

EXECUTIVE DECISION NOTICE**CABINET**

A record of the decisions made at the meeting of the Cabinet held on Wednesday, 17 March 2021, at 10.00 a.m.

Present

Councillors

Giles Archibald (Leader and Promoting South Lakeland Portfolio Holder) (Chairman)

Robin Ashcroft	Economy, Culture and Leisure Portfolio Holder
Jonathan Brook	Deputy Leader and Housing and Innovation Portfolio Holder
Philip Dixon	Customer and Commercial Services and People Portfolio Holder
Andrew Jarvis	Finance and Resources Portfolio Holder
Dyan Jones	Climate Emergency and Localism Portfolio Holder
Suzie Pye	Health, Wellbeing and Financial Resilience Portfolio Holder

Also in attendance at the meeting were Shadow Executive Members Pat Bell (Shadow Cabinet (Health, Wellbeing and Financial Resilience Portfolio)), Tom Harvey (Shadow Cabinet Leader (Climate Emergency and Localism Portfolio)), John Holmes (Shadow Cabinet Deputy Leader (Finance and Resources)), Helen Irving (Shadow Cabinet (Customer and Commercial Services and People Portfolio)), Kevin Lancaster (Shadow Cabinet (Housing and Innovation Portfolio)) and Mark Wilson (Leader of the Labour Group).

Apologies for absence were received from Councillors Roger Bingham (Shadow Cabinet (Economy, Culture and Leisure Portfolio))

Officers

Lawrence Conway	Chief Executive
Linda Fisher	Legal, Governance and Democracy Lead Specialist (Monitoring Officer)
Julia Krier	Legal, Governance and Democracy Specialist
Adam Moffatt	Specialist - Legal, Governance and Democracy
Simon Rowley	Director of Customer and Commercial Services
Helen Smith	Finance Lead Specialist (Section 151 Officer)
David Sykes	Director of Strategy, Innovation and Resources
Sion Thomas	Operational Lead Delivery and Commercial Services
Danielle Walls	Legal, Governance and Democracy Specialist (Solicitor)

CEX/136 CHAIRMAN'S INTRODUCTION

Following confirmation that the live stream of the meeting had commenced, the Leader thanked Officer's for their hard work throughout the Covid-19 crisis and for ensuring the Council's work was continued. He also thanked Members for their commitment to working with officers and with communities in difficult times.

The Leader referred to the new Government legislation allowing councils to conduct remote meetings and explained in detail to all taking part, and for the benefit of members of the public, the procedures for the meeting. He then invited Members of the Cabinet, the Shadow Cabinet and the Leader of the Labour Group to introduce themselves, to advise whether they were taking part by video or audio and to confirm that they were able to see (where practicable) and hear all Members participating in the meeting. All Members present, including the Leader himself, having indicated that this was the case, he referred to officers present at the meeting who would introduce themselves when asked to address the meeting.

CEX/137 CABINET EXECUTIVE DECISIONS

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the Chairman be authorised to sign, as a correct record, the Executive Decisions made by Cabinet on 3 February 2021.

CEX/138 DECLARATIONS OF INTEREST

RESOLVED – That it be noted that:-

- (1) Councillor Phillip Dixon declared a non-pecuniary interest in relation to Agenda Item 9 – Public consultation on loss of public open space, Burton-in-Kendal (as detailed in CEX/144 below) and Agenda Item 10 – Disposal of Council owned land in Burton-in-Kendal (as detailed in CEX/146 below); and***
- (2) Councillor John Holmes declared a disclosable pecuniary interest in relation to Agenda Item 9 – Public consultation on loss of public open space, Burton-in-Kendal (as detailed in CEX/144 below) and Agenda Item 10 – Disposal of Council owned land in Burton-in-Kendal (as detailed in CEX/146 below)***

CEX/139 EMERGENCY DELEGATED EXECUTIVE DECISIONS

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the Emergency Delegated Executive Decision made by the Chief Executive on 18 January 2021, in accordance with the Leader's decision noted by Cabinet at CEX/104 (2019/20), be received.

