

When telephoning, please ask for: Laura Webb
Direct dial 0115 914 8511
Email constitutionalservices@rushcliffe.gov.uk

Our reference:
Your reference:
Date: Monday, 4 June 2018



**Rushcliffe Community
Contact Centre**
Rectory Road
West Bridgford
Nottingham
NG2 6BU

To all Members of the Cabinet

Dear Councillor

A Meeting of the Cabinet will be held on Tuesday, 12 June 2018 at 7.00 pm in Council Chamber Area B, Rushcliffe Arena, Rugby Road, West Bridgford to consider the following items of business.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Glen O'Connell'.

Glen O'Connell
Monitoring Officer

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes of the Meeting held on (Pages 1 - 6)
4. Opposition Group Leaders' Questions

To answer questions submitted by Opposition Group Leaders on items on the agenda.

5. Citizens' Questions

To answer questions submitted by citizens on the Council or its services.

Key Decisions

6. Cotgrave Regeneration Scheme Phase 2 (Pages 7 - 14)

The report of the Executive Manager – Operations and Transformation.

Non Key Decisions

In person
Monday to Friday
8.30am - 5pm
First Saturday of
each month
9am - 1pm

By telephone
Monday to Friday
8.30am - 5pm

Telephone:
0115 981 9911

Email:
customerservices@rushcliffe.gov.uk

www.rushcliffe.gov.uk

Postal address
Rushcliffe Borough
Council
Rushcliffe Arena
Rugby Road
West Bridgford
Nottingham
NG2 7YG



7. Financial Outturn 2017/18 (Pages 15 - 30)

The report of the Executive Manager - Finance and Corporate Services.

8. Response to the West Bridgford Commissioners Report

The report of the Executive Manager – Neighbourhoods.

Report to follow.

9. Limited Liability Partnership (LLP) (Pages 31 - 38)

The report of the Executive Manager – Operations and Transformation.

Membership

Chairman: Councillor S J Robinson

Vice-Chairman: Councillor D Mason

Councillors: A Edyvean, G Moore and R Upton

Meeting Room Guidance

Fire Alarm Evacuation: in the event of an alarm sounding please evacuate the building using the nearest fire exit, normally through the Council Chamber. You should assemble at the far side of the plaza outside the main entrance to the building.

Toilets: are located to the rear of the building near the lift and stairs to the first floor.

Mobile Phones: For the benefit of others please ensure that your mobile phone is switched off whilst you are in the meeting.

Microphones: When you are invited to speak please press the button on your microphone, a red light will appear on the stem. Please ensure that you switch this off after you have spoken.



MINUTES OF THE MEETING OF THE CABINET TUESDAY, 15 MAY 2018

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

PRESENT:

Councillors S J Robinson (Chairman), D Mason (Vice-Chairman), A Edyvean,
G Moore and R Upton

ALSO IN ATTENDANCE:

Councillor A MacInnes and R Mallender

OFFICERS IN ATTENDANCE:

J Crowle	Solicitor
A Graham	Chief Executive
P Linfield	Executive Manager - Finance and Corporate Services
G O'Connell	Monitoring Officer
L Webb	Constitutional Services Officer

56 Declarations of Interest

There were no declarations of interest.

57 Minutes of the Meeting held on 13 March 2018

The minutes of the meeting held on Tuesday 13 March 2018 were approved as
a correct record and signed by the Chairman.

58 Opposition Group Leaders' Questions

Question from Councillor A MacInnes to Councillor S Robinson

“What plans are being made for training on commercialism for backbench
members who have a general interest in the subject but particularly for the
benefit of members of the Corporate Governance Group who have an
increasing responsibility for the scrutiny of newly acquired investment
properties and the management of the Asset Investment Strategy?”

Councillor Robinson responded by stating that the Member Development
Group at its next meeting would consider training and development needs for
the year 2018/19. Councillor Robinson also stated that any additional needs
that had arisen from the Corporate Peer Challenge were incorporated in the
action plan and therefore would be considered so that appropriate training
could be arranged.

59 Citizens' Questions

There were no citizens' questions.

60 **Care Leavers' Council Tax Reduction Scheme**

The Portfolio Holder for Finance presented the report of the Executive Manager – Finance and Corporate Services which proposed to introduce a discretionary Care Leavers' Council Tax Reduction Scheme to supplement the Council's existing Council Tax Reduction Scheme.

It was proposed that the Care Leavers' Council Tax Reduction Scheme would provide a reduction up to 100% where a care leaver had liability for council tax within the Borough which would remain in place until the care leaver turned 21.

The Portfolio Holder explained that The Children and Social Work Act 2017 confirmed the "corporate parent" statutory role of the Council and therefore believed that the Council had a duty to offer this proposed support to a recognised group of vulnerable people.

In seconding the recommendations Councillor Upton stated that the introduction of the Care Leavers' Council Tax Reduction Scheme would help a vulnerable group of people who were currently going through a difficult transition from being financially supported by the County Council to living independently.

It was **RESOLVED** that:

- a) the Council's guidance, as set out at Appendix 1 of the officer's report, for determining applications for a reduction in council tax for persons leaving care and living in the Borough be approved and implemented with effect from 1 April 2018.
- b) authority be delegated to the Executive Manager – Finance and Corporate Services, to determine applications for discretionary reduction in council tax under section 13A(1)(c) of the Local Government Finance Act 1992 in relation to persons leaving care and living in the Borough of Rushcliffe in accordance with the guidance as set out at Appendix 1 of the officer's report.

Reason for decisions

The Council has a corporate parenting responsibility and it is considered that this reduction in council tax contributes to the fulfilment of this role.

61 **Draft Off-Street Car Parking Strategy 2018 - 2022**

The Deputy Leader and Portfolio Holder for Community and Leisure presented the report of the Executive Manager – Neighbourhoods. The Deputy Leader advised that an off street car parking strategy had been developed in order to contribute to the economic prosperity of the Borough. It was also noted that the strategy had been developed through a comprehensive analysis of the off street parking supply and demand in Rushcliffe as well as the parking experience of local residents, businesses and visitors to the Borough's towns

and rural areas. It was noted that the Draft Off Street Parking Strategy had previously been presented to Community Development Group in February 2017 and that the strategy had been changed where applicable to reflect their input in the consultation process. The Portfolio Holder was pleased to note that provision had been made for electric and hybrid vehicles and motorcycles.

In seconding the recommendations Councillor Moore advised that it was important to note that the strategy would be 'a living document' and therefore would be flexible and adaptable to change, especially with the future implementation of the Local Plan Part 2 which would increase the demand of off street parking in the villages within the Borough.

Councillor Robinson was pleased to note that the Council was committed to reducing the environmental impact of travel across the Borough including reducing CO2 emissions, Nitrogen oxide air pollution and lowering levels of congestion, while encouraging active travel for shorter car journeys and improving residents' health and well-being.

Councillor Upton was pleased to see that the off street car parking strategy covered all aspects of parking, and included a review of parking for electric and hybrid vehicles and the role of mobile and contactless payment systems. Councillor Upton also noted that payment on exit could be a future option for residents which would encourage longer shopping trips and greater spend.

It was **RESOLVED** that:

- a) the draft Off Street Car Parking Strategy, as detailed at Appendix B of the officer's report be approved.
- b) the Executive Manager - Neighbourhoods be delegated authority to make minor amendments to the strategy, in consultation with the relevant Portfolio Holder, to ensure the technical and legal accuracy of the document during its lifespan.

Reason for decisions

To enable the Council to be able to continue to deliver effective and efficient off street car parking provision.

