

FINANCE AND MANAGEMENT COMMITTEE

17th February 2009

PRESENT:-

Conservative Group

Councillor Harrison (Chairman), Councillor Wheeler (Vice-Chairman) and Councillors Bladen, Mrs. Coyle, Ford, Grant, Lemmon (substitute for Mrs. Coyle) Roberts and Mrs. Wheeler.

Labour Group

Councillors Dunn (substitute for Councillor Pabla), Richards, Southerd, Taylor and Wilkins.

In Attendance

Councillors Atkin, Mrs. Farrington and Jones (Conservative Group) and Councillors Lane and Rhind (Labour Group).

APOLOGIES

Apologies for absence from the Meeting were received from Councillor Mrs. Coyle (Conservative Group) and Councillor Pabla (Labour Group). Members of the Housing and Community Services Committee had been invited to attend this Meeting for the consideration of items FM/90 and FM/91 and apologies were recorded for Councillors Mrs. Gillespie and Hewlett of that Committee.

FM/87. MINUTES

The Open Minutes of the Meeting held on 4th December 2008 were taken as read, approved as a true record and signed by the Chairman.

FM/88. DECLARATIONS OF INTEREST

Councillors Richards and Wilkins declared personal interests in respect of the Exempt item on the Pay and Grading Review, as Members of Unison.

FM/89. REPORT OF OVERVIEW AND SCRUTINY COMMITTEE – BUDGET CONSULTATION

The Chairman of the Overview and Scrutiny Committee made a report to Members on the budget scrutiny process. Copies of the unconfirmed Minutes of the Meetings held on 21st January and 11th February 2009 had been circulated as the Overview and Scrutiny Committee's response to the budget consultation.

The Vice-Chairman of that Committee gave an update on the recent health scrutiny work. She outlined the additional services that would shortly be delivered from the new Swadlincote Health Centre. Another Member spoke of the relocation of the Castle Gresley Surgery into these premises. Thanks were recorded to the Overview and Scrutiny Committee for its report.

**RESOLVED:-**

***That the Committee receives the budget scrutiny report from the Overview and Scrutiny Committee.***

MATTERS DELEGATED TO COMMITTEE

FM/90. PROPOSED MAINTENANCE AND IMPROVEMENT PROGRAMMES FOR COUNCIL HOUSING 2009/10

It was reported that this matter was due to have been considered by the Housing and Community Services Committee that had been cancelled due to adverse weather. Members of that Committee had been invited to attend and contribute to this item.

The report outlined the Council's proposed work programmes for 2009/10. The Government had allocated a 1.1% increase in the Major Repairs Allowance (MRA), which was the amount the Government stipulated should be ring-fenced from the Council's own resources for major investment. The varying types of works identified to be undertaken to the Council's housing stock were proposed to be delivered through the existing improvement programmes and the five year cyclic planned maintenance programme. Members were advised of how stakeholder involvement had been increased, in line with Audit Commission good practice guidelines. Tenant involvement was being expanded in the procurement process. The delivery of works to properties occupied by persons with disabilities was also reported.

The detail of the report looked initially at achieving the Decent Homes standards and targets relating to "decent communities". Information was provided on the MRA expenditure for 2009/10, together with a breakdown of each budget heading. Planned external maintenance was then discussed and this programme supplemented the Housing Investment Programme with funding of approximately £691,000 for 2009/10. This section of the report explained proposals to extend the existing partnering arrangement.

Next, specific sections looked at window and door replacements, together with kitchens and bathrooms, central heating upgrades and adaptations for properties occupied by disabled persons. A further section of the report proposed a feasibility study on establishing a District Heating Scheme. Another demand on the MRA budget was the digital TV switchover, which for the central area was planned for 2011. Finally, the report looked at customer satisfaction.

In response to Members' questions, clarification was provided about the digital TV switchover in the central region and with regard to the district heating feasibility. A detailed breakdown was sought of the schedule showing the proposed maintenance and improvement programmes. Officers confirmed that a list of the properties could be provided to Ward Members. There was discussion about the door replacement policy under these programmes, it being questioned whether all external doors could be replaced, rather than those that were in a poor condition. In reply, Officers recognised the economies of scale and benefits of doing this, whilst explaining the Decent Homes targets and financial implications associated with this suggestion.