CEX/140 LOCAL GOVERNMENT ACT 1972 - EXCLUDED ITEMS

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the items in Part II of the Agenda be dealt with following the exclusion of the press and public.

CEX/141 PUBLIC PARTICIPATION

No questions, representations, deputations or petitions had been received in respect of this meeting.

CEX/142 FORWARD PLAN

No Member having raised concern when asked by the Chairman, it was

RESOLVED – That the contents of the Forward Plan published on 16 February 2021, be noted.

CEX/143 GRANGE LIDO - CONTRACT AWARDS FOR CONSTRUCTION WORKS AND PROJECT MANAGEMENT OF CONSTRUCTION WORKS TO GRANGE LIDO AND PROMENADE.**Summary**

The Housing and Innovation Portfolio Holder (Deputy Leader) presented a report setting out a range of investment options, a contract for refurbishment, building contracts, design changes and appointment of a consultant, in relation to Grange Lido and Promenade. The report set out the following options that had been proposed for the Grange Lido and Promenade:-

- To open up the Lido site to the public and for it to be used by the public after being closed for 27 years;
- Re-purpose the site and undertake essential structural repair works to stop further structural decay which will only lead to increase in costs for future administrations;
- To upgrade the Grange Promenade and improve connectivity from the Promenade to Town centre;
- To secure the Coastal Community Fund (CCF) investment of £1.1million for Grange and secure wider investment for the Morecambe Bay area;
- Undertake essential structural repairs to sea defences along Grange promenade;
- To upgrade the Children's play area sited on the Grange promenade, consulting with local residents and families;
- To re-surface the promenade which is showing signs of disrepair;
- To encourage greater tourism to the Grange area and wider Morecambe Bay area; and
- To regenerate the site but not preclude the site being used as a Lido in the future.

In running through the recommendations, the Portfolio Holder highlighted an additional recommendation which was that 'all the above recommendations are conditional upon the confirmation and satisfactory negotiation of the terms of the coastal communities funds grant agreement such to be delegated to the Director of Customer and Commercial Services, the Section 151 Officer, the Monitoring Officer and the Housing and Innovation Portfolio Holder'.

The report set out a brief history of the Grange-over-Sands Lido and Promenade Sea Wall which was an iconic and unique asset in the district having been constructed in 1932 and was listed by English Heritage (now Historic England) as Grade II in 2011. While the site was not currently on the 'at risk register', the report highlighted a potential future risk if work was not to progress with the structure.

The Housing and Innovation Portfolio Holder set out the rationale for intervention and highlighted the deterioration of a number of features of both the Lido and the Promenade Sea Wall. This led to Cabinet approval being granted to the Council on 23 January 2019, to move forward with the preferred design options for the Lido and progress to planning and listed building consent for the Lido (attached as Appendix 1 and 2) and tenders prior to returning to Cabinet, to seek approval to award the contract.

Highlighting that the Planning Committee was due to consider the proposals on the Promenade Sea Wall, on 25 March 2021. A successful bid was made by South Lakeland District Council, as lead authority, to the Coastal Communities Fund (CCF), securing funding of circa £1.1 million towards Grange-over-Sands Lido and the Promenade stabilisation and refurbishment works. Members were informed that consideration should be given to the CCF bid, as it was believed that if the proposals for the Lido and Promenade Sea Wall were not taken forward, then the funding would be at risk.

The report then set out information relating to the Tender process (details set out in the Part II Appendix 3), which initially commenced in March 2020, but was then re-tendered commencing in July 2020 to ensure value for money for the scheme. Two bids were submitted, both over budget and agreement with the Procurement team allowed for negotiations to commence, in order to agree value engineering options as an attempt to achieve the original pre-tender estimate. The Housing and Innovation Portfolio Holder highlighted the options set out in the report and that the preferred option was Design Option 3b, which focused on executing a series of well-considered stabilisation measures, measured to preserve the building and structural elements at greatest risk of degradation alongside a series of upgrades set out at Appendix 4 to the report.

