regarding the timescales for interested parties to submit a working business plan to operate the Mill Hall and when this process was due to begin, it was advised that the process would commence as soon as it was possible for an initial period of 4 weeks; however, the timescale could be extended should it be required. The provisional closure date for the submission of expressions of interest was 20 August 2022.

A query was raised regarding Fusion Lifestyle managing the Mill Arts & Events Centre during the interim period for up to 6 months and what support would be provided by the Council to assure an undisturbed process to successfully relaunch the asset.

In response, it was advised that should Option 3 be approved, Council officers would be working in close collaboration with Fusion Lifestyle to safeguard a successful relaunch of the site in September 2022. It was also advised that officers within the Council's Leisure & Cultural Services Team alongside the Asset Management Team would be based within the Mill Arts & Events Centre to support this process.

In response to a Member query as to how residents of the District would be kept informed as to the progress of the re-opening of the site during the period between August and September this year, it was advised that the Communications Team would be working in close proximity with officers and Members involved in order to provide residents with regular updates and key information.

The Portfolio Holder for Customer Services, Legal & IT stated that in the initial stages upon the inception of the ADP, the programme was sound in terms of the disposal of uneconomic, inefficient, and ageing buildings providing the Council with a saving of c.£300k per annum on maintenance and associated costs. The Portfolio Holder continued that the Council could decide against the

re-development of the Mill Arts & Events Centre site having considered the views of the residents affected. The Portfolio Holder supported Option 3 on page 7.2 of the report stating that this would give residents an opportunity to feedback to the Council how the building could become more viable as a result of the engagement process.

The Leader of the Council made a statement in which he assured that there was no intention to redevelop the Mill Arts & Events Centre site in the future. The Leader also advised that during the life of the ADP, the refurbishment of the site was not opposed, and the Partnership Panel had met on numerous occasions to discuss potential routes that could be taken by the Council to consider various options which resulted in cross-party agreement to rebuild or refurbish the Mill Arts & Events Centre to an optimum size. The Leader continued that the unforeseen effects of the pandemic which resulted in more flexible methods of working alongside rising costs of living as well as increased community engagement had all contributed to the alteration of the original concept of the ADP. The Council, however, would adapt to the changes through the recommendations within the report and would promise to deliver the re-opening of the Mill Arts & Events Centre.

Resolved

- (1) That authority is delegated to the Strategic Director, in consultation with the Portfolio Holder for Housing, Assets and Leisure, to vary the contract with Fusion Lifestyle to enable the Freight House to be reopened as soon as possible.
- (2) To agree additional revenue budget of £18.750 in 2022/23 to be funded from the general balances, to fund compliance and essential maintenance works required to re-open the Freight House.
- (3) Recommended to Full Council additions to the 2022/23 capital programme of £6,250 for compliance and essential maintenance works required to re-open the Freight House, to be funded from general balances.
- (4) To agree to vary Conditional Sale Contract 1 ("CSC1") of the Asset Delivery Programme ("ADP"), in relation to 57 South Street in order that planning permission for this site need not be achieved ahead of the stop/go decision for CSC1.
- (5) To note the legal advice at the Exempt Appendix regarding Conditional Sale Contract ("CSC2") of the ADP, relating to the Mill Arts & Events Centre ("the Mill Arts & Events Centre" and 57 South Street.
- (6) To terminate CSC2 of the ADP resulting in the Mill Arts & Events Centre site being removed from the ADP. In addition, to vary CSC1 and Overarching Development Agreement ("ODA") to remove any obligations in relation to the Mill Arts & Events Centre.

- (7) To draw down the amount set out in the Exempt Appendix from the Hard/Soft Infrastructure reserve for the payment of the pre-construction abortive costs to GP Partnerships (“GBP”) as a result of CSC2 being terminated.
- (8) To agree Option 3 regarding the future of the Mill Arts & Events Centre, subject to Full Council approval of the required additional capital programme budget.

Option 3

To reopen the Mill Arts & Events Centre and to seek expressions of interest from community groups to operate the building in the longer term. Under this option additional project budget of £18,866 is requested to be drawn down from the Hard/Soft Infrastructure reserve to support the required process and enable CSC1 work to be completed.

- (9) That authority is delegated to the Strategic Director, in consultation with the Portfolio Holder for Housing, Assets & Leisure, to vary the contract with Fusion Lifestyle to enable the Mill Arts & Events Centre to be reopened in September 2022.
- (10) To fund additional revenue expenditure of up to £130,000 from General Fund balances, to cover operating costs in 2022/23 relating to the re-opening of the Mill Arts & Events Centre for an initial period of 6 months pending the outcome of a community engagement programme to seek a new community operating partner.
- (11) To recommend to Full Council additions to the 2022/23 capital programme of £40,000 for compliance and essential maintenance works prior to re-opening the Mill Arts & Events Centre. The costs will be funded from General Fund balances.
- (12) To instigate a community engagement process seeking expressions of interest from potential community partners to operate the Mill Arts & Events Centre.
- (13) To delegate authority to the Strategic Director in consultation with the Portfolio Holder for Housing, Assets & Leisure to negotiate the Heads of Terms following the outcome of the Expression of Interest process.
- (14) That a report be submitted to the Executive in the Autumn setting out the outcome of the Expression of Interest process, and the costs to operate the building in the longer term. (ADAC)

(This was unanimously agreed.)