**RESOLVED:-**

- (1) That the Committee approves the content of the Planned Maintenance and Improvement Programme and the Major Repairs Allowance Budget Plan.**
- (2) That the Council enters into a sixth year of the Planned Maintenance Partnering Contract and that Contract Procedure Rules be suspended.**
- (3) That with regard to Disabled Adaptations, the Committee continues to delegate responsibility and to transfer the Housing Revenue Account and Major Repairs Allowance budgets to the Environmental Health Service for specific improvements to adapt properties, in accordance with Social Services recommendations.**
- (4) That the Committee accepts the report and proposals in preparation for the 2011 digital TV switchover in the Central region.**

FM/91. HOUSING REVENUE ACCOUNT BUDGET, FINANCIAL PROJECTION AND PROPOSED RENT INCREASE 2009/10

As with the previous item, Members of the Housing and Community Services Committee had been invited to attend and contribute. A report was submitted to detail the Housing Revenue Account (HRA) base budget for 2009/10 and an updated financial forecast to 2018. It detailed the proposed rent increase for 2009/10 and provided details of the Government's subsidy settlement for the next financial year.

The overall financial forecast for the HRA had improved, but there remained an ongoing budget deficit in the longer term of approximately £656,000 by 2018. The first year that the HRA fell into deficit was now projected to be 2011/12, which was one year later than that projected previously and the reasons for this were reported. It showed that the HRA could now maintain an adequate level of reserves over the ten year planning period. The forecasted balance was reported as £937,000. However, this was dependent to a large extent on the inflation index applied to formula rents over this period, together with other reported elements. Consequently, the continuing uncertainty around the national subsidy system remained, which made business planning much more difficult.

With regard to rent convergence, there was effectively no longer a definitive date set for its completion. The Government had previously delayed its implementation, with the principle of avoiding significant rent rises for tenants. However, this meant that the financial position on the HRA worsened. The Government calculated the formula rent based on the rate of inflation. As this stood at 5% in September 2008, it would have increased rents nationally by up to 9%. The Government had capped overall increases to 7%.

The report then looked at rental income and rent increases. The Committee was reminded of previous projections and the increased ability to raise base rents. Increases for individual tenants would continue on an upward trend in 2009/10 and the average increase for South Derbyshire, if the proposals were approved, would be 6.28%, as compared to 5.9% in 2008/9. On Council house sales, Members were reminded of the reducing projections since 2005/06 and those projected currently. The overall projection was then considered.

Detailed figures were provided in two appendices, comprising a summary of each main income and expenditure head and an analysis of how housing subsidy had been calculated. The detail of the report looked at changes to the compilation of the 2009/10 base budget, how this had been formulated, together with allowances for inflation. Under housing subsidy, the report included sections on the MRA, the management and maintenance allowance and guideline rent levels. Detail was included on rent restructuring and the proposed rent increase for 2009/10. This section of the report also looked at rental increases and overall income, together with the potential for some flexibility and to not follow the Government guideline rent increase. The anticipated financial implications and potential for government penalty were also reflected.

Next, the report looked at the HRA financial forecast to 2018 with specific sections on Council house sales, the overall implications and a summary of the main assumptions and risks. It reported on housing repairs, management costs and housing rents. A table was included within the report showing the significant impact of inflation rate variations. Other issues discussed were changes to the rent convergence date, increases for individual tenants, payments to the National Pool and National Funding, together with reviewing the subsidy system. The report concluded with an overall summary, including feedback from the Head of Housing Services and details of a Government commissioned review of the subsidy system.

A Member referred to the suggestion from the Overview and Scrutiny Committee as part of its budget scrutiny process, to look at the potential to reduce the level of rent increase for certain sections of the community. Officers had been asked to investigate the feasibility of this, together with any potential legal issues or if it could be viewed as discrimination. It had been suggested to lobby the Local Government Association, but the Council might be considered at fault if it had a rent policy that benefited certain sections of the community.

A proposal was submitted to reduce the average rental increase from 6.28% to 4.9%, given the increases in unemployment rates, the low rates of interest for those relying on savings and particularly for vulnerable people who were just over the benefit threshold.

