

NORTH WARWICKSHIRE BOROUGH COUNCIL

MINUTES OF THE RESOURCES BOARD

21 May 2018

Present: Councillor D Wright in the Chair.

Councillors Davis, N Dirveiks, Farrell, Gosling, Humphreys, Reilly, Simpson and Symonds.

Apologies for absence were received from Councillors Davey (Substitute Councillor Reilly), Henney (Substitute Councillor Farrell), Moss and Waters (Substitute Councillor Humphreys)

Councillors Clews, Hayfield, Lewis and Phillips were also in attendance. and with the Chairman's permission Councillor Hayfield spoke on Minute No 3 (Asset Transfer of Arley Sports Centre) and Councillor Phillips spoke on Minute No 4 (Telecoms Proposal at Wood End Recreation Ground).

1 **Disclosable Pecuniary and Non-Pecuniary Interests**

None were declared at the meeting.

2 **Public Participation**

The following questions were submitted to the Board.

Question from Karen Birch, Arley

What safeguards are in place to ensure that the land and the buildings use for the next 10 years stays as a recreational / leisure use if the asset is sold to Elite Sports Development and if the building is then deemed "not fit for purpose" (as per point 4.3 in the Resources Board report dated 21st May 2018, Agenda Item no 5)?

The response given by the Chairman was as follows:-

The Borough Council is seeking to asset transfer Arley Sports Centre as the best means by which to secure the continued and enhanced availability of the facility for the local community.

Within its detailed negotiations with Elite Sports Development, the Borough Council has sought to protect, for at least the next 10 years, Arley Sports Centre's use as a leisure / recreational asset for the local community by way of a covenant that restricts its use to that of the current "Use Class Order" (that of

a sports / leisure facility). This period of time is considered to be reasonable in view of the age and condition of the building. The Authority has no reason to believe that a structural defect will prevent its use as a Sports Centre within this time frame. Subject to any agreed asset transfer, however, the Authority cannot be held responsible for the manner in which the building is maintained and, therefore, cannot safeguard its leisure / recreational use subsequent to responsibility for the building passing to another body, beyond the terms of the proposed asset transfer agreement.

The terms of the proposed transfer are such that the Borough Council has sought to both protect the availability of the Sports Centre and provide an opportunity for an alternative provider to invest in improved facility provision for the community.

Question from Andrew Crow, Arley

If an independent small company can prepare a sound financial business plan to run Arley Sports Centre even if not to make vast profits, but at least without losing money, can Councillors explain why with all their experience of running sports and leisure facilities they cannot do the same as part of a Local Authority Trading Company?

The response given by the Chairman was as follows:-

Both nationally and locally, authorities are considering, and implementing, different operating models for a variety of services, some of which include the potential afforded by relatively small, independent organisations.

It is not appropriate to divulge the details of a private company's business plan, but it is clear that it will not be carrying the same level of staffing and organisational overheads that are borne by the Borough Council. It may also be able to reduce its projected business rates liabilities and, potentially, access funding for which the Authority is not eligible. These factors were identified by the external consultants responsible for the recent Strategic Leisure Review and were used to support their recommendation to consider the advantages of an asset transfer of the Sports Centre, in order to protect its continued availability for the local community.

Questions from Kelly Shemmans, Ansley

In the meeting this evening Councillors are discussing a proposal to basically give away a valuable asset to an independent third party. In the event that this third party venture fails can Councillors explain why there is no clause in the proposed agreement which would automatically ensure that either the Council or possibly the Local Community would have first refusal on re-possession of the property in that event?

The response given by the Chairman was as follows:-

In recognition of its value to the local community, the proposed asset transfer of the Sports Centre is being pursued as the best option to secure the continued and enhanced provision of leisure facilities in Arley. The proposed covenant to restrict the facility's use for the provision of a leisure service for at least the next 10 years further emphasises this commitment. If any future operator determines to seek to sell the facility, the Borough Council and / or the local community could seek to acquire the property. From a Borough Council perspective, however, any such decision would be based upon the prevailing needs of the community; the age, condition of, and liabilities associated with, the building and the financial climate under which the Authority was operating at the time. Under these circumstances a "first refusal" clause was considered not to be necessary.

3 Asset Transfer of Arley Sports Centre

The Assistant Director (Leisure and Community Development) and the Assistant Director (Streetscape) informed the Board of the outcome of negotiations with Elite Sports Development and asked Members to consider the asset transfer of the Sports Centre to them on the identified terms.