62 Parkwood Leisure Ltd - Lex Leisure Community Interest Company Proposal

The Deputy Leader and Portfolio Holder for Community and Leisure presented the report of the Executive Manager – Neighbourhoods. The Deputy Leader explained that the Council had agreed to permit Parkwood Leisure Limited to sub-contract the delivery of leisure services to Parkwood Community Leisure, a non-profit distributing organisation. It was noted that the Council had since received a proposal from Parkwood Leisure Ltd to vary the contract to replace the non-profit distributing organisation with a Community Interest Company operating model. It was noted that if approved by Cabinet, Parkwood Leisure Limited would end their sub contract arrangements with the non-profit distributing organisation and transfer staff and undertakings under a new sub-contract with Lex Leisure CIC.

The Deputy Leader noted that the advantages of a Community Interest Company included the ability for profits being reinvested into the community. It was also noted that Lex Leisure were particularly keen to provide activities for those with physical and mental health disabilities who currently faced difficulties that limited their ability to access leisure, physical activities and sporting opportunities. The Deputy Leader noted that Parkwood Leisure Ltd had offered the Council an incentive of up to £70,000 in year one and £120,000 per year thereafter to ensure that the Council would be able to deliver its leisure strategy objectives.

The Deputy Leader proposed an additional recommendation to those included in the officer's report which proposed that an appropriate scrutiny committee should scrutinise the work of Lex Leisure in terms of financial and community outcomes within the first six months of operation. The Deputy Leader believed that this would make the Council more transparent in its decision making.

In seconding the recommendation Councillor Edyvean noted that even though there were concerns raised by Councillors that Community Interest Companies were VAT exempt he was reassured that this exemption meant that these types of companies could reinvest their profits into facilities and to reach out to those who may currently struggle to access suitable leisure facilities.

Councillor Robinson reiterated the importance of empowering scrutiny to analyse the financial and community outcomes of Lex Leisure and stated that it was important to note that the Council's primary contract arrangement would remain with Parkwood Leisure Ltd and that they would retain all liability for the delivery of the contract and the actions of the proposed sub-contractor.

It was **RESOLVED** that:

- a) subject to the agreement and completion of appropriate legal documentation to safeguard the Council's position, the proposal made by Parkwood Leisure Ltd to subcontract the delivery of leisure services to Lex Leisure CIC be approved.
- b) the Executive Manager – Neighbourhoods and the Executive Manager – Finance and Corporate Services, in consultation with the Portfolio Holder for Community and Leisure, be delegated authority to finalise the required legal variations to effect this change.
- c) Lex Leisure CIC brings a report to an appropriate Scrutiny Committee of the Council within the first six months of its operation in respect of both financial and community outcomes and benefits.

Reason for decision

The proposal will contribute to and assist the Council with the delivery of its Transformation Plan and Medium Term Financial Strategy.

63 Report of the Corporate Peer Challenge

The Leader and Portfolio Holder for Strategic and Borough Wide Leadership

presented the report of the Chief Executive. The report presented the final report from the Corporate Peer Challenge that had been conducted from 31 January – 2 February 2018.

The Leader was keen to express that the aim of the Corporate Peer Challenge was to add improvement and value to the Council. The Leader explained that the Corporate Peer Challenge Team had consisted of peers who had used their experience and knowledge of local government to reflect on the information presented by the staff and councillors that they met, the practices that had been seen and the material that they had read. It was noted that over the period of three days the peers spoke to 90 participants including Rushcliffe Borough Council staff, Councillors and external partners and stakeholders.

The Leader noted that the attached action plan to the report outlined methods to address the recommendations made by the Corporate Peer Challenge Team. The Leader stated that the action plan included actions to improve engagement with Nottinghamshire County Council and to review pay, reward and progression packages.

In seconding the recommendations Councillor Mason stated that she was appreciative of the open process of the Corporate Peer Challenge and that it was important for the Council to take advantage of the positive experience of the Corporate Peer Challenge.

It was **RESOLVED** that:

- a) the Corporate Peer Challenge as detailed at Appendix 1 of the officer's report be noted.
- b) the Corporate Peer Challenge report be utilised as a key document to drive forward the future priorities, resource utilisation and culture of Rushcliffe Borough Council.
- c) the Action Plan as detailed at Appendix 2 of the officer's report be approved.


Reason for decisions

To ensure that the Council continues to act in the best interests of its residents whilst utilising and building out capacity, to maximise the outcomes stated within the corporate plan, working towards becoming sustainable, whilst also delivering significant growth with a clear and exciting vision for the Borough.

The meeting closed at 7.24 pm.

CHAIRMAN

This page is intentionally left blank

 <p>Cabinet 12 June 2018 Cotgrave Regeneration Scheme Phase 2</p>	<h1>6</h1>
---	------------

Report of the Executive Manager – Operations and Transformation

Cabinet Portfolio Holder for Economic Growth and Business Councillor A Edyvean

1. Summary

- 1.1. This report provides an update to Cabinet on the successful progress of the Cotgrave regeneration project Phase 1, and also sets out the potential next steps to progress Phase 2 of the town centre regeneration.

2. Recommendation

It is RECOMMENDED that to progress Phase 2 Cabinet agree that:

- a) The row of shops which includes Units 1-4c is demolished once the Council has achieved vacant possession
- b) The capital programme be amended and the £387k underspend from the Land North of Bingham budget from 2017/18 is reallocated to cover additional costs associated with securing the vacant possession and demolition of Units 1-4c and bringing forward Phase 2
- c) Officers undertake detailed work on the investment opportunity for Rushcliffe Borough Council to develop the area of the shopping centre shown as Phase 2 in Appendix A
- d) Concurrently the Phase 2 area is red-lined and marketed to ascertain private sector interest which could result in a capital receipt to the Council
- e) The results of both c) and d) above are reported back to Cabinet later this year.

3. Reasons for Recommendation

- 3.1. Following the report to Cabinet in February 2018 (“Cotgrave Town Centre Land Transactions”), Cabinet agreed that the Council should secure the leaseholds of Units 1-3 in the shopping centre to enable Phase 2 work to progress. Unit 3 has now been acquired, and negotiations are at an advanced stage for the acquisition of Units 1 and 2.

- 3.2. The report to Cabinet also approved that the Council should use the existing allocation in its capital programme for the Cotgrave Regeneration scheme to fund the acquisition costs, with the understanding that the allocation may need to be reviewed once costs were available for the next stage of the scheme.
- 3.3. A pre-tender estimate has now been put together for the remaining works relating to Phase 1 of the scheme. The works comprise the demolition of the police station, library, health centre and the creation of the new public realm and car park. The pre-tender estimate falls within the budget allocated, therefore, officers are pleased to report that Phase 1 is being delivered within the budget set by Cabinet in December 2015. Additional costs to the project to progress Phase 2 including the acquisition and demolition costs for Units 1-4c cannot be fully absorbed into the existing cost envelope for the scheme and so the reallocation of other capital underspends is requested.
- 3.4. Officers have investigated potential options for Phase 2 which are set out below in para 5.4. To test which of these options provides the best outcome it is advised that a marketing exercise is undertaken to test the market more rigorously, whilst at the same time, the Council does further work on its own investment options for the site.

4. Supporting Information

- 4.1. At its December 2015 meeting, Cabinet agreed to deliver the Option 1 scheme for Phase 1. This included the following:

Town centre

- Demolishing the Scotland Bank residences and building a new multiservice centre on this site to house health, police, library, RBC contact point and possibly Cotgrave Town Council (pending a decision by the town council).
- Demolishing the existing police station, library and health centre and creating new and improved public realm and landscaping, thus opening up the precinct to Candleby Lane, creating visibility for shop fronts and a safe and welcoming environment.
- Refurbishment of the existing back run of shop units including new fascias and glazing to provide a fresh new look and improvements to the appearance of the back of the shops.
- Conversion of the flats above the units to a new business centre to create attractive employment space for local businesses to operate from – to be accessed from the front of the shops.
- Improvements to the green space and play area.

