

Cabinet

Monday, 7 November 2022

7.30 pm

Present:

Cllr John Burden (Chair)
Cllr Lee Croxton (Vice-Chair)

Councillors: Shane Mochrie-Cox
Lenny Rolles
Lauren Sullivan
Narinderjit Singh Thandi
Jenny Wallace

Note: Cllrs Derek Ashenden, Ejaz Aslam, Gary Harding, Baljit Hayre, Leslie Hills, Bob Lane and Jordan Meade was also in attendance.

Nick Brown	Director (Environment) & Deputy Chief Executive
Sarah Parfitt	Director (Corporate Services)
Daniel Killian	Director (Housing)
Jamie Izzard	Director (Communities)
Stuart Alford	Assistant Director (Operations)
Lisa Nyon	Assistant Director (Corporate Services)
Carlie Simmonds	Committee Services Manager (Minutes)

37. Minutes

The minutes of the meeting held on Monday 3 October 2022 were signed by the Chair.

38. Declarations of Interest

Cllr Shane Mochrie-Cox declared a non-pecuniary interest in agenda items 6 and 16 - Cascades Leisure Centre as he is the Council representative on Gravesham Community Leisure Limited (GCLL). Cllr Mochrie-Cox agreed to leave the Chamber during consideration of these items as a precautionary measure.

39. Delegated Decisions - Cabinet Members

The Leader reported that he had just taken a delegated decision to agree for Legal Services to enter the contract ref: EN001:093744 with Kent County Council in respect of the installation of the first dedicated rapid electric vehicle chargers for hackney carriages and private hire vehicles in the Borough on behalf of the Council. The decision would be published on the Council's website on Tuesday 8 November 2022.

40. Cascades Leisure Centre Project Update

Further to minute 11 (31.01.2022), the Cabinet was informed that Knight, Kavanagh & Page (KKP) was commissioned to undertake a feasibility study of the Council owned leisure centres, Cascades Leisure Centre and Cygnet Leisure Centre. The key focus of the study was to refresh the Council's Indoor Leisure Strategy and to redefine its needs and options for investment in its facility portfolio.

As part of the work, a new design option at Cascades Leisure Centre was developed which offered an attractive, cohesive facility mix giving prominence to the core family focussed activities, and dedicated space for health referral and consultation. A total capital cost of circa £33.8m was identified at the time within the feasibility study, inclusive of approximately £3.5m allocation for enabling works including landscaping, creation of an outdoor 'active environment' area and demolition of the existing Regan's Bar public house. The Cabinet approved the proposals for a new centre and delegated authority was given to the Director (Communities); in consultation with the Leader, the Director (Corporate Services) (in the role of S151 Officer) and the Monitoring Officer, to take all necessary practical, financial and legal actions required; including entering into the relevant formal legal agreements required to engage consultant/contractor support and commence the procurement process. This also included evaluating and appointing the successful contractor(s), approve the design, commence construction and certify the acceptance of completion of works.

It was recommended within the original report that the procurement was approached in a two-stage manner, with the procurement of consultancy services being separate from that of selecting a construction partner. Therefore, the Council made a single appointment of a Lead Consultant, through use of a Pagabo Framework Contract to Faithful & Gould. As Faithful & Gould were already a tier one contractor as part of the Pagabo Framework, one of the main benefits was that it was extremely flexible, in allowing a team to be built for the Council from various other consultancy firms, based on what best met the Council's needs rather than anything pre-prescribed or restricted. This framework therefore allowed KKP and Space & Place to continue working on the project from the original feasibility phase.

Once the design team was fully in place, a number of design meetings and workshops were organised in order to review the original feasibility study outline and consider the mix of facilities the new centre should provide. These were supplemented with updated operational information from the existing leisure centres within the Borough (particularly relevant following Covid-19 and the changes to patron usage and behaviours) and some early feedback from the public on the proposals within the original report and facility make-up that was publicised at the time. Through this process, the core facility requirements were identified as detailed in section 4.2 of the report.

The environment in which a new leisure centre would be brought forward had significantly changed since the original feasibility study (January 2022). Construction costs had increased nationally by between 20-30% with both material cost and labour costs rising. In addition, there was a market uplift of around 15% for Passivhaus construction techniques that were not incorporated in the original feasibility study, albeit this would be offset by reduced utility expenditure when considering the whole life cost of an asset. The cost of borrowing had also escalated from 0.25% (January 2022) to 2.25%. Further detail on the projected costs had been included within the Part B report.