The Report set out the financial implications and highlighted a shortfall of £867,047 which was needed to complete the works on the preferred value engineering option and suggested that a number of earmarked capital reserves for specific purposes as set out in the Reserves policy be used to offset the shortfall, which if used, would require approval by the Council meeting.

The Housing and Innovation Portfolio Holder emphasised the importance of the project and informed Members that the site could eventually provide income for the Council via the refurbished buildings. In concluding the report, the Portfolio Holder thanked officers and Members for their commitment to this project.

Members echoed their thanks to the Housing and Innovation Portfolio Holder and officers for their efforts to move forward with the plans for Grange Lido and Promenade Sea Wall that remained an important project on a unique asset. Further discussion raised cross-party support for the project and emphasis on the complexity of the project that represented the beginning of a journey towards the regeneration of Grange Lido and Promenade Sea Wall. Members raised questions on the possibility of fund raising from groups like Save Grange Lido and whether the commitment on Berners Lane Car Park to ring-fence any funds related to the sale of the land for the lido regeneration.

In seconding the proposal, Councillor Jarvis emphasised the positive impact of the project to rejuvenate the Lido and Promenade Sea Wall in Grange including the stability of the structure and the creation of longer term options of use along the entire promenade. He went on to highlight the considerable costs and the shortfall in funding for the project but reiterated the importance of the project and the need to accept that this was the right thing to do in order to restore Grange Lido and Promenade Sea Wall. He added that having reviewed the proposal with the Section 151 Officer, they were happy that the Council was in a position to develop the site.

The Leader asked the meeting if the motion with the addition was agreed. There was no dissent.

Decision**RESOLVED – That:-**

- (1) the scheme be approved, in order to move forward with contract award to the preferred bidder as outlined in the Part II appendix report, for the contract to refurbish the Grange Lido/ Promenade subject to grant of planning permission as outlined at 2.1(4);**
- (2) delegated authority be granted to the Director for Customer and Commercial services in conjunction with the Operational Lead for Delivery and Commercial Services and Lead Specialist for Legal, Governance and Democracy to enter into the appropriate building contract for the works;**
- (3) the appointment of IBI Group and sub consultants through the Bloom procurement framework to undertake RIBA Stages 5 & 6 for the project and to delegate authority to the Director for Customer and Commercial Services in conjunction with the Operational Lead for Delivery and Commercial Services and the Lead Specialist for Legal, Governance and Democracy to enter into the appropriate contracts be approved;**
- (4) the design changes for the Value Engineered scheme and delegates authority for officers to seek amendment to the current planning permission be approved; and**
- (5) Council be recommended to approve amendment of the Capital Programme to include the full value of the capital works.**
- (6) all the above recommendations are conditional upon the confirmation and satisfactory negotiation of the terms of the coastal communities funds grant agreement such to be delegated to the Director of Customer and Commercial Services, the Section 151 Officer, the Monitoring Officer and the Housing and Innovation Portfolio Holder.**

Reasons for Decision

The project is linked to the following Council Priorities:-

- Economy:-
 - Engagement with the private sector and public sector partners will be central to the Council's approach to helping grow and develop the economy;
 - We will when opportunities present themselves make best use of our property portfolio to support economic growth, through the use of our current and future asset base; and
 - Through our economic development strategy we will continue to build on our traditional strengths, and pioneer new industries that make the most of our place. We will promote new ways of working so that businesses can compete and reach their potential whilst enjoying everything that is special about living in South Lakeland.
- Environment:-

- We will reduce the Council's carbon emissions by reducing our energy use through the efficient management of our land and buildings and be an exemplar to others; and
- We will support Cumbria County Council and local partners with their strategies for active travel.

Alternative Options

Do Nothing: This would ultimately pass the liability to future administrations, whilst increasing any future costs of refurbishment. Structural deterioration onsite is exponential and the likelihood of having to address partial or complete structural failure onsite will increase. There is a high risk of ending up on the Historic England 'Heritage at Risk' register. There is reputational harm to the council to consider with this option, and already there is community frustration with a stop-start approach to feasibility works over the last few years. This is not a recommended route.