Colliery site

- Based on identified demand, the creation of 15 new industrial units on the colliery site adjacent to the Council's existing stock at Colliers Way. These units to range in size from 750 sq ft to 2000 sq ft.

- 4.2. In addition to the previous or current funding for the scheme of £8.6m that had been secured (some had already been expended in acquisitions and fees), it was identified that the Council would need to fund a minimum of an additional £2.5m for this option. Phase 1 was forecast to cost £8m.
- 4.3. So far, the Scotland Bank residences have been demolished and the multiservice centre has been procured and is part-way through construction. The back run of shop units (Units 5-14) have been refurbished and the flats converted into nine new offices. Of these nine units there is interest from local businesses in seven at the time of writing. The 15 new industrial units on Colliers Way have been built and are all let creating additional new jobs in Cotgrave.
- 4.4. The outstanding works in Phase 1 are to demolish the old public sector buildings (police, library and health centre) once they are vacated and to convert the space to parking and public realm. In addition the play area will be improved with some additional financial support from Cotgrave Town Council.
- 4.5. There has always been an ambition to conclude the project by looking at a second phase of the shopping centre which would regenerate the area currently occupied by Units 1-4c. This would be Phase 2.

5. Phase 2

- 5.1. The Phase 2 area is shown as the red-line area on the plan in Appendix A. It comprises the row of shops which are Units 1-4c. This was not originally included in Phase 1 because the Council did not have control of the full row of shops, three of which had long leasehold agreements (Units 1-3). Of the outstanding units, the Council has secured Unit 3 and is in advanced negotiations with Units 1 and 2.
- 5.2. It is planned that the remaining tenants in the row will either relocate to other parts of the town centre scheme or vacate their units depending on their preference and circumstances.
- 5.3. Whilst Phase 1 has been successfully refurbished, it is not proposed to refurbish Units 1-4c. The aspect of the row is unsightly from Candleby Lane and there would be more flexibility for the future area if the row was demolished and the land use considered more widely.
- 5.4. External market advice has been secured from independent property consultants, Box Property to consider future uses for the site, and the options they have considered are set out below:
 - Care home/ supported living – Cotgrave has two existing care homes. The subject site is not ideal both in terms of its accessibility and its topography but care or assisted living is certainly a potential use and one which could complement the retail

- Budget supermarket – the size requirements have now increased to circa 18,000-25,000 sq.ft pushing land sizes towards the 2 acre mark. It would not be possible to provide enough land to accommodate this store format and recent conversations have confirmed that Cotgrave is not a location of interest to the two major budget supermarkets
 - Redeveloping the block for further retail or service sector tenants. A redevelopment to provide 7,500 sq.ft of new retail could be accommodated. This space could be divided to suit individual retailers' size requirements. Interest has been confirmed from several regional or national brands.
 - Family pub/ restaurant – interest is not considered to be forthcoming for this use.
 - Cinema – it is not considered to be viable for an operator to provide a cinema in this area.
- 5.5. Ultimately a marketing exercise will enable the options in paragraph 5.4 to be tested out and it is recommended that this is undertaken.
- 5.6. The Council also has an Asset Investment Strategy which it has utilised to good effect to invest in commercial acquisitions. There could be an opportunity for the Council to invest an amount from its Asset Investment fund in a new retail unit in Cotgrave as part of Phase 2 and this will be investigated by officers.
- 5.7. It is recommended that both a marketing exercise, and a business case for Council investment be pursued in order to provide Cabinet with all the options available in order to make a decision on next steps.
- 5.8. The proposed timescales for this are to undertake the demolition of the existing units at the same time as the current library, health centre and police station which are due to be demolished later this year. This of course will be subject to vacant possession of the units having been achieved. If the marketing and the options appraisal for Council investment are carried out concurrently then it is anticipated that a further report could be brought to Cabinet setting out the options in the autumn.

6. Financial update

- 6.1. The original budget of £8m for Phase 1 has been realistic and it has been possible to deliver the scheme so far within budget. However, the scope of the project has been extended to start to deliver Phase 2 by securing the freehold of the Units 1-4c and then demolishing these units.
- 6.2. The demolition will prevent the Council becoming liable for business rates on the empty units which is likely to be around £30k pa. It would also help prevent anti-social behaviour in or around the units once they are vacated. Previous experience with Scotland Bank found that the houses did become a target for anti-social behaviour once they were vacant.
- 6.3. It is recommended that the capital programme be amended and the £387k underspend from the Land North of Bingham budget is reallocated to cover

additional costs associated with securing the vacant possession and demolition of Units 1-4c and bringing forward Phase 2.

7. Risk and Uncertainties

7.1. The marketing exercise will provide evidence of what the market could deliver for Phase 2.

8. Implications

8.1. Finance

Financial implications are covered in paragraph 6.3.

The capital programme can be adjusted to increase the Cotgrave Regeneration budget by £387k and will be referenced in the year-end 2017/18 financial outturn report.

8.2. Legal

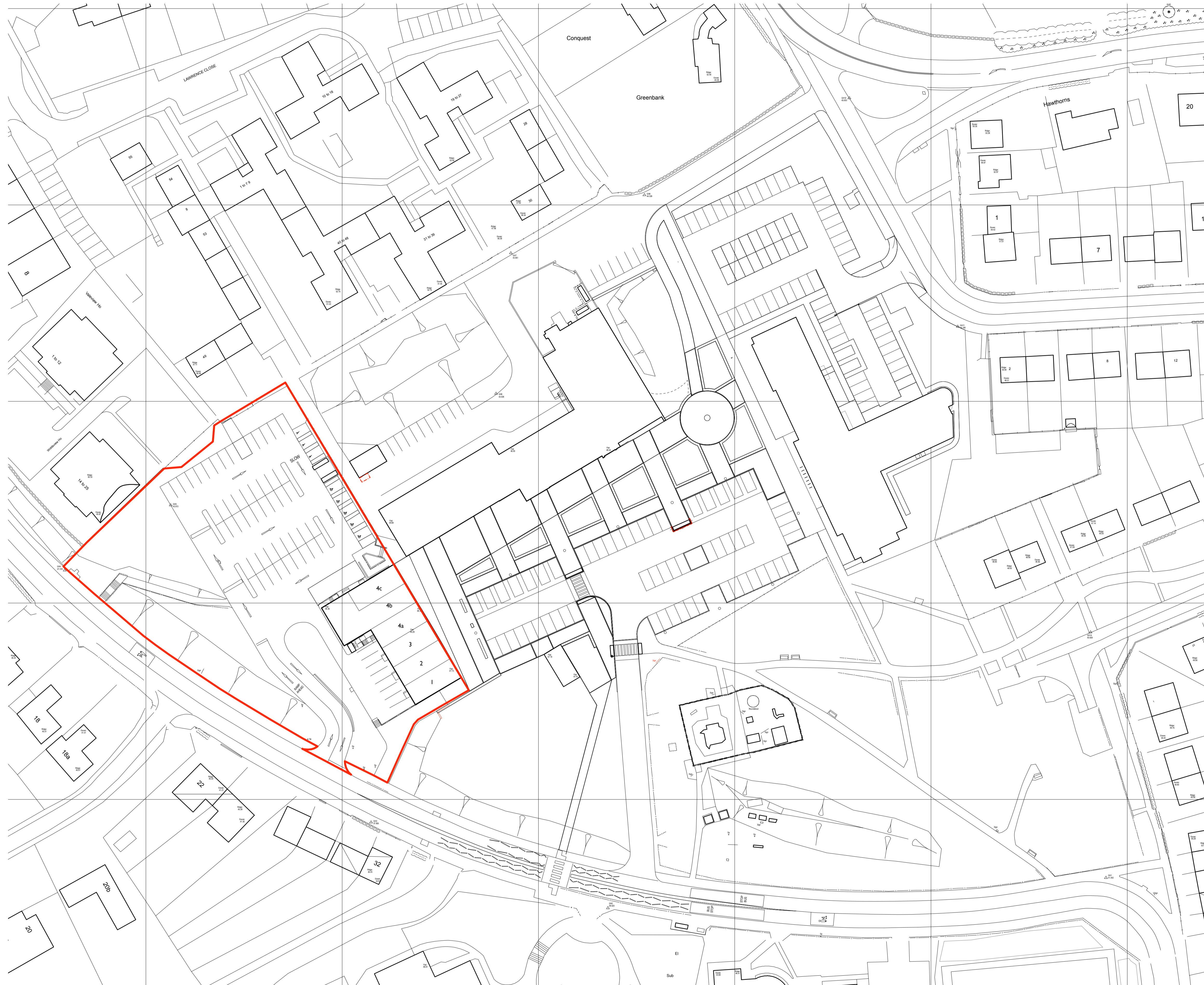
None.