Related to this, Officers provided further information on the initiatives that the Benefit Section was taking, to publicise the availability of benefits and seek to assist residents. In all areas, the Council tried to assist and another example was given on business support initiatives. A further option proposed by a Member was the Coal Industry Social Welfare Scheme.

Several Members supported the recommendations. It was noted that there would be a need to assess the impact of the reduced rental increase on Housing Revenue Account projections. A 1% variation on the rent level equated to £100,000 of income each year and this proposal might cause the HRA to go into deficit earlier than predicted in the report. Other issues raised were the contribution of scrutiny to this internal issue and issues relating to negative subsidy.

**RESOLVED:-**

***(1) That an average rent increase of 4.9% be approved for 2009/10.***

- (2) That the proposed estimates of income and expenditure for 2009/10 be approved, subject to adjustment in view of the decision reached in resolution (1) above.**
- (3) That the updated financial projection, including the associated assumptions and risks for the Housing Revenue Account to 2018 be noted, subject to adjustment in view of the decision reached in resolution (1) above.**

FM/92. CORPORATE PLAN 2009/14

It was reported that the Corporate Plan was an integral part of the Council's Performance Management Framework. It detailed the key priorities of the community and how the Council would deliver services to achieve them, together with key measures of success. Reference was made to the previous Corporate Plan and its successes, although the current vision and themes were now four years old. There was a need to produce a new Corporate Plan to provide direction for the Council, with a new vision and themes. A process commenced in September 2008, to run along the same timelines as the new Sustainable Community Strategy. Four key themes had been developed from the good work and excellent progress the Council had made in recent years and in particular from the recent community consultation.

The Plan had been developed to inform the budget process for 2009/10 and the Medium-Term Financial Plan for 2009/14. A new vision "Making South Derbyshire a better place to live, work and visit" was proposed, which represented the Council's aspirations for the community of South Derbyshire. The Plan would complement and be integral to the emerging Sustainable Community Strategy.

The detail of the report expanded on the four themes that had emerged from the consultation and evidence base, which were sustainable growth and opportunity, safe and secure, lifestyle choices and value for money. The report detailed the consultation that had taken place between September and December 2008 with key stakeholders, in conjunction with Derbyshire County Council and the South Derbyshire Council for Voluntary Services.

Next, the report looked at the evidence base and sections were provided on the economic, environmental and housing positions, together with crime and community safety, leisure and health. In terms of communication, it was vital to advise of the results of the consultation. Other issues raised were performance reporting, evaluation and risk assessment.

There was discussion about the environmental position and particularly residents' perceptions regarding pollution. Questions were submitted on what constituted pollution, whether this included vehicle emissions or providing funding for additional street cleansing. Concerns were reported on dog fouling problems in an area of Midway. It was considered that Safer Neighbourhood Warden patrols were required to secure a prosecution, which with appropriate publicity should provide a deterrent. On vehicle pollution, problems in Woodville were reported. A Member considered that environmental health monitoring data should inform this process, rather than just relying on residents' perceptions.

Budget related issues were also discussed, with reference to a previous under spend on the street cleansing budget. Clarification was provided on how these funds had been re-utilised. Another Member referred to the recent



tendering process for this service area, in which the in-house team had been successful. On dog fouling, Members could identify specific problem areas and times, so that enforcement patrols could be targeted. Officers then referred to the evidence base and certain aspects of the data, which provided a valuable insight on the issues that this Council would need to consider or need to lobby on.

**RESOLVED:**

- (1) That the Corporate Plan and Priorities for Action 2009/14 be recommended to the Council for approval at its Meeting on 26th February 2009.***
- (2) That the Chief Executive in consultation with the Leader of the Council, be authorised to make any final changes to the Plan prior to its publication and distribution.***

FM/93. BUDGET AND FINANCIAL MONITORING 2008/09

The latest Budget and Financial Monitoring report was presented for the Committee's consideration. Initially, this focused on the General Fund Revenue Account and a summary was given from the previous monitoring reports. The latest position was reported and a table provided an analysis of expenditure by main service area. Details were given of the major variances for the following service areas:-

- Environmental Services
- Management, Finance and Property
- Housing and Public Buildings
- Legal and Democratic Services
- Leisure and Community Services
- Planning Services
- Customer Services
- Revenues and Benefits

An update was provided on housing benefit subsidy, particularly on reductions to the amounts set aside for suspended benefit cases. A further section looked at the projected overall variance on the General Fund, which was an improved position at £346,765 when compared to the previous report in December. Other issues under this heading concerned the revised costs of the concessionary travel scheme, underlying reductions in interest from investments and the likely financial benefit relating to the outcome of the national pay award for staff.

