

**MINUTES
OF THE MEETING OF THE
CABINET
TUESDAY 10 JANUARY 2017**

Held at 7.00pm in the Council Chamber, Rushcliffe Arena, Rugby Road, West Bridgford

PRESENT:

Councillors J N Clarke (Chairman), R L Butler, J E Cottee, S J Robinson,
R G Upton

ALSO IN ATTENDANCE:

Councillors R M Jones, A MacInnes and G R Mallender.

OFFICERS PRESENT:

N Carter	Deputy Monitoring Officer
A Graham	Chief Executive
P Linfield	Executive Manager - Finance and Corporate Services
K Marriott	Executive Manager - Operations and Transformation
V Nightingale	Constitutional Services Officer

APOLOGY FOR ABSENCE:

Councillor D J Mason

33. Declarations of Interest

There were none declared.

34. Minutes

Councillor Clarke welcomed everyone to the first meeting in the Council's new offices; he congratulated everyone involved in the creation of, and move to, a new leisure centre and offices.

The minutes of the meeting held on Tuesday 13 December 2016 were approved as a correct record and signed by the Chairman.

35. Future Property Investment Strategy Options

Councillor Robinson presented a report which outlined options to maximise the opportunities for the Council to reduce its dependency on Government grants and to increase its revenue income through the utilisation of the Asset Investment Strategy. He stated that Cabinet had resolved to establish a £10 million investment fund in July 2015 with a further £0.5 million for Funding Circle loans, which had been approved by Council in March 2016. He informed Councillors that £5.2 million had already been allocated.

Councillors were reminded that the Council had considered several investments during the previous year but had not been able to pursue these for a variety of reasons. He said that the potential to establish a property development company had also been explored.

Councillor Robinson said that it was important to ensure that there was a mixed utilisation of the fund including general, property and community investments. To assist the Council it was proposed to appoint Arlingclose, the Council's current Treasury Management Advisors, to support and advise officers in relation to establishing an on-going strategic investment portfolio. It was also proposed to appoint Lunson Mitchenall to pursue and submit proposals for consideration in conjunction with the existing Strategy. Councillor Robinson informed Councillors that it was also proposed for the Council to continue to work with public sector partners including local authorities and registered social landlords.

In conclusion, he stated that it had been very difficult to make significant headway over the past twelve months due to the economic climate and that it was important that the Council's assets were efficiently utilised as there was a need to make revenue income to support the budget and the Medium Term Financial Strategy.

Councillors Cottee and Upton agreed that it was important to have expert advice, which had been highlighted by the Council's recent experiences in pursuing properties for sale.

RESOLVED that Cabinet approve:

- a) the appointment of Arlingclose as strategic Investment Advisors on terms to be approved by the Section 151 Officer in consultation with the Portfolio Holder Finance. These are to be reviewed annually.
- b) that Lunson Mitchenall are invited to bring forward retail asset investment opportunities to deliver an on-going return in accordance with the parameters of the Asset Investment Strategy 2015 - 2020 (Appendix 1).
- c) that an on-going dialogue is maintained with Public Sector Partnerships and key strategic partners to establish a future pipeline of capital investment projects designed to support the objectives of the Corporate Strategy and Medium Term Financial Strategy.

36. **Review and Future of YouNG**

Councillor Cottee presented a report which outlined the work undertaken to establish the future of YouNG as a community interest company and how the initiative had progressed since consideration by Cabinet in September 2015. He stated that the project had attracted European funding for three years to expand the entrepreneurial development of the market concept of the initiative. Also in partnership with Nottingham Trent University two interns had been secured for the project until September 2017.

Councillors were informed that the Council, working with the D2N2 LEP, had led on the establishment of a new company to address the urgent requirement for a change in respect of workability skills and careers advice and to improve the connection between businesses, schools and young people. To assist the Council in determining its future commitment and involvement an independent

report had been commissioned. Councillor Cottee stated that it was important for this evidence to be subject to scrutiny and therefore it was proposed that the Community Development Group should consider the findings before a further report was presented to Cabinet.