8.3. Corporate Priorities

The Cotgrave Regeneration project is a strategic task within the Council's corporate plan.

For more information contact:	Kath Marriott Executive Manager – Operations and Transformation 0115 914 8291 kmarriott@rushcliffe.gov.uk
Background papers Available for Inspection:	Cabinet report, February 2018 “Cotgrave Town Centre Land Transactions” Cabinet report, December 2015 “Cotgrave Regeneration Scheme”
List of appendices (if any):	Appendix A – Plan of the Phase 2 Site

This page is intentionally left blank



Legend

Retail Units 1-4C & Car Park boundary

H 15/9/17 Amended boundaries as per RBC email 05/9/17 TE

REV.	DATE	DESCRIPTION	BY



Architects, Landscape & Interior Design

16-20 Bath Street, Nottingham NG1 1DF

T 0115 841 8418 E design@allanjoycearchitects.co.uk
 F 0115 950 7161 W www.allanjoycearchitects.co.uk

CLIENT
Rushcliffe Borough Council

PROJECT
Cotgrave Town Centre

DRAWING
Phase 2 - Unit 1-4C & Car Park Boundaries

PROJECT NUMBER	SCALE	DATE
3079	1:500 @ A1 / 1:1000 @ A3	May-18

DRAWING NUMBER	REVISION	STATUS	BY
39	-	Legals	RW

This drawing is copyright and remains the property of Allan Joyce Architects Ltd
 Generally do not scale drawings. All dimensions to be checked on site.

This page is intentionally left blank

 <p>Rushcliffe Borough Council</p>	<p>Cabinet</p> <p>12 June 2018</p> <p>Financial Outturn 2017/18</p>	<h1>7</h1>
---	--	------------

Report of the Executive Manager - Finance and Corporate Services

Cabinet Portfolio Holder for Finance Councillor G Moore

1. Summary

- 1.1. The purpose of this report is to outline the year-end financial outturn position for 2017/18, linked to the closure of accounts process and previous financial update reports. The draft Statement of Accounts has been prepared and was approved by the Executive Manager – Finance and Corporate Services by 31 May 2017, the new earlier statutory deadline.
- 1.2. The Council is required to categorise its income and expenditure as either revenue or capital. Revenue income and expenditure is included in the General Fund, with Capital included in the capital programme. The Financial Outturn, for both Revenue and Capital, is presented below.
- 1.3. The net position shows a transfer *to* reserves of £0.317m originally planned to be a transfer *from* reserves of £0.655m a net increase of £0.982m. The increase arises from revenue efficiencies throughout the year (£0.17m, equivalent to 1.47% of the net budget) but the majority is due to additional grant income outside of the Council's control. Namely the impact of additional Section 31 grants (specific grants issued by the Government normally for new activities or 'new burdens', £0.222m); and a rise in Business Rates Relief, largely as a result of the Government's response to the impact on businesses of the increase in the revaluation of properties from April 2017 (£0.405m).
- 1.4. The Council ensured the discretionary reliefs were applied, resulting in 295 businesses benefitting from £305k of additional discretionary rate relief.
- 1.5. The improved financial position leaves the Council in a better place to meet the future financial challenges it faces, as it looks to improve services, enhance assets and grow the Borough; despite the difficult economic climate and on-going central government funding reductions. A number of commitments, both revenue and capital, are identified in the report to be resourced from the improved reserve position, particularly linked to the Council's growth agenda.
- 1.6. Retaining a healthy position on reserves is necessary to insulate the Council against significant financial risks (and take advantage of opportunities) it faces both now and in the future.

2. Recommendation

It is RECOMMENDED that Cabinet

- a) Notes the 2017/18 revenue position and efficiencies identified in **Table 1**, and approves the associated changes to the earmarked reserves as set out in paragraph 4.5 below and **Appendix B**;
- b) Notes the re-profiled position on capital and approves the capital carry forwards outlined in **Appendix C** and approves the additional spend required for projects at paragraph 4.8; and
- c) Notes the update on the Cricket Club loan in Section 5.

3. Reasons for Recommendation

- 3.1. To accord with good financial governance and the Council's Financial Regulations.

4. Supporting Information

General Fund – Revenue Outturn Position

- 4.1. The General Fund account deals with the Council's revenue income and expenditure, where spend is incurred on day to day expenditure or on items used within the year.
- 4.2. The projected outturn position for the General Fund has been reported to the Corporate Governance Group and Cabinet regularly during 2017/18. The year-end Financial Statements are subject to audit by KPMG and will be considered by Council on 26 July 2018.
- 4.3. The overall position on the General Fund budget gives £797k of revenue efficiencies for the year, as detailed in Table 1 (overleaf). Table 4 in **Appendix A** details the main variances over which account for this underspend. The majority of the savings are as a result of Government changes in legislation (particularly business rates) and additional grant or funding, issued after the financial settlement in February 2017 – amounting to £627k (84%) of efficiencies. In particular changes to discretionary rates relief arising from the 2017 business rates revaluations.

Table 1: Revenue Outturn Position

	Final		
	Budget £'000	Actual £'000	Variance £'000
Communities	1,195	1,184	-11
Finance & Corporate Services	3,351	3,239	-112
Neighbourhoods	4,010	3,941	-69
Transformation	2,994	3,016	22
Sub Total	11,550	11,380	-170
Capital Accounting Reversals	-1,587	-1,587	0
Minimum Revenue Provision	1,000	1,000	0
Total Net Service Expenditure	10,963	10,793	-170
Grant Income (including New Homes Bonus & rsg)	-2,334	-2,556	-222
Business Rates (including SBRR)	-2,561	-2,966	-405
Council Tax	-6,074	-6,074	0
Collection Fund Surplus	-18	-18	0
Total Funding	-10,987	-11,614	-627
Surplus (-)/Deficit on Revenue Budget	-24	-821	-797
Capital Expenditure financed from reserves	689	504	-185
Net Transfer to (-)/(from) Reserves	665	-317	-982

4.4. The Council responded positively to the Government changes for business rates relief (largely as a result of increases in business rates following the April 2017 revaluations by the Valuation Office), putting in place processes to ensure businesses maximised the benefit of the relief that was available. As can be seen below 295 businesses benefitted from the various types of relief, amounting to £305,139.