The next section of the report focused on the Housing Revenue Account (HRA). A table was submitted to provide an analysis of expenditure by main service area. This showed that the net surplus on the HRA was projected to be approximately £80,000 higher than estimated. Members were reminded of previously approved expenditure and additional rent income, because of the lower than estimated 'Right to Buy' sales of Council houses. Next, the report looked at value for money efficiency savings.

Capital expenditure and financing were reported and a further table analysed spending by main service or project area. The programme had recently been updated to reflect the reduced growth point funding and details were provided of additional capital grant through the Local Area Agreement, which had been

allocated to specific schemes. Updates were provided on the latest development project at Rosliston and with regard to capital receipts. A treasury management analysis of the Council's borrowing and short-term investments/bank deposits was then reported.

**RESOLVED:-**

- (1) That the latest budget and financial monitoring figures for 2008/09 be approved.***
- (2) That the ongoing remedial actions to contain projected overspend within the base budget continue and that this is reported back in the next monitoring report.***

FM/94. TREASURY MANAGEMENT POLICY STATEMENT

It was reported that the Council operated under a National Code of Practice for its treasury management activities. Under the Code of Practice, the Council adopted treasury management practice statements, which were contained in the Financial Procedure Rules. They provided operational detail on reporting, monitoring, responsibility, dealing arrangements and the management of risk. The TMPS were policy statements that set out the broad principles and objectives of treasury management. An updated policy statement was appended to the report for the Committee's approval.

**RESOLVED:-**

***That the Treasury Management Policy Statement be approved as submitted.***

FM/95. TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS 2009/10 TO 2011/12

A report was submitted on the Council's prudential indicators and the expected treasury operations for the period 2009/10 to 2011/12. This fulfilled key reports required by the Local Government Act 2003. The Executive Summary provided background on the prudential system for capital finance, explaining its main aims and how it was measured through a set of prudential indicators. The indicators provided the limits and benchmarks to control the level of capital expenditure, borrowing and investment. The relevant indicators required under regulations were summarised in a series of tables. These concerned capital expenditure, the capital financing requirement and the operational boundary and authorised limit. Further tables reported on the incremental impact of capital investment decisions and the estimated investment position at the year-end.

The detail of the report expanded on each of these areas. For capital expenditure, further commentary was provided and a breakdown given of how capital expenditure would be financed. Next, the Council's borrowing need (the capital financing requirement) was considered. Appended to the report was a detailed analysis, from which figures were drawn, breaking down the General Fund and HRA split. The related tables showed movements in the capital financing requirement. Details were also provided for the use of the Council's resources and investment provision, limits to borrowing activity, the authorised limit and operational boundary for external debt. Prudential indicators relating to affordability were provided, including the actual and estimated ratios of financing costs to net revenue stream and

estimates of the incremental impact of capital investment decisions on both the Council Tax and housing rent levels.

**RESOLVED:-**

***That the Treasury Management Policy Statement be approved as submitted.***

**FM/96. FINAL BUDGET PROPOSALS 2009/10 AND MEDIUM-TERM FINANCIAL PLAN TO 2014**

Members were reminded of the detailed report submitted to the Committee on 15th January 2009. Initially, the report addressed the General Fund budget and financial projection. This was detailed in an appendix to the report and summarised in a table. Based on spending plans and after allowing for certain cost pressures in the future, the medium-term financial projection showed a reserve balance of £591,000 by March 2014. This was below the recommended minimum level of £1million, but included provision for capital contributions of £1.825million between 2011 and 2014. The more critical financial indicator was the ongoing budget deficit, which, after the capital contributions was £179,500 in 2013/14. Therefore, it was important that a continuing programme of efficiency reviews be continued across all services in order to generate cash releasing value for money gains over the life of the current medium-term financial plan.