Options modelling had indicated that from a financial perspective, the Council could seek to take forward the project in a manner that would incorporate the core scheme requirements outlined at 4.2 and target Passivhaus in terms of energy efficiency design. It was noted, however, that achieving viability was currently heavily reliant on achieving a reduction of circa. £2m on the level of borrowing required which would need to be delivered through securing additional external funding or reducing the overall capital cost of the project. The financial viability of the current proposed scheme was also significantly sensitive to any changes in modelling assumptions, particularly those influenced by economic conditions. Should these conditions change and become increasingly challenging moving forwards, it would negatively affect viability of the project. Further modelling on these scenarios had been included within the Part B report.

In formulating the report and developing the preferred scheme, consideration had been given to the following options:-

- Option One – taking a decision not to proceed with the new leisure facility at the Cascades Leisure site;
- Option Two – delaying progress of the project until economic conditions become more stable; and
- Option Three – progressing of the project, recognising the financial viability challenges and seeking to contain costs within the current estimate and increasing capital funding for the scheme, or identifying opportunities to reduce costs further where they are not significantly detrimental to the key objectives of the project.

The inclusion of any proposals that would expand or enhance the core facilities, including the provision of a full Health Suite facility, were not considered to be financially viable within the current economic climate but could be considered in future phasing of provision at the site. Early provision of some health suite facilities poolside will be considered alongside any other potential changes identified through the public consultation.

The Cabinet was asked to endorse the view that the Council proceeds with Option Three and agrees to officers progressing with the scheme, recognising the financial viability challenges and seeking to contain costs within the current estimate and increasing capital funding for the scheme, or identifying opportunities to reduce costs further where they are not significantly detrimental to the key objectives of the project.

The financial provision made for the project in the approved Capital Programme was considered to be sufficient for the current financial year, with any construction activity on site unlikely to commence before Summer 2023. Total project costs, however, had significantly increased and will need to be further considered by Full Council through consideration of future year capital budget provisions. Any decision to proceed would be considered as a Key Decision, given the financial impact of the decision will exceed the £100,000 threshold. In accordance with Annex 1.6 of the Constitution, the Executive Leader may take a Key Decision.

The lead consultants, through a project risk register, had identified a number of risks, the associated risk consequences and the various controls that were in place to mitigate these risks. This will be updated at regular intervals and Appendix 1 provided an indication of the breadth and scope that this will cover as its populated during the project's development through the various RIBA stages to completion.

The report outlined the following next steps:-

- Consultation;
- Planning;
- Early Contractor Involvement (ECI); and
- Future Management Operating Model.

Members were informed that options regarding leisure development in Gravesham going forward also need to take account of the Lower Thames Crossing (LTC) programme, which may have a degree of overlap with the leisure centre construction. In this regard, the LTC development included the compulsory purchase of the Southern Valley Golf course. National Highways was negotiating a voluntary purchase of the course but in the interim the owners had closed it. Discussions to date had involved the potential for the acquisition of part of the Southern Valley site by GBC to replace the existing Council owned nine-hole par three course (which had also been earmarked for compulsory purchase by LTC), as part of a land swap arrangement. These discussions and potential agreements will help to create a second phase of leisure development within the area, especially with regards to outdoor team sports. The Council will continue its ongoing discussion with LTC representatives.

As reported previously, proposals for a hub leisure facility at Ebbsfleet Garden City (if delivered) will also provide a potential competition standard facility for swimming and sports hall provision. Therefore, the future plans for the current Cygnet Leisure Centre site will need to be considered and agreed once it is known whether the Ebbsfleet landmark leisure facility will be developed, and if so, when it will be completed, along with its actual location within the Garden City. It should however be noted that there remains a commitment for there to be two municipal leisure centres in the Borough, and interim measures to support the ongoing operation of Cygnets were currently being considered.

The Cabinet welcomed the report and agreed that the Council would need to proceed with caution and progression of the project was subject to achieving viability. It was acknowledged that there would still be a significant cost to the Council for the ongoing operation of Cascades, in its current form, if the Council did not to proceed with the redevelopment.

The Cabinet agreed that it would consider the Part B report prior to making a decision.

Note: Cllr Shane Mochrie-Cox left the Chamber during consideration of this item.

41. General Fund Budget Monitoring Report 2022/23 - Quarter Two

Further to minute 19 (03.10.2022), the Cabinet received the second budget monitoring report for 2022/23 in relation to the General Fund showing the position up to 30 September 2022.

The Cabinet noted the information provided on: -

- actual performance against the approved Revenue and Capital budgets for 2022/23, including projected variances agreed or identified through budgetary control activity; and
- other key areas of financial performance that may have an impact on the Council's Medium Term Financial Strategy, Medium Term Financial Plan (MTFP) or Financial Statements.