Community Asset Transfer: Site handed over to third party in its current state on a long term leasehold basis. It is not reasonable or advisable to pass on this dangerous liability to a community organisation. It is unlikely that a community organisation would take on such a liability. There are well-documented and severe structural issues on site, along with the liabilities around the sea wall and coastal defences. This is not a recommended route.

CEX/144 PUBLIC CONSULTATION ON LOSS OF PUBLIC OPEN SPACE, BURTON-IN-KENDAL.

Note – At this point in the proceedings, Councillor Dixon declared a non-pecuniary interest by virtue of the fact that he had previously considered the matter as a Member of the Planning Committee. He was disconnected for the remainder of the item.

Note - At this point in the proceedings, Councillor John Holmes, whilst having no voting rights as a Member of the Shadow Cabinet, declared a disclosable pecuniary interest by virtue of the fact that he was a Director on the Board of South Lakes Housing, he was disconnected for the remainder of the item.

Summary

The Housing and Innovation Portfolio Holder presented the report on public consultation on the loss of public open space in Burton-in-Kendal. He began by reminding Members that Cabinet had taken the decision to dispose of the land to South Lakes Housing to support the delivery of 28 affordable homes and that as part of the decision making process, the decision was required to go out for consultation with the public.

The Portfolio Holder highlighted the two responses to the consultation, neither of which related to the Council's land and therefore, there had been no objections. In concluding the report, the Portfolio Holder reiterated the importance of providing affordable housing in the district.

The Leader reminded Members that this report linked to the next item on the agenda that was to be considered in Part II.

No questions having been raised, the Leader asked the meeting if the motion was agreed. There was no dissent.

Decision

RESOLVED – That:-

- (1) the receipt of representations to the loss of public open space be noted; and**
- (2) the disposal of the public open space land shown at Appendix 1 to South Lakes Housing in order to deliver 28 affordable houses be agreed.**

Reasons for Decision

Delivering a balanced community – For housing and communities, deliver affordable homes to meet need with:-

- new affordable homes to rent; and
- a range of housing to attract and retain young people.

Alternative Options

To not dispose of the land to South Lakes Housing which will lead to the loss of a potential 28 affordable houses in Burton in Kendal. This is not a recommended route.

CEX/145

PRESS AND PUBLIC

RESOLVED - That, under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Part 1 of Schedule 12 A of the Act as amended by the Local Government (Access to Information) (Variation) Order 2006 by virtue of the paragraphs indicated.

- Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Note – For the benefit of the public viewing the virtual meeting, the Leader and Promoting South Lakeland Portfolio Holder explained that the open session of the meeting would now close and the live stream cease.

The meeting producer confirmed that the live stream had ended.

Members disconnected from the Part I session and moved into the Part II private session.

At this point in the proceedings, Councillor Helen Irving disconnected from the meeting

CEX/146 DISPOSAL OF COUNCIL OWNED LAND IN BURTON IN KENDAL.

- *Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

Note – At this point in the proceedings, Councillor Dixon declared a non-pecuniary interest by virtue of the fact that he had previously considered the matter as a Member of the Planning Committee. He was disconnected for the remainder of the item.

Note - At this point in the proceedings, Councillor John Holmes, whilst having no voting rights as a Member of the Shadow Cabinet, declared a disclosable pecuniary interest by virtue of the fact that he was a Director on the Board of South Lakes Housing, he was disconnected for the remainder of the item.

Summary

The Housing and Innovation Portfolio Holder presented a report proposing the disposal of Council owned land in Burton in Kendal. Members having considered the representations received from members of the public regarding the loss of public open space, Burton in Kendal prior to reaching their decision.

During discussion on the item, Members expressed their support for the proposals.

The Leader asked the meeting if the motion was agreed. There was no dissent.

Decision

RESOLVED – That the decision taken on 3 February 2021 by Cabinet following the completion of public consultation on loss of public open space in accordance with the Local Government Act 1972 s.123 (2A), be reaffirmed.

Reasons for Decision

The proposed disposal of Council owned land links to the Council priority for delivering a balanced community, for housing and communities, delivering affordable homes to meet need with new affordable homes to rent and a range of housing to attract and retain young people.