Scheme	Value of relief awarded	Number of businesses
Pub relief	£31,129	41
Supporting small businesses	£34,692	28
Local discretionary scheme	£239,318	226
Total	£305,139	295

Reserves

4.5 There are a number of movements in Reserves largely agreed as part of the budget setting process and budget monitoring for 2017/18. **Appendix B** highlights the movement in reserves. Some key points to note:

- There are a number of 'transfers out' or use of reserves totalling £1.707m including: £1.046m from the New Homes Bonus reserve, £1m for the Arena redevelopment;

- £0.326m is transferred out from the Organisation Stabilisation Reserve mainly to finance Bridgford Hall £0.175m and £0.110m for Positive Futures; and £0.3m to finance Cotgrave Regeneration;
- There are a number of 'transfers in' totalling £2.024m that increases reserves including £1.835m New Homes Bonus and £0.159m to fund special expense West Park Play area.
- The New Homes Bonus (NHB) Reserve (£6.268m) is largely earmarked to fund internal borrowing in relation to capital projects such as the Arena
- Overall, whilst the level of Reserves is a healthy £10.532m, there are risks going forward in terms of further reductions and commitments from reserves to capital projects. This includes the repayment of internal borrowing for the Arena, which is reliant on NHB funding and this is by no means a stable source of income. The impact of both the Fair Funding and Business Rates reviews and the future de-commissioning of the power station creates further uncertainty which makes it necessary to retain a stable level of reserves.

4.6 The Council is committed to growing the Borough, ensuring it maximises available opportunities, particularly linked to the impact of growth. Below are requests for the use of reserves in 2018/19, for both expected and new revenue commitments totalling £522k – detailed in table 2 below.

Table 2: Revenue Budget Carry Forward Requests

Nature of budget request	Amount £'000
<i>Existing commitments</i>	
ERDF grant match funding support for business	25
Strategic Growth Board Budget	51
Growth Board Shop Front budget	10
Local Plan	75
<i>New Commitments</i>	
Additional salary commitment	150
Events growth	65
Joint RBC/Nott'm City Clifton infrastructure funding	10
WW1 Centenary budget	20
Economic Development Staffing support	16
Additional Strategic Growth Board allocation	50
Investment and regeneration project work	50
Total (Impact on Reserves)	522
Revenue position - overall efficiencies	797
Net effect on reserves	275

Capital

4.7 The year-end Capital Programme provision totalled £22.535m (see Table 3 and **Appendix D**). Actual expenditure in relation to this provision totalled £9.816m (56%) giving rise to a variance of £12.719m, £12.176m of which is recommended to be carried forward. The main reasons for this are a combination of re-profiling or projects yet to be developed or opportunities realised. The main variations being in relation to Cotgrave Regeneration Scheme (£3.041m); Support for Registered Housing Providers (£0.896m) and continuing with the Asset Investment Strategy £5.649m. **Appendix C**

highlights the main variances and summarises, as well as the carry forward amounts, also the savings on schemes (£656k) and some items where there has been some acceleration in spend, £114k due to business need.

Table 3: Summary of Capital Expenditure 2017/18

CAPITAL OUTTURN 2017-18				
EXPENDITURE SUMMARY	Current Budget £000	Actual £000	Variance £000	Variance %
Transformation	12,311	7,732	(4,580)	(37.20)
Neighbourhoods	2,225	986	(1,239)	(55.67)
Communities	399	123	(277)	(69.30)
Finance & Corporate Services	7,447	976	(6,471)	(86.89)
Contingency	153	0	(153)	(100.00)
	22,535	9,816	(12,719)	(56.44)
FINANCING ANALYSIS				
Capital Receipts	(15,277)	(6,455)	8,822	(57.75)
Government Grants	(1,917)	(1,869)	48	(2.50)
Other Grants/Contributions	(1,969)	(250)	1,719	(87.30)
Use of Reserves	(689)	(505)	184	(26.71)
Internal Borrowing	(2,683)	(737)	1,946	(72.53)
	(22,535)	(9,816)	12,719	(56.44)
NET EXPENDITURE	-	-	-	-

4.8 Regarding the £656,000 of savings from the existing programme below are 3 commitments where further expenditure is required:

- Bowls floor and carpet £65,000
- Arena public art project £25,000
- Cotgrave Phase 2* £387,000
- Total £477,000**

*as detailed in the Cabinet Report, 12 June 2018

4.9 **Financial Outturn Conclusion** – The Council continues to face many significant financial challenges. The 2017/18 financial outturn position demonstrates how the Council manages to balance a shrinking budget with a culture of prudence, and through the Capital Programme focuses on investment and growth in the borough.

5. Cricket Club Loan Update

5.1. The Council has received monthly project update reports prior to authorising any loans. Additionally the Section 151 Officers for RBC, Nottingham City Council and Nottinghamshire County Council are meeting on a quarterly basis with the Cricket Club Finance Director. Monthly loans have been authorised (from October 2016) with £1.798m being loaned at a rate of 4.31% and interest repayments totalling £62k.

5.2. In terms of the first phase of the project, the extension of the Radcliffe Road Stand, £6.3m has been spent (February 2018, Report Number 13) with overall project spend anticipated to be £7.25m. The work is virtually complete. The Council has noted NCCC's year-end financial position (to 30 September 2017) and that there was a surplus of £279k for the year. Finances are in an overall healthy position with a budgeted profit of £765k by September 2018.

6. Other Options Considered

6.1. There are no other options identified, subject to the views of Cabinet.

7. Risk and Uncertainties

7.1. The financial position present an upside risk in terms of providing further funding to ensure the Council delivers its corporate priorities and helps meet funding pressures within the MTFS and the inherent risks in an increasingly volatile financial environment now exacerbated by the uncertainty of both leaving the European Union and the national political environment.

8. Implications

8.1. Finance

These are contained within the body of the report with commentary on revenue (Section 4.1 to 4.4), reserves (section 4.5 to 4.6), capital (sections 4.7 to 4.8) and a cricket club loan update (section 5).

8.2. Legal

There are no direct legal implications.

8.3. Corporate Priorities

Securing a balanced budget is critical in delivering the Council's Corporate Priorities.

8.4. Other Implications

None.

For more information contact:	Peter Linfield Executive Manager – Finance and Corporate Services 0115 914 8439 plinfield@rushcliffe.gov.uk
Background papers Available for Inspection:	Previous Revenue and Capital monitoring reports throughout the year
List of appendices (if any):	Appendix A – Revenue Budget 2017/18 – Main Variances Appendix B – Movement in Reserves Appendix C – Capital Programme 2017/18 Outturn

This page is intentionally left blank

Table 4: Revenue Budget 2017/18 – Significant Variances

MAIN ADVERSE VARIANCES	Projected Outturn Variance £'000
Communities	
Land Charges	18
DC Peer review and appeals	23
Planning Income	78
Finance & Corporate Services	
Motor Insurance premium and Insurance Premium Tax	20
Electoral Registration - External Printing Hybrid Mail	17
Transformation	
Economic Development - Feasibility Costs	20
Office Accommodation – Arena NNDR (Business Rates) by Valuation Office	70
Neighbourhoods	
Agency staff partially offset by staff savings	23
Leisure Centres - Repairs	21
Total Adverse Variances	290