135 #ONE TEAM TRANSFORMATION PROGRAMME – STRATEGIC PARTNERSHIP WITH BRENTWOOD BOROUGH COUNCIL

Resolved

- (1) To note the progress of the #OneTeam Transformation Programme.
- (2) Subject to any further recommendations, to approve the draft s113 Agreement.
- (3) That the proposed exit strategy should include reference to the voluntary termination and also reference the impact of local government reorganisation, taking into account any guidance at the time.
- (4) To authorise the Joint Chief Executive and the Monitoring Officer, in consultation with the Leader of the Council and the Leader of BBC, to approve the final terms of the draft s113 Agreement and to enter into all necessary and appropriate contracts and agreements to implement the s113 arrangements.

136 UK SHARED PRIORITIES FUND

Resolved

- (1) That authority be delegated to the Strategic Director for Resources, Environment & Place, in consultation with the Portfolio Holder for Climate & Economy to prepare and submit an Investment Plan for the UK Shared Prosperity Fund. (ADR)

137 PROVISIONAL FINANCIAL OUTTURN 2021/22

The Leader of the Council advised that the report set out the Provisional 2021/22 Outturn position for the Council and that the Executive should note that the Statement of accounts was still being prepared for audit, therefore it was likely that further changes would be made to the final position.

The Leader continued that the impact of COVID-19 steadied during 2021/22 with most service areas returning to near-normality; however, car parking income remained lower than budgeted. The Leader further advised that during the last financial year the Council continued to play a significant role in responding to the pandemic, supporting businesses and the most vulnerable within communities, as well as continuing to provide essential services to all residents. The Leader pointed out that Appendix 4D on page 10.25 of the report set out the £35 million of grant payments that had been made to businesses and residents since the start of the pandemic.

The Leader further advised that the Council set out an original general fund revenue budget of £10.2 million for 2021/22. Additionally, there was a net drawdown of £0.3 million from reserves for specific purposes during the year. This made up of the £1.1 million of drawdowns detailed at Appendix 2 on page

10.20 of the report, offset by contributions to reserves of £0.8 million. It was requested to carry forward £0.95 million of budget relating to specific projects, grant funded expenditure and one-off items into 2022/23. Following the accounting for these service-specific reserve movements and carry forward requests, the provisional outturn was £9.3 million, which was a favourable variance of £0.9 million. This compared to a projected underspend of £0.6 million reported to Executive at Quarter Three in February.

The Leader continued that there were various reasons why the position had improved which were detailed in the report. This included the use of one-off grants to fund expenditure which was previously anticipated to be met from base budgets. It was requested to earmark £0.55 million of this residual underspend for particular purposes, including funding the one-off costs associated with implementation of the waste contract identified in the Council report considered on 15 February 2022. A 2021/22 Capital Programme totalling £3.6 million was approved at Full Council in February 2022. The Executive agreed to reprofile this budget in Quarter 1 giving a revised capital budget of £4.2 million. The Leader advised that the provisional capital outturn position was £1.2 million as set out in Appendix 5 on page 10.26 of the report which was an underspend of £3 million. This included £0.5 million relating to projects where works were committed and budget was requested to be carried forward into 2022/23 as set out at Appendix 6 on page 10.27 of the report. The remaining slippage of £2.5 million mainly related to the Asset Delivery Programme, which would be reprofiled pending further decisions on the future of the programme being taken.

The Leader concluded that the Council continued to hold sufficient reserves and balances to support long-term financial sustainability of the Council; although, it should be noted that the majority of these were earmarked for specific purposes and would not be available unless decisions were taken to reconsider the Council's strategic priorities and associated during funded commitments. The Leader endorsed recommendations set out at paragraph 1.1 on page 10.1 of the report.

Resolved

- (1) To note the provisional outturn position against the 2021/22 revenue budget, as contained in paragraphs 2.1 to 2.15.
- (2) To note that the Council's 2021/22 Statement of Accounts are still being prepared and will be subject to audit by external auditors EY; it is therefore possible that changes will be made to the final outturn which could alter the position presented within this report.
- (3) To note the detailed breakdown of each Portfolio's provisional outturn position at Appendix 1.
- (4) To note the detailed breakdown of in-year reserve movements at Appendix 2.

- (5) To note the projected earmarked reserves closing balance at 31 March 2022 as set out in Appendix 3, which includes the impact of items 1.6 to 1.9 below.
- (6) To approve £944,747 of revenue carry forwards, comprised of £410,488 of grant budgets and £534,258 of general budgets, as set out in Appendix 4a and 4b.
- (7) To note the COVID-19 grants position detailed at Appendix 4D including ring-fenced amounts to be carried forward into 2022/23.
- (8) To approve the transfer of £544,851 general underspend to reserves as set out in paragraph 2.14 (Non-Portfolio Specific Expenditure).
- (9) To approve the transfer to the Business Rate Smoothing reserves of £1,672.930, set out in paragraph 2.15 (Non-Service Specific Expenditure).
- (10) To note the provisional outturn position against the 2021/22 capital budget, as contained in paragraph 2.16 and 2.17 and detailed at Appendix 5.
- (11) To approve £509,399 of capital project carry forwards for those schemes deemed outstanding at the end of 2021/22 into 2022/23 for completion, as detailed in Appendix 6. (ADR)

The meeting closed at 8.31 pm.

Chairman

Date

If you would like these minutes in large print, Braille or another language please contact 01702 318111.