Alternative Options Considered

Refuse to sell the land or allow access over the land with the consequence the development cannot proceed thus losing the 28 affordable homes for the District.

Note – following the conclusion of discussion and voting on the item, Councillors Phillip Dixon and John Holmes were reconnected to the meeting.

CEX/147 CORONATION HALL AND ULVERSTON MARKET - LEASE AGREEMENTS.

- *Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

Summary

The Economy, Culture and Leisure Portfolio Holder presented a report on the lease agreements for Coronation Hall and Ulverston Market to Ulverston Community Enterprise (UCE). He informed Members that he was pleased to see UCE's involvement and that he was confident in their ability to move the project forward.

Members echoed their support for the proposals and expressed their hope that this report would build for the long-term future of the Coronation Hall and Ulverston Market. Further discussion raised support for the proposals, the ongoing maintenance of the sites, the possibility of an update to the public on the status of the two buildings and the importance of continuing projects like these and the commitment to support communities in the unprecedented times presented by the ongoing pandemic.

The Leader expressed his support for the UCE's enthusiasm toward the project and requested that an informal briefing session be scheduled to update both South Lakeland District Council Members and Ulverston Town Council.

The Leader asked the meeting if the motion was agreed. There was no dissent.

Decision***RESOLVED – That:-***

- (1) a short term extension to the current lease and under lease (for the Contact Centre) for the Coronation Hall and management agreements for Ulverston Indoor and Street Markets with the Ulverston Coronation Hall Charitable Incorporated Organisation (CIO) for up to a maximum of two years with the guarantee with the Ulverston Community Enterprise and delegates the terms of the agreements to the Director of Customer and Commercial Services in conjunction with the Operational Lead for Delivery and Commercial Services and Lead Specialist for Legal, Governance and Democracy to agree, be approved; and***
- (2) the use of an exemption or waiver to appoint UCE on a short term (maximum two year) basis to manage the Ulverston markets (indoor and outdoor) without a formal tender process and to forego income as shown in Section 7 of the report, be approved.***

Reasons for Decision

The proposal to extend the current lease and under lease for the Coronation Hall and management agreements for Ulverston Indoor and Street Markets links to the Council's priorities to work with our partners to deliver regional growth and creating opportunities for young people by:-

- promoting unique selling points such as marine and cultural and creative industries; and
- using culture and built heritage to support our unique offer.

Alternative Options

Cease operation of the Coronation Hall and seek disposal of the freehold. This option is not recommended as it would not enable the benefits which can be achieved through local management and investment to be achieved. It would prevent the option of enabling a local community solution to be developed further. If in the future, transfer proves unworkable, this option would need to be reconsidered.

Transfer the Coronation Hall only and keep the Markets under direct SLDC control and operation. This option is not recommended as the UCE purpose and business model is developed on the principle of managing a range of facilities which contribute to the wellbeing of the town. Markets are seen as an opportunity to increase footfall to the town centre. Growing the revenue of markets enables future cross subsidy of the Coronation Hall.

To make the opportunity to run the Coronation Hall and Markets available to the open market and consider a competitive process. This option is not recommended as the drive to find a locally managed solution has come from within the Ulverston community. The operation requires a high degree of voluntary effort, matched with the revenue earning and sponsorship potential of the assets to be successful. The proposed way forward is a bespoke solution, utilising the strengths and support of the Ulverston community. An open process runs a high risk of a deliverable solution not coming forward. If in the future, transfer proves unworkable, this option could be reconsidered.

Note – a motion to adjourn the meeting for 10 minutes was proposed and seconded. The meeting was adjourned at 11.28 a.m.

At 11.38 a.m. following the adjournment, a roll call was taken, all Members confirming that they were present before continuing.