The Assistant Director (Corporate Services) confirmed that the Council will continue to operate robust budgetary control actions to ensure good financial governance and respond to the pressures on the Council's finances. In addition to the regular budget monitoring reports, the following action was also being taken:-

- all financial decisions and major acquisitions being brought to Management Team for discussion and approval;
- appropriate controls in approving purchase orders;
- monitoring the delivery of activity under the Medium Term Financial Strategy (MTFS); and
- all recruitment activity being considered and approved by Management Team.

The report will be considered by the Finance and Audit Committee on 9 November 2022.

The Cabinet expressed concern regarding the financial risks that the Council was currently facing which were out of the Council's control and the need to deliver £4.6 million in base budget reductions. Members praised the work of both Members and Officers in delivering services and finding ingenious ways of sourcing funding and donations for example the Winter Light Festival, Christmas Lights and Tree etc; it was important for the Council to hold these events as it brings the community together, encourages footfall into the town centre and also supports local businesses. The Cabinet stated that the Council needed to continue to provide the best services possible as well as supporting those residents in the Borough that faced homelessness, rising prices and a general detriment to their way of living however acknowledged that the Council would need to make some difficult decisions in the near future in order to meet the budget reduction target.

The Chair welcomed any ideas about areas where savings could be made from Members, Officers and residents of the Borough.

The Cabinet was informed that the issue was not unique to Gravesham and that Councils all around the Country were facing the same financial pressures and impact on budget/services however the Council having a balanced budget in 2020 meant that it was in a better position than a lot of other local authorities.

The Cabinet noted the information contained within the report.

42. Housing Revenue Account Budget Monitoring Report - Quarter Two 2022/23

Further to minute 20 (03.10.2022), the Cabinet received the second budget monitoring report for 2022/23 in relation to the Housing Revenue Account showing the position up to 30 September 2022.

The Cabinet noted the information provided on: -

- actual performance against the approved Revenue and Capital budgets for 2022/23, including known variances agreed or identified through budgetary control activity; and
- other key areas of financial performance that may have an effect on the Council's Medium Term Financial Strategy, Medium Term Financial Plan, HRA Business Plan or Financial Statements.

The Assistant Director (Corporate Services) confirmed that the same robust budgetary control actions as detailed in the previous minute (minute 41 - General Fund Budget Monitoring Report 2022/23 - Quarter Two) were also being applied to the Housing Revenue Account and that this report would also be considered by the Finance and Audit Committee on 9 November 2022.

The Cabinet reiterated its concern as expressed in the previous minute (41) and acknowledged the deterioration in the forecast outturn position at Q2 which, if left unmanaged, would mean that the HRA would be unable to maintain the £3m working balance determined necessary by the Director (Corporate Services) in her role as the S151 Officer. Members noted the planned action identified at paragraph 3.9.3 of the report intended to respond to this forecast position and bring the account to a more favourable position by year-end.

The Cabinet highlighted that significant work and efficiency savings had been undertaken by the Director (Housing) and his team, for example expansion of the inhouse workforce resulting in a 30% saving, which unfortunately had now been masked by the financial pressures.

The Cabinet noted the information contained within the report.

43. Corporate Performance Report: Q2 2022-23

The Cabinet received an update against the Performance Management Framework for Quarter Two 2022-23 (July to September 2022).

Information on performance over the period was presented separately in tabular and graphical form for all indicators. Where any data was not presented, this related either to those indicators reported on an annual basis or, alternatively, where data had not been submitted in time for the presentation of the report. Any outturns where data had been unable to be reported will be presented within the next available reporting cycle to Cabinet and relevant Cabinet Committees.

Following Cabinet's review, each Cabinet Committee will be presented with an individual performance report tailored to the respective portfolio. Alongside statistical content, these will provide more detailed qualitative updates outlining what activity the Council had delivered, and what will be taken, to successfully realise the Corporate Plan's objectives and policy commitments for the 2019-23 period.

The Cabinet considered the report and highlighted the following:-

- PI 13 - Total number of environmental enforcement actions taken, the Council continued to actively pursue anyone committing environmental crime or damaging the local environment however it should be noted that a significant amount of work is undertaken in just one case alone. The figures do not bear the full picture; and
- PI 53 - % gender pay gap across Council staff, this was a good new story as the Council had made a really good effort to ensure that it had a neutral pay gap across Council staff.

The Cabinet noted the information contained within the report.

44. Annual Review of the Payroll Shared Service

The Cabinet was provided with a copy of the annual review that had been conducted in respect of the Payroll Shared Service with Medway Council in accordance with the Council's Working in Partnership Framework.

The Assistant Director (Corporate Services) drew Members' attention to appendix two of the report which provided an update against the recommendations identified in the previous year's review and the recommendations/service improvements for the coming year. The Cabinet was informed that the Assistant Director (Corporate Services) meets regularly with Medway Council officers to ensure that the recommendations/service improvements were being progressed.