Next, the report focused on the Housing Revenue Account, which had also been considered earlier in the Meeting (Minute No. FM/91 refers).

The next section of the report concerned capital investment and financing. The position remained unchanged from the initial proposals reported in January. The programme assumed no capital receipts beyond those generated to date, over the next five years. There was the probability of generating resources, but the timing of asset disposals was currently very uncertain. This could be considered the “worst case scenario”, but it did help focus on how much the Council needed to generate to meet known commitments.

Overall analysis and risk were then reported. Finally, the Committee received the Section 25 report, in accordance with the Local Government Act 2003. The Council’s Section 151 (Chief Finance) Officer was required to provide an overall opinion on the robustness of the estimates included in budget and the adequacy of Council reserves.

There was a discussion about the need for revenue contributions to meet known capital commitments over the next five years. A Member commented on the disposal of Willoughby House, which could have resulted in a sufficient capital receipt to meet these commitments and benefited the Council’s financial position. Other Members expressed a contrary opinion, that providing this land at nil cost was necessary to ensure that the project proceeded. There was also discussion about future funding for the Community Partnership Scheme. Related to this, a Member referred to the recent review by the Overview and Scrutiny Committee, about posts that were funded externally. A comparison was made between the detailed budget report and the Minutes of Overview and Scrutiny Committee on the future funding for such posts. Officers provided clarification on the wider scope of the review undertaken.

**RESOLVED:-**



- (1) That estimated net General Fund Revenue Expenditure totalling £11,912,752 for 2008/09 and £11,865,828 for 2009/10 be recommended for approval by the Council at its Meeting on 26th February 2009.**
- (2) That a Council Tax level and Band D equivalent rate for 2009/10 is considered by the Council at its Meeting on 26th February 2009.**
- (3) That the projected level of General Fund Revenue Reserves totalling £590,461 as at 31st March 2014 is approved.**
- (4) That the latest 10-year financial projection on the Housing Revenue Account to 2018 be approved.**
- (5) That a continuing programme of efficiency reviews be continued across all services in order to generate cash releasing value for money gains over the life of the current medium-term financial plan.**
- (6) That the updated 5-year capital investment and financing plan to 2014 be approved.**
- (7) That the report of the Council's Section 151 (Chief Finance) Officer under Section 25 of the Local Government Act 2003 is noted.**

FM/97. PERFORMANCE MANAGEMENT REPORT (1ST APRIL TO 31ST DECEMBER 2008)

A report was submitted to detail performance levels and achievements for the quarter ending 31st December 2008, in relation to the Committee's contribution to the four key strands of the Council's Performance Management Framework. The report showed changes between the current and previous periods. Under the Corporate Plan, it highlighted Theme 3, Higher Quality Services and Theme 5, Rural South Derbyshire. It then turned to performance for the period to 31st December 2008, looking at the Corporate Plan, the National Indicator set of performance indicators, local performance indicators and service level key tasks. A series of tables was included in the report, showing performance against targets, those targets "at risk" and those recorded as a "probable failure".

**RESOLVED:-**

- (1) That the Committee notes the key achievements and performance for the quarter ending 31st December 2008.**
- (2) That where performance has failed to achieve the specified target, the Committee accepts the adequacy of the responses given.**

FM/98. USE OF RESOURCES 2008 AND 2009

A report was submitted to inform of the Audit Commission's provisional Use of Resources (UOR) assessment for the Council in 2008. The Council had been assessed as a Level 3 "consistently above requirements – performing well" in

every category, in every theme. The report also informed on the new UOR assessment from 2008/09 and an action plan to meet the new requirements.

Since 2005, the UOR had become an annual assessment, undertaken by the External Auditor. It had been used by the Audit Commission as one of the indicators to judge the degree of improvements being made by a Council. Background was provided about this assessment, the five themes contained within it and four possible scores that could be achieved. This was the fourth assessment undertaken and the final one under the original framework. Members were reminded of previous scores and how the 2008 assessment had become even harder. The report explained those areas in which the Council had moved forward and a table showed the key lines of enquiry scores over the previous four years for each of the five themes.

A comparison was provided to other district councils both regionally and at the national level. The report then turned to the new Use of Resources Assessment from 2009 with information being provided on the new three scored themes of managing finances, governing the business and managing resources. Further commentary was provided on each of these areas together with levels of performance and a summarised description of what performance would be expected at levels 2, 3 and 4 under the revised arrangements. Further details outlining the evidence required were appended to the report.