CEX/148 REFURBISHMENT WORKS TO ABBOT HALL , LEASE AND CONTRACT AWARD

- *Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

Summary

The Economy, Culture and Leisure Portfolio Holder presented a report on the refurbishment works to Abbot Hall, lease and contract award. He highlighted the significant impact of Covid-19 on the museum sector and emphasised the importance of Abbot Hall as an asset to the district as a leading regional arts collection. The report informed Members that the Council had been involved with Arts Council England and Lakeland Arts to secure the future of Abbot Hall and ensure that the building was opened as soon as possible. The Portfolio Holder expressed his support for the proposals and drew Members attention to an additional recommendation to read 'all the above recommendations are conditional on the receipt of grant monies and the satisfactory negotiation of the terms and conditions of the National Cultural Regeneration Fund grant agreement. Such to be delegated to the Director of Customer and Commercial Services, the Section 151 Officer, Monitoring Officer and Economy, Culture and Leisure Portfolio Holder.

The Legal, Governance and Democracy Lead Specialist (Monitoring Officer), highlighted the public response to the proposed public open space disposal as referred

to in the report. Only one representation was made which was for a request for information as the proposed use by Lakeland Arts. Members considered the representation and expressed their support for the proposals, emphasising the cultural importance of Abbot Hall as an asset to the district. A query having been raised relating to the risk of flooding to the building which had been raised by the Planning Committee when they considered the Kendal Flood Relief Scheme, the Operational Lead for Delivery and Commercial Services confirmed that there were a number of concerns relating to the flood resilience of the building and that the concerns had been flagged as a risk to both Lakeland Arts and the Environment Agency. In addition to this response, the Leader and Promoting South Lakeland Portfolio Holder requested that a more detailed, written response be provided to the Shadow Cabinet and Leader of the Labour Group.

The Leader asked the meeting if the motion was agreed. There was no dissent.

Decision

RESOLVED – That:-

- (1) the refurbishment scheme be approved and permission be given for the Council to receive grant monies from the National Cultural Regeneration Fund (NCRF) and Lakeland Arts to deliver the scheme, be approved;**
- (2) the entering into of a grant agreement and related agreement's be delegated to the Director for Customer and Commercial Services in conjunction with the Operational Lead for Delivery and Commercial Services, Lead Specialist for Legal, Governance and Democracy and Lead Specialist for Finance;**
- (3) the appointment of Lambert Smith Hampton to deliver the project management for the scheme and approves the use of an exemption/waiver for the appointment, contract value is £56,630.00. Delegates approval of the exemption/waiver to the Director of Customer and Commercial Services, Section 151 Officer and Monitoring officer on the grounds that the contract is for the execution of services certified by the relevant Director as being required so urgently as not to permit the invitation of quotations or tenders, be approved;**
- (4) the scheme to proceed to contract award following a robust tender exercise in line with the Council's procurement policy be approved and that authority to enter into the relevant Building Contracts be delegated to the Director for Customer and Commercial Services in consultation in with the Portfolio Holder in conjunction with the Lead Specialist for Legal, Governance and Democracy;**
- (5) the grant of a new lease (at an undervalue) to provide a minimum term of 99 years to support Lakeland Arts in seeking future Capital monies to support with the longer term Capital investment for the site, be approved;**
- (6) the entering into of related licences to enter and alter in order to carry out works in Abbot Hall. Change Control procedure to also be agreed with Lakeland Arts to ensure that any changes to the scheme are properly recorded and managed be delegated;**

- (7) Council be recommended to approve amendment of the Capital Programme to include the full value of the capital works offset by the grants due; and**
- (8) All the above recommendations are conditional upon the receipt of the grant monies and the satisfactory negotiation of the terms and conditions of the National Cultural Regeneration Fund grant agreement. Such to be delegated to the Director of Customer and Commercial Services, the S151 Officer, Monitoring Officer and Economy, Culture and Leisure Portfolio Holder.**

Reasons for Decision

The refurbishment works to Abbot Hall link to Council priorities for the economy and culture, work with our partners to deliver regional growth by:

- working across Morecambe Bay and the North West to secure inward investment;
- attracting external funding and delivering critical infrastructure;
- participating in the Northern Powerhouse and contributing to the preparation and implementation of the Local Industrial Strategy; and
- promoting unique selling points such as marine and cultural and creative industries

Alternative Options

To not support with the refurbishment of the Abbot Hall, this would likely mean that the NCRF funding was lost which would mean that essential and desirable works to Abbot Hall were not undertaken and therefore meaning the site could not open to the public. This is not considered to be a suitable alternative option when considering the importance of the site in terms of Kendal's cultural offer and Kendal Vision's cultural Quarter vision.