FAVOURABLE VARIANCES in excess of £15,000	Projected Outturn Variance £'000
Communities	
Local Plan slippage - Carry Forward Requested	-74
Development Control - Staff Vacancies	-24
Building Control - (reduced employee costs in the partnership)	-26
Finance & Corporate Services	
Council Tax - Staff vacancies	-32

Housing Benefit - overpayments recovered	-131
Contingency	-50
Interest Receipts (increase in property fund)	-104
Transformation	
IT contracts savings	-50
Economic Development - Strategic Board Fund and Shop Fronts (to Carry forward)	-60
BSU - Staff vacancies	-19
Investment properties	-51
Customer Services - Staff vacancies	-15
Neighbourhoods	
Waste Collection and Recycling - Green waste income above target	-96
HIMO income release of prepaid licences	-23
Car Parking Penalty Notices	-19
Fuel recharge to third parties	-48
Total Favourable Variances	-822
Sum of Minor Variances	362
TOTAL VARIANCE	-170

FUNDING VARIANCES	Projected Outturn Variance £'000
Original Funding:	
Business Rates - this is the difference between the budgeted income and NNDR3	-405
Additional S31 Grants:	
Flexible Homelessness Support Grant	-54
Grant Income (including New Homes Bonus)	26
Custom Build	-30
New burdens funding	-29
IER funding	-20
Homelessness	-20
Decentralisation & Neighbourhood Planning	-30
Other	-65
TOTAL VARIANCE	-627

Movement in Reserves	Balance at 1/4/17	Transfers In	Transfers Out	Balance at 31/3/18	'Transfers In' Notes	'Transfers Out' Notes
	£000	£000	£000	£000		
Investment Reserves						
Regeneration and Community Projects	1,425	159	-23	1,561	Special Expenses Annuity	West Park Play Area (Capital)
Cotgrave Regeneration Project	300		-300	0		Financing Cotgrave Masterplan (Capital)
Council Assets and Service Delivery	274	0	0	274		
Local Area Agreement	122	0	0	122		
The Point	60	30	-6	84	£30k Surplus	Enhancements to the Point (Capital)
New Homes Bonus	5,479	1,835	-1046	6,268	Grant Received in Year	£1m MRP Arena, £17k Members Grants, £29k Growth Board
Invest to Save	150	0	0	150		
Corporate Reserves						
Organisational Stabilisation Reserve	1,400	0	-326	1,074		£110k Positive Futures, £175k Financing Bridgford Hall (Capital), £42k travel scheme changes
Risk and Insurance	100	0	0	100		
Planning Appeals	349	0	0	349		
Elections	153	0	0	153		
Operating Reserves						
Planning	187	0	-6	181		Local Plans
Leisure Centre Maintenance	116	0	0	116		
Planned Maintenance	100	0	0	100		
Total	10,215	2,024	-1,707	10,532		

This page is intentionally left blank

Capital Programme 2017/18 – Outturn

CAPITAL PROGRAMME MONITORING - MARCH 2018						
	Original Budget	Current Budget	Actual		Carry fwd(C)/ Saving(S) or Acceleration (A)	
			YTD	Variance		Explanation
	£000	£000	£000	£'000		
TRANSFORMATION						
Cotgrave Regeneration & MSC	2,920	4,616	1,575	(3,041)	C	Contracts completed and works started on site. £2.541m to be slipped into 2018-19, £0.5m to be slipped into 2019-20
Cotgrave Employment Land	0	1,477	1,330	(147)	C	Units complete and let. Budget to be carried forward for Cotgrave Regeneration & MSC
Land North of Bingham	2,800	387	0	(387)	S	Leisure and Wellbeing land acquired and due for disposal. Cabinet 9 January 2018 approved the removal of the £2.5m LEP funding allocated to the Land North of Bingham (match funded with £2.5m New Homes Bonus) from the 2017/18 programme as it is no longer required for the original scheme. The LEP element of the scheme has been reallocated and included in the 2018/19 Capital Programme.
Bingham Land off Chapel Lane	0	1,800	1,593	(207)	C	Land acquisition complete. Remediation costs still to be incurred.
Highways England Footbridge A46	1,700	0	0	0	-	Cabinet 10.10.17 approved slippage of the provision to 2018/19.
Bridgford Hall	0	205	176	(30)	S	Final contract costs and retention accrued.

RAF Newton	750	0	0	0	C	Cabinet 9 January 2018 aproved the removal of the LEP funding from the 2017/18 Capital Programme as it is no longer required for the original scheme. This sum has been reallocated and included in the 2018/19 Capital Programme.
The Point	25	25	6	(19)	C	Works started
Arena Car Park Enhancements	500	500	35	(465)	C	Tender exercise commenced, scheme to slip
Colliers Way Industrial Units	0	20	0	(20)	C	Interdependent with Barratt's housing development
Bardon Investment Property	0	1,917	1,906	(11)	S	Asset Investment Group approved acquisition
Finch Close	0	934	934	0	-	Asset Investment Group approved acquisition
New Depot	0	0	15	15	A	Opus International Consultants
RCCC Enhancements	0	100	0	(100)	C	Works to be commissioned
Information Systems Strategy	165	330	163	(167)	C	
	8,860	12,311	7,732	(4,580)		
NEIGHBOURHOODS						
Wheeled Bins	70	90	87	(3)	S	Small underspend
Vehicle Replacement	20	240	187	(53)	S	Planned replacements complete in July, balance available
Support for Registered Housing Providers	250	909	13	(896)	C	No schemes have been identified. Provision to be carried forward to future years
Hound Lodge - Heating	40	0	0	0	-	Cabinet 10.10.17 approved slippage of the provision to 2018/19.
Assistive Technology	0	12	12	0	-	
Discretionary Top Ups	0	106	48	(58)	C	Carry forward request for BCF supported underspend
Disabled Facilities Grants	375	412	511	99	A	£55k additional funding has been offered and a request for a further £120k has been made.

Arena Redevelopment	500	183	43	(140)	C	Final contract costs and retention accrued.
Car Park Machines	0	50	46	(4)	S	Machines installed, minor saving.
Car Park Improvements - Lighting	50	50	0	(50)	C	Works to be scoped with West Park Lighting likely to be 2018/19.
KLC Boiler Replacement	0	17	17	(0)	-	Works complete
BLC Artificial Turf Pitch		10	(6)	(16)	S	Works complete and in defects period - over accrual from previous year
BLC Improvements	130	130	22	(108)	C	The schedule of works is being drawn up
EGC Upgrade Facilities	0	16	7	(9)	C	Improvements largely complete, electrics work still to do
	1,435	2,225	986	(1,239)		
COMMUNITIES						
Capital Grant Funding	48	100	54	(46)	C	There is 1 application in the pipeline totalling £15,000 together with commitments of £28,816
Play Areas - Special Expense	50	100	0	(100)	C	External funding being sourced. This provision will need to slip to 2018/19.
West Park Fencing and Drainage	0	34	23	(11)	C	Fencing element complete, drainage work to be commissioned
West Park Lighting	25	25	0	(25)	C	Works to be scoped with general Car Park lighting scheme likely to be 2018/19
RCP - Car Park	90	90	46	(45)	C	This scheme was delayed but works have now started.
Gamston Community Centre - Heating	30	0	0	0		Cabinet 10.10.17 approved slippage of the provision to 2018/19.
Warm Homes on Prescription	0	50	0	(50)	C	Better Care Funding secured
	243	399	123	(277)		
FINANCE & CORPORATE SERVICES						
NCCC Loan	1,400	1,798	976	(822)	C	The loan is being released in tranches. Balance will need to be carried forward.