Resolved:

- a That Arley Sports Centre be declared surplus to requirements; and**

Recommended:

- b That the asset transfer of Arley Sports Centre to Elite Sports Development, on the terms identified in the report of the Assistant Director (Leisure and Community Development) and the Assistant Director (Streetscape), be approved.**

4 Telecoms Proposal at Wood End Recreation Ground

The Assistant Director (Streetscape) and Assistant Director (Leisure and Community Development) informed Members of a proposal to install a telecoms mast at Wood End Recreation Ground.

Resolved:

- a That the proposal to install a telecoms mast at Wood End Recreation Ground on the terms set out in the report of the Assistant Director (Streetscape) and Assistant Director (Leisure and Community Development) be approved;**

- b That a 25 year lease be granted to Shared Access for the associated Access Rights to Wood End Recreation Ground; and**

Recommendation to Executive Board

- c That the capital receipt received from Shared Access be ring-fenced to be used in Wood End, in consultation with local ward Members.**

5 Update of the Financial Regulations

The Assistant Chief Executive (Finance and Human Resources) informed Members of some proposed amendments to the Financial Regulations.

Recommended:

That the updated Financial Regulations, attached at Appendix A to the report of the Assistant Chief Executive (Finance and Human Resources), be approved and the consequent amendments to the Constitution be made.

6 Internal Audit Annual Report 2017/18

The Assistant Chief Executive (Finance and Human Resources) presented the Head of Internal Audit's Annual Report.

Resolved:

- a That the findings of the assessment of the internal audit function against the Public Sector Internal Audit Standards and quality assurance programme be noted;**
- b That the summary of the internal audit work which supports the Head of Internal Audit's opinion, as set out in Appendix A to the report of the Assistant Chief Executive (Finance and Human Resources) be noted; and**
- c That the Head of Internal Audit's overall opinion on the control environment be noted.**

7 Internal Audit Plan 2018/19

The Assistant Chief Executive (Finance and Human Resources) set out the proposed Internal Audit Plan for 2018/19.

Resolved:

That the Internal Audit Plan, as set out in Appendix A of the report of the Assistant Chief Executive (Finance and Human Resources), be approved.

8 Progress Report on Achievement of Corporate Plan and Performance Indicator Targets April 2017 – March 2018

The Chief Executive informed Members of the progress with the achievement of the Corporate Plan and Performance Indicator targets relevant to the Resources Board for April 2017 to March 2018.

Resolved:

That the report be noted.

9 Members' Allowances Out-turn for 2017/18

The Assistant Chief Executive (Finance and Human Resources) advised Members of the allowances paid for 2017/18, which the Council had a duty to publish under the Members' Allowance Scheme.

Resolved:

That the report be noted.

10 Risk Management Annual Report 2017/18

The Assistant Chief Executive (Finance and Human Resources) informed Members of risk management actions undertaken during 2017/18 and the risks identified for 2018/19.

Resolved:

That the report be noted.

11 Annual Treasury Report for 2017/18

The Assistant Chief Executive (Finance and Human Resources) reported on the out-turn for 2017/18 and highlighted any areas of significance.

Resolved:

**a That the Annual Treasury Report for 2017/18 be noted;
and**

Recommended:

- b That the Annual Treasury Report be approved.**

12 Universal Credit Update

The Assistant Chief Executive (Community Services) updated Members on the latest information regarding the implementation of Universal Credit.

Resolved:

That the report be noted.

13 Exclusion of the Public and Press

Resolved:

That under Section 100A(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 by Schedule 12A to the Act.

14 Microsoft Office Replacement

The Assistant Director (Corporate Services) reported on the need to consider the replacement of versions of Microsoft Office (2010), Exchange (2010) and Windows (7) that it was licensed to use as they would cease to be supported early in 2020. Members were asked to agree a suggested course of action.

Recommendation:

- a That the contents of the report of the Assistant Director (Corporate Services) be approved; and**
- b That the revenue requirement detailed in paragraph 6.1.1 of the report of the Assistant Director (Corporate Services) be taken forward as approved additional funding in the 2019/20 budget process.**

15 Irrecoverable Local Taxation Debts

The Assistant Chief Executive (Community Services) detailed the amounts recommended for write-offs in accordance with the write-off policy agreed by the Resources Board on 23 May 2016.

Resolved:

- a That the write off of a balance over £5,750 totalling £7,906.70 in respect of 2 unpaid Council Tax accounts,**

as outlined in Appendix A of the report of the Assistant Chief Executive (Community Services), be noted; and

- b That the total amount of write-offs in the year to date and over the last 6 years, including those written off by the Assistant Chief Executive (Community Services) under delegated powers, as detailed in Appendix B to the report, be noted.**

16 Land at Clinton Road, Coleshill

Consideration of this item was deferred to a future meeting.

D Wright
CHAIRMAN