CEX/149 FINANCIAL SUPPORT FOR LEISURE SERVICES CONTRACT

- *Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

Summary

The Economy, Culture and Leisure Portfolio Holder presented a report on the financial support for the Leisure Services Contract. The Portfolio Holder highlighted the importance of both physical and mental health of residents and the facilities on offer at the provided by the Council's leisure delivery partner. He emphasised how close this project was to the Council's heart and how crucial it was to have ongoing sport and leisure facilities available for residents.

Members welcomed the proposals and echoed the importance of having leisure facilities available for residents as they were an essential part of the local area. Members acknowledged the challenges faced by GLL and other leisure facilities providers and raised concerns over the government's treatment of Council's who outsourced leisure facilities. Members felt that this was a crucial project and that the Council was able to react in this manner due to the prudent financial management of the Council.

The Monitoring officer provided Legal advice on the contractual position and updated members.

A note was taken that some Members present were users of the facilities at the leisure centre. It was not considered to prevent them from taking part in the decision.

The Leader asked the meeting if the motion was agreed. There was no dissent.

Decision

RESOLVED – That:-

- (1) ***the financial support for GLL from April 2020 to the end of November 2020 up to a maximum £246,274 (in addition to the Management Fee) as shown in the open book accounting report in Appendix 1; such approval and payment to be made on a without prejudice basis and being conditional upon GLL agreeing to implement this by way of the change control procedure under the contract, be approved;***
- (2) ***authority be delegated to the Director of Customer and Commercial Services in conjunction with the Lead Specialist for Legal, Governance and Committee Services, Lead Specialist for Finance and the Operational Lead for Delivery and Commercial Services to undertake and agree the change control procedures as set out in the contract in order to make the necessary payments.***
- (3) ***the Council be approved to receive monies from the National Leisure Recovery Fund to a value £174,237 and to make payment of this money to GLL for support from 1 December to 31 March 2021, as noted in the report below.***
- (4) ***authority be delegated to the Director of Customer and Commercial Services in conjunction with the Lead Specialist for Legal, Governance and Committee Services, Lead Specialist for Finance and the Operational Lead for Delivery and Commercial Services to agree the necessary funding agreements and make the necessary payments to GLL.***
- (5) ***Council be requested to approve a virement of £174,237 to increase the Leisure Services grants receivable budget and to increase the Payment to Leisure services partner budget.***

Reasons for Decision

The financial support for leisure services links to the Council priorities for For health and the environment, improve wellbeing by:

- supporting young people to have a greater voice;
- using our distinctive environment to create opportunities for all;
- working with communities to reduce isolation and loneliness;
- improving access to citizen driven technology;
- helping people to be independent; and
- developing town center's which are attractive and accessible for living, working, culture and leisure

Alternative Options

The Council to not support GLL financially for losses in the 20/21 Financial Year. This will certainly lead to reduction in service and will impact on public perception. This is not a recommended route.

The Council could terminate GLL's contract and bring the service back in house. However, it could potentially face legal action and a claim for lost surplus income and it is likely that running an in-house service will be more costly for the Council. This is not a recommended route.

The Council could create a Local Authority Trading Company (LATC). This will come with a cost and may be viewed by members as being similar to in-house, resulting in increased pension costs. The leisure contracting market is in the process of getting back on its feet. Its main focus is assisting local authorities where previous relationships have failed (e.g. where trusts have failed). Where procurement process are progressing, these are based on an open book approach for the next 18 to 24 months, where Councils are underwriting the additional cost of the service. The Council has limited expertise to manage the leisure facilities in-house or within a LATC and would need to recruit into these positions. This option does not provide sufficient benefit and is not a recommended route.