The Assistant Director (Corporate Services) advised that the shared service arrangement was good value for money.

The Cabinet acknowledged that Medway Council had undergone a staff restructure within the last 18 months however expressed concern regarding the recommendations/service improvements being similar to those identified in the previous year and the time being taken to implement those recommendations/improvements. The Cabinet particularly expressed concern regarding the user experience of the SelfServe4You system and that, by improving the system, it would benefit both Gravesham and Medway employees.

The Cabinet noted the information contained within the report.

45. Review of Street Cleanliness, Littering and Flytipping throughout the Borough Topic Review Report

The Cabinet was presented with the Street Cleanliness, Littering and Flytipping throughout the Borough Topic Review Report, as approved by Members of the Overview Scrutiny Committee.

The Cabinet considered the report at Appendix Two, taking into account the three recommendations made by the Overview Scrutiny Committee, as detailed below:-

- Introduction of a business scheme similar to Street Champions – Establish a scheme similar to the Street Champions programme, so assisting businesses to keep the road/pavement outside their business clean. The Council would provide information, equipment and bags for the project;
- Roll out the digital version of Duty of Care Training – A digital version of Duty of Care Training for businesses is available. The training could be rolled out to all businesses across the Borough so they properly understand their responsibilities for waste disposal. This should lead to a reduction in fly-tipping cases; and
- Funding for Days of Action - The Days of Action programme is critical to identifying rogue waste carriers. There is currently a funding gap of about £5,000 per Kent Council. It is recommended that the Council allocates £5,000 for future years to fund this critical project.

The Cabinet thanked the Overview Scrutiny Committee and welcomed the report/recommendations as it highlighted the good work being undertaken by the Assistant Director (Operations) and his team as significant improvements had been made to that service over the last few years.

The Cabinet expressed concern regarding the funding for Days of Action as it was previously funded by KCC and the expectation was for it now to be funded by the Kent Resource Partnership Project Fund and District Councils. It was requested that the outcome of the programme i.e. prohibitions, vehicles being crushed etc be publicised.

In relation to the introduction of a business scheme similar to Street Champions, the Assistant Director (Operations) advised that it would be trialled initially before being rolled out.

Resolved that the topic review report and its recommendations be approved:-

- Introduction of a business scheme similar to Street Champions;
- Roll out the digital version of Duty of Care Training; and
- Funding for Days of Action Programme.

46. Minutes of the meeting of the Gravesham Joint Transportation Board held on Wednesday, 31 August 2022

The Cabinet noted the minutes of the Gravesham Joint Transportation Board held on Wednesday 31 August 2022.

47. Minutes of meeting of Crime and Disorder Scrutiny Committee held on Thursday, 27 October 2022

The Cabinet noted the minutes of the Crime and Disorder Scrutiny Committee held on Thursday 27 October 2022.

Cllr Shane Mochrie-Cox highlighted that preventative issues had been discussed at the recent Crime and Disorder Scrutiny Committee regarding this year's Halloween and Fireworks weekends. The Council's annual fireworks display was a success and wanted to thank all those involved. Cllr Mochrie-Cox was aware that there had been some issues in the outer wards i.e. Police response and requested that these issues be raised with the Police.

48. Exclusion

Resolved that pursuant to Section 100A(4) of the Local Government Act 1972 that the public be excluded during the following item of business because it was likely in view of the nature of business to be transacted that, if members of the public were present during the item, there would be disclosure to them of exempt information.

49. Cascades Leisure Centre Project Update - Part B Report

The Cabinet was provided with further financial information which needed to remain confidential at this stage.

Resolved that

1. the view that the Council proceeds with Option Three as set out in section 7.1 of the report be endorsed, namely progressing with the project, recognising the financial viability challenges and seeking to:-
 - Contain costs within the current estimate;
 - Increase capital funding for the scheme; and/or
 - Identify opportunities to reduce costs further where they are not significantly detrimental to the key objectives of the project.
2. any decision to proceed will be considered as a Key Decision taken by the Executive Leader in accordance with Annex 1.6 of the Constitution, recognising that this will have no impact on the approved Capital Programme for 2022/23.

Note: Cllr Shane Mochrie-Cox left the Chamber during consideration of this item.

Close of meeting

The meeting ended at 9.21 pm.

The Leader advised that there had been recent feedback issues with the microphone system and asked Members not to tamper with the dials on the microphone units. Members should only need to press the large grey button on the front of the microphone unit to turn it on and off when speaking. The Leader asked all Members, including the Chairs of Committees, to relay this message.