Asset Investment Strategy	3,000	5,649	0	(5,649)	C	Individual schemes dealt with via investment appraisal with Bardon and Finch Close allocated above. Balance to be carried forward.
CONTINGENCY	4,400	7,447	976	(6,471)		
Contingency	190	153	0	(153)	S	Carry forward to support bowls hall floor replacement
	190	153	0	(153)		
TOTAL	15,128	22,535	9,816	(12,719)		

(12,176)	Carry Forward
(656)	Savings
114	Acceleration
<u>(12,718)</u>	

 <p>Rushcliffe Borough Council</p>	<p>Cabinet</p> <p>12 June 2018</p> <p>Limited Liability Partnership (LLP)</p>	<h1>9</h1>
--	--	------------

Report of the Executive Manager, Transformation and Operations (DCE)

Cabinet Portfolio Holder for Economic Growth and Business Councillor A Edyvean

1. Summary

- 1.1. Cabinet received a report in November 2017 (“Rushcliffe Property Company Options”) and agreed that further investigation of the Public Sector PLC (PSP) relational partnering model should be undertaken by officers. This would be with a view to developing a Limited Liability Partnership (LLP) between Rushcliffe Borough Council and PSP to deliver discrete property development projects in the Borough where PSP could add value.
- 1.2. Subsequently, Cabinet received a report in February 2018 setting out a new “Corporate Structure and Governance Arrangements for Rushcliffe Borough Council Companies”. It was agreed that the Council would set up a holding company – RBC Enterprises Ltd – which would sit above the Streetwise companies and any other RBC companies that are set up. This structure now enables the Council to move forward on setting up an LLP with Public Sector PLC, for the delivery of future property projects.

2. Recommendation

It is RECOMMENDED that

- a) The creation of a limited liability partnership (LLP) between RBC Enterprises Ltd and PSP Facilitating Limited (PSPF) be approved;
- b) The final terms of the necessary agreements be delegated to the Deputy Chief Executive in consultation with the Chief Executive and the Leader, provided that all the due diligence checks have been carried out successfully;
- c) It be noted the LLP arrangement requires the establishment of an LLP Partnership Board with equal Council and PSPF representation. This will be supported by an Operations Board for officers;
- d) The Council representation on the Partnership Board will be determined by RBC Enterprises Ltd;
- e) Council officer representation on the Operations Board will be determined by the Chief Executive or his deputy;
- f) Insurance and indemnity be provided for Member and Officer representatives of the LLP;

- g) It be noted that the LLP will be an additional option for the Council to use to deal with its property portfolio; and
- h) It be noted that further reports will be submitted to Cabinet in respect of relevant proposals to pursue property-related projects through the LLP.

3. Reasons for Recommendation

- 3.1. The purpose of this report is to recommend to Cabinet that the Council enters into a limited liability partnership (LLP) with a private sector partner, PSP Facilitating Ltd (PSPF). An LLP between Rushcliffe Borough Council's holding company and PSPF would provide the Council with an additional option over and above those currently available to it with regard to the disposal, sale, or development or other use of its assets in order to maximise income and opportunity.
- 3.2. As part of its medium term financial planning the Council is always looking for ways to maximise its property assets. In addition, the Council and its communities have aspirations to redevelop or enhance parts of the Borough's towns and villages through the work of the growth boards but are likely to need external funding to do this.
- 3.3. Public Sector Plc (PSP) is a company formed in 2007 between the Winston Group, the William Pears Groups, and Best Value Strategies Ltd. Its funder is Cabot Square Capital. PSP approaches local authorities with whom it seeks to partner. It works in partnership using a "relationship first" approach, and requires no prior commitment or guarantee of work by the Council. PSP is already operating in 21 local authority areas and is negotiating additional localities in its current phase of development.
- 3.4. The relationship brings funding opportunities for the Council which are not traditionally available, and the LLP once formed will be required to demonstrate its value to the Council before projects are agreed for delivery. Under the partnership the Council has the assurance that it will receive the current market value of any property assets utilised in projects, whether this is in terms of revenue income from investment portfolios or capital receipts from the disposal of surplus property. Any additional revenue income or capital value generated by the LLP over and above this is shared between the partners.
- 3.5. Property initiatives through the LLP must be able to demonstrate added value over and above the Council's traditional approaches and any up-front investment is supported by private sector funding. Furthermore the LLP does not involve the commitment upfront before the partnership can be established as would be the case with other public private partnership approaches such as Private Finance Initiative (PFI) projects and Local Asset Backed Vehicles (LABV).

4. Supporting Information

- 4.1. Rushcliffe Borough Council has delivered some significant property-related projects over the last few years which include:
- Bridgford Hall
 - Rushcliffe Arena
 - Cotgrave regeneration
 - New industrial units
 - Acquisitions via the Asset Investment Strategy.
- 4.2. However, some of the Council's future aspirations may benefit from the ability to secure external private sector funding and insource private sector skills. Future aspirations may include developing complex schemes like maximising the potential of West Bridgford town centre following the feedback from the West Bridgford Commissioners' report and considering the best mix for the Council's land at Chapel Lane to support the Council's financial position as well as the future needs of the town.
- 4.3. In addition, the Council owns two sites that may be allocated for housing – Abbey Road and Hollygate Lane. The Council does not have inhouse expertise at developing housing sites and external advice either via PSP or another source would be beneficial here.
- 4.4. The outcomes and benefits of an limited liability partnership approach for Rushcliffe Borough Council are set out below:

Outcomes:	<ul style="list-style-type: none">▪ Generate new additional income through working on property-related projects to support the Council becoming financially self-reliant▪ Access to significant levels of capital investment▪ Resilience – complementing our existing resources by tapping into expertise and resources with a commercial edge▪ Community Benefits i.e. realising improvement in the local economy▪ Revenue savings and generating capital receipts▪ Utilising and strengthening the skills of the Council's staff
------------------	---

Potential Benefits:	<ul style="list-style-type: none"> ▪ Highly flexible and creative in operation ▪ Additional option open to the Council - this does not remove or compromise ability to consider other options ▪ Allows projects to evolve and be assessed before any commitment ▪ Baseline value remains with the Council - it is the added value that is shared ▪ Investment of private sector funds into projects of mutual benefit ▪ Support the Council in the development of its strategic review of the property portfolio, and facilitate the preparation of a new Council Asset Management Strategy and related action plan ▪ Realise revenue savings ▪ Establish new or enhanced revenue income streams ▪ Generate improved levels of capital receipts from projects ▪ Make more efficient use of their property assets ▪ De-risk property transactions ▪ Benefit from value created by the private sector
----------------------------	--

5. Governance and due diligence

- 5.1. A Limited Liability Partnership is a corporate entity in which two or more partners agree to go into partnership with a view to making a profit. LLPs are regulated by legislation in the same way as for a company, e.g. an LLP must file annual accounts and details of membership with Companies House. In an LLP the members have the benefit of limited liability: that is, protection from personal liability for any debts or claims made against the LLP, provided they act within the powers of the constitution of the LLP.
- 5.2. To enter into this proposed LLP it will be necessary to enter into binding legal agreements with PSPF which set out the terms of the partnership. The Members' Agreement, and the more detailed Procedure Agreement which sits beneath it, commit both parties to a number of obligations in terms of establishing management and decision-making structures, but it does not commit the Council to make any financial commitment to the LLP. It is recommended that the drawing up of these agreements is delegated to the Deputy Chief Executive in consultation with the Chief Executive and the Leader.
- 5.3. The proposed term of the partnership is ten years, but the agreement enables either partner to terminate the partnership at any time with 12 months' notice. The length of the term reflects the medium term nature of any involvement with property matters, the nature of the relationship partnership, the rigorous

process followed to establish viable propositions for consideration by the authority and that the LLP may lay dormant for a period depending on projects identified.