In support of the proposal, Councillor Butler stated that the project had been a success and that young people had gained a vast amount of experience. However, it was now at a point where the way ahead was complex and challenging. He agreed that the Community Development Group should be asked to evaluate the evidence. He remarked that the branding of the project had been inspired.

Councillor Clarke agreed that the report should be scrutinised and requested that Councillor Cottee, as the portfolio holder, should be involved and contribute to the debate. Councillor Cottee stated that he had discussed this with the Chief Executive and would be assisting the Community Development Group.

RESOLVED that Cabinet:

- a) requests that the Community Development Group evaluate and scrutinise the findings contained in the report received from Internet Guru.
- b) upon completion of the work by the Community Development Group, receives a further report detailing the future plan for the continuation, or otherwise, of YouNG.

Before the next item the Chief Executive and the Deputy Monitoring Officer left the meeting for the duration of the debate.

37. Streetwise Environmental Ltd – New Corporate Structure

Councillor Upton presented a report which outlined a new governance structure that would enable the Streetwise Environmental Ltd company to expand to deliver the future growth aspirations required to deliver an increasing return to the company and the Borough Council. The report also outlined a framework for the establishment of other companies that could assist the Borough Council to deliver its objectives.

He reminded Councillors that the company had been established in September 2014 as a Teckal compliant company, which had reduced the costs to the Council. However, the turnover had increased and the Teckal limit of 20% of external contracts would soon be reached and therefore the profitability of the company was being held back.

Councillor Upton outlined the proposed new structure and governance arrangements including the establishment of a Joint Strategic Board that would enable other local authorities to be involved. He pointed out that the Borough Council would establish a new Enterprise Holding Company to oversee all Streetwise companies, including a new Streetwise trading company, and other companies established by the Borough Council, for example a property company. He informed Councillors that the new Streetwise trading company

would be limited by shares and owned by the holding company, however, it would be able to tender for new contracts above the Teckal limit. Councillor Upton stated that the Borough Council would be the major shareholder and that the Streetwise brand was owned by the Authority.

In conclusion, he highlighted Appendix A which gave a diagrammatical view of the new structure showing how other companies could be created and how local authorities could be included on the Strategic Board.

Councillor Butler stated that the Streetwise brand was becoming well known by the public and the Council's partners.

Councillor Clarke supported the proposal and stated that it was vital that the company was allowed to grow and develop beyond the Teckal exemption. He agreed that the company's reputation had increased. He felt that this step was a natural progression of the company maturing.

RESOLVED that Cabinet:

- a) approves the revised company structure and governance arrangements as set out in paragraph 4.4 and Appendix A;
- b) that external legal advice is sought for the drafting of the Articles of Association and business agreement documents to support the company structure.

38. Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

It is RESOLVED that the public be excluded from the meeting for consideration of the following item of business pursuant to Regulation 4 (2) of the above Regulations on the grounds that it is likely that exempt information may be disclosed as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

39. Civic Centre Marketing Options

Councillor Clarke presented a report which outlined the response from the market regarding the sale of the Civic Centre, offers made and the result of extensive consideration by officers.

RESOLVED that:

- a) The Chief Executive is delegated to make immediate arrangements to finalise negotiations and arrange for the exchange of contracts by 31 January 2017 with bidder 2 to achieve completion and vacant possession of the Council-occupied parts of the building without further delay and as soon as practicable.
- b) The Leader and Portfolio Holder for Finance and Economy are delegated authority to agree any recommendations of the Chief Executive to secure the sale to Investor 2.

- c) Should the sale to Investor 2 not proceed to completion for any reason, the Chief Executive be authorised to action a contract race open to all other shortlisted bidders to secure the sale of the property.

The meeting closed at 7.35 pm.

CHAIRMAN