CEX/150 BRAITHWAITE FOLD CARAVAN PARK - LEASE AGREEMENT

- *Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)*

Summary

The Finance and Resources Portfolio Holder presented a report on the lease agreement for Braithwaite Fold Caravan Park. He explained that the Covid-19 pandemic had impacted the agreement reached last year which meant that a new agreement must be reached. The Portfolio Holder detailed the new proposed agreement and highlighted both the intent to invest in the site and the benefits of the skills and network that the agreement would bring to the site.

Following extensive discussions on the report, it was agreed that Members felt it necessary to ensure that negotiations, if possible aimed to add a break clause into the 25 year agreement and that the intended investment into the site is secured as part of the agreement. It was also decided that an addition to the recommendation (2) should add that the delegated authority to agree terms should also be in conjunction with the Finance and Resources Portfolio Holder.

The Leader asked the meeting if the motion was agreed. It being clarified that this was on the basis of Appendix 1, however that officers discuss the points highlighted during the meeting with the Camping and Caravanning Club. There was no dissent.

Decision

RESOLVED – That:-

- (1) the grant of a new 25 year lease with the Camping and Caravanning Club for the future operation of the Braithwaite Fold Caravan site on the new terms as attached in appendix 1, be approved; and***
- (2) authority be delegated to agree terms and enter into the lease to the Director of Customer and Commercial Services in conjunction with the Lead***

Specialist for Finance, Lead Specialist for Legal, Governance and Democracy and the Finance and Resources Portfolio Holder.

Reasons for Decision

The Braithwaite Fold Caravan Park lease agreement links to Council priorities for Economy and Culture by encouraging a sustainable environment and inclusive economy.

Alternative Options

To re-tender the management agreement to see if other suppliers would be interested in running the site on behalf of the Council. This has been discounted as it is felt that the current tendering portal covers a wide area and therefore it is unlikely to bring about a different result.

For the Council to run the site in house. Due to the required recruitment process, it is not felt that this is an appropriate alternative option.

CEX/151 WESTMORLAND SHOPPING CENTRE - HEADLEASE TRANSACTION

- Paragraph 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Summary

The Finance and Resources Portfolio Holder presented the report on the headlease transaction for the Westmorland Shopping Centre. He detailed the complex previous arrangements and the proposals set out in the report.

Lengthy discussion on the item raised a query over the impact of the Statute of Uses 1535 on intermediary leases, the Legal, Governance and Democracy Lead Specialist advised that this would be investigated before any legal work commenced.

The Leader asked the meeting if the motion was agreed. There was no dissent.

Decision

RESOLVED – That:-

- (1) proceeding with and completing legal documentation to surrender the head lease over the Westmorland Shopping Centre, Westmorland multi-storey car park, Kendal Bus Station and Kendal Indoor Market Hall be approved;
- (2) proceeding with and completing legal documentation to effectively surrender the under leases relating to Westmorland multi-storey car park, Kendal Bus Station and Kendal Indoor Market Hall be approved; and
- (3) agreement of the terms of the leasehold transaction and any supplemental documentation that may be required to effect the leasehold transaction be delegated to the Director of Customer and Commercial Services in conjunction with the Operational Lead for Delivery and Commercial Services and the Lead Specialist for Legal, Governance and Democracy.

Reasons for Decision

The Westmorland Shopping Centre Headlease Transaction links to the Council priorities for economy and culture, create opportunities for young people by:-

- unlocking development sites and enabling local businesses to grow;
- understanding the needs of local businesses;
- encouraging graduate retention; and
- using culture and built heritage to support our unique offer.

Alternative Options

To do nothing, this will likely lead to no investment by the current owners of the Westmorland Shopping Centre into the scheme which will mean that the first floor will continue to fail and potentially lead to partial closure of the first floor. This is not a recommended route.

To replace and extend the Head leasehold interest and subsequent two underleases with 999 year leases. This is not a recommended route when considering that the buildings are not expected to survive for such a length of time and SLDC would require approval for any works or alterations needed to the Car Park and Market Hall and this would increase the repair liability for SLDC over time. It would be in SLDC's interest to remove the Head Lease arrangement, therefore this is not a recommended route.

The meeting ended at 1.00 p.m.