- 5.4. Entering into the LLP does not give rise to any EU procurement implications since there is no obligation to undertake development works to the Council's assets, and therefore no works or services contracts are being awarded through establishing the LLP. In relation to specific projects that the LLP may take forward, every potential asset disposal or development will need to be assessed individually to ensure legal compliance.

6. Infrastructure

- 6.1. The inception of the LLP model will include the creation of an LLP Partnership Board, which will consist of equal representation of RBC and PSPF nominees. One implication of this is that there will need to be equal voting by both parties for a proposal to proceed, and without this any given project would not proceed. ("Members" refers to members of the partnership, not elected councillors although they may be members of the partnership.)
- 6.2. For the first six months, the Chairman would be appointed from the Council representation, and the Vice Chairman from the PSPF nominees. Thereafter, the right to appoint the Chairman will rotate between the parties on a six monthly basis. There is no casting vote for the Chairman. Representatives on the LLP Board will collectively make decisions in respect of asset related projects. The Board is anticipated to meet two to four times per year.
- 6.3. Alongside the Partnership Board, an Operations Board of officers will be created. This will have an equal split of representation from the Council and PSP typically between three and five representatives from each party. Officer membership of the Operations Board will be determined by the Chief Executive or his deputy.
- 6.4. Prior to any projects being presented to the LLP Partnership Board, a report will be presented to Cabinet on proposed projects. This report will be written by the Operations Board of officers. It will follow the standard four stage LLP process, which involves:
 - i. a high level review of the opportunity;
 - ii. if approved, then a detailed business plan is developed for the project;
 - iii. the plan is validated; and
 - iv. the Operations Board then makes recommendations to the Partnership Board (in parallel with Cabinet approval) for agreement to move to project delivery.
- 6.5. **NB. Any project coming forward will have to demonstrate 'added value' over and above that which the traditional approaches followed by the Council could achieve.) The financial case will require sign-off by the**

Council's Section 151 Officer both individually and in terms of the impact on the Council's overall Medium Term Financial Strategy.

- 6.6. Once the proposal/project has been approved by Cabinet and signed-off by the LLP Partnership Board, a project sponsor will be nominated to take the project forward, and an agreement on the reporting of progress back to Members will be established.

7. Proposals

- 7.1. Following initial work with PSP and an informal meeting with Cabinet members, both parties believe there to be benefit in forming an LLP.

- 7.2. The purpose of the LLP would be to facilitate property-related projects for the Council, making use of private sector funding, resources and skills paid for by the LLP, in addition to those available through the Council. The Council can use the strategic partnership created to achieve a wide-range of property opportunities for the Council, including regeneration, redevelopment, property portfolio rationalisation, and property-related investment.

- 7.3. Having each contributed initial capital of £1, the Council (via Rushcliffe Enterprises Ltd) and PSPF will have an equal stake in the LLP governance, together with equal voting rights. The LLP's main purposes would be to:

- i. invest private sector funds in projects of mutual benefit;
- ii. facilitate regeneration projects;
- iii. provide potential capital receipts and/or revenue income streams to the Council from the development of surplus land and buildings; and
- iv. support the Council in a strategic review of the property portfolio.

- 7.4. Projects are developed by the LLP using PSPF resources, but the final decision as to whether to proceed with a project sits with the Council. The profit share on each project will vary depending on the resources committed to the project, and PSPF guarantee at least the income currently derived from an asset, with the profit share element relating only to the amount above this level. The option might also be available to the Council to put additional resources into a project in order to achieve a larger percentage of the profit share.

- 7.5. The LLP between PSPF and Rushcliffe Enterprises Limited is an additional option for maximising the value from property assets, should be compared to alternative approaches and partnerships.

8. Implications

8.1. Finance

There are no financial implications of setting up the LLP. Each project and its financial implications will be considered as it comes forward and will be

reported to Cabinet. Any project will need Cabinet approval as well as the LLP Partnership Board approval before it is delivered.

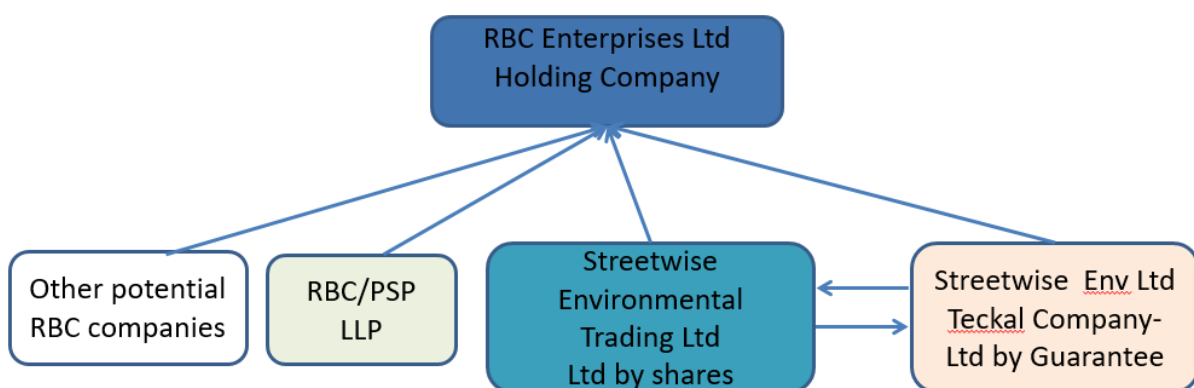
By setting up the LLP, the Council will be in a position to gain access to the PSP capital investment fund. The funder is Cabot Square Capital. Transparency will be required with regards to PSP and how their costs are charged into each project. The scope of each project will also determine the basis of accounting for, and monitoring of, such costs.

8.2. Legal

Anthony Collins Solicitors provided legal advice to RBC on the corporate structure and governance arrangements for Rushcliffe Borough Council companies. They have advised on integrating the PSP model into the Council's agreed governance structure as follows:

Integrating into the Rushcliffe Enterprises Ltd framework

8.2.1 PSP has agreed to its model being adapted to enable the Council's holding company for its commercial activities, Rushcliffe Enterprises Limited (REL), to be the partner in the LLP rather than the Council itself. The most significant consequence of doing this from a governance perspective is that it is REL that is the member of the LLP, not the Council. Therefore, it would be REL that makes decisions together with PSP Facilitating Limited in relation to projects undertaken, and representatives of the company who would be involved in this decision making. The Council (represented by Cabinet where appropriate) would deal with the LLP in two principal capacities directly, first as landowner of sites that could be progressed by the LLP, and second, as one of a number of potential funders of projects (for which the Council would get a financial return).



8.2.2 As set out above, reports would be taken to Cabinet on any potential projects.

Governance and legal implications for the Council

8.2.3 Under company law Rushcliffe Enterprises Limited (REL) has clear powers to be a member of the LLP. Tax implications for projects will not be the same as

when the Council is a member itself of the LLP both from a corporation tax and an SDLT perspective. Appropriate tax structures must be looked at on a case by case basis in relation to each project.

8.3 Corporate Priorities

Setting up the LLP will support the Council to deliver its three key priorities:

- Enhancing the quality of life for its residents – property-related projects that link to regeneration
- Delivering economic growth to ensure a sustainable thriving prosperous economy
- Delivering efficient and high quality services – through maximising the return from the Council’s property portfolio.

For more information contact:	Katherine Marriott Executive Manager, Transformation 0115 914 8291 kmariott@rushcliffe.gov.uk
Background papers Available for Inspection:	None.
List of appendices (if any):	None.