Next, the report looked at the Comprehensive Area Assessment (CAA). The Use of Resources judgement from 2009 would form part of the CAA, in a new approach, which was explained.

The report concluded by giving further thought to the overall score under the new arrangements, comparing the differences and its particular focuses. It explained the work that had been undertaken to formulate an action plan, to achieve the requirements for both Levels 2 and 3, in preparation for the 2008/09 audit. The action plan was submitted as an appendix to the report. The production of an evidence base/self assessment would now be undertaken.

The Committee recorded its congratulations to staff for the achievements made, whilst noting that the assessments would be tougher in the future.

**RESOLVED:-**

- (1) That the Audit Commission's provisional Use of Resources judgement for the Council 2008 is noted.***
- (2) That the significant changes to the new Use of Resources Assessment from 2009 are noted.***
- (3) That the Action Plan appended to the report is approved as submitted.***

FM/99. SUSTAINABLE COMMUNITIES ACT 2007

Members were advised of the background to the Sustainable Communities Act. It was the result of five years of campaigning by an umbrella organisation and a summary of the Act was appended to the report.

Under this legislation, councils would be invited to submit proposals to the Secretary of State. In doing so, they must involve local people, establishing

cross-representative local panels. Proposals would be prioritised by the Local Government Association (LGA) as a “selector”. The Secretary of State would have to reach agreement with the LGA on the shortlisted proposals and would then publish a statement of how the Government would take these proposals forward. Successful proposals were more likely to be those that were specific about the action required by Central Government, which were not already within the powers of a local authority. A cost benefit analysis would be undertaken, but it was noted that the Act was not a route for securing additional public expenditure. The deadline for submission under the first bidding round was July 2009, with further bidding rounds being anticipated in October of each year. By April 2009, the Government would publish local spending reports, containing detailed accounts of all the public money spent in an area. Examples were provided of the actions that could be promoted.

**RESOLVED:-**

***That the Council be recommended to “opt in” to the Sustainable Communities Act 2007 and that South Derbyshire:***

- (1) Supports the bottom up process in the Act designed to allow local authorities and their communities to drive the help that Central Government gives in reversing community decline and promoting thriving, sustainable communities;***
- (2) Notes that the Act gives local authorities the power to:***
  - make proposals to Government on the action and assistance Government must take or give to promote sustainable communities; and***
  - argue for a transfer of public money and function from central to local control;***
- (3) Notes that the Act defines the sustainable communities broadly, that definition having the four aspects of:***
  - the improvement of the local economy;***
  - protection of the environment;***
  - promotion of social inclusion; and***
  - participation in civic and political activity;***
- (4) Notes that reasons for a local authority choosing to use the Act include gaining new assistance from Government, determining that assistance, being able to argue for transfers of public monies from central to local control and involving citizens in democracy;***
- (5) Resolves, having been invited to by Central Government in October 2008, to use the Act by preparing and submitting proposals on how Central Government can help by 31st July, 2009; and***
- (6) Further resolves to:***
  - inform the local media of this decision;***
  - write to the local MP, informing them of this decision; and***
  - write to Local Works (at Local Works, c/o Unlock Democracy, 65 Cynthia Street, London N1 9JF) informing them of their resolution to use the Act.***

A report was submitted on the development plans for the Rosliston Forestry Centre, in line with its vision and strategy. The report also advised Members of proposals to support further development of the Sharpe's Pottery Museum.

Initially, the report focused on the Rosliston Forestry Centre. Background was provided on this joint initiative, including the number of visitors and overnight stays each year. The Centre had benefited from major improvements to its infrastructure and offered a wide range of leisure activities. Key elements of the partner's strategic vision for the site were also reported. The Overview and Scrutiny Committee had undertaken a review of the Centre's Partnership and Business Plan.

It was reported that to achieve future aims, two separate funding bids had been submitted to the Derby and Derbyshire Economic Partnership (DDEP). The first of these sought to develop further the "Glade in the Forest" performance arena, to extend its use as a multi-functional facility, catering for cultural, corporate, conference and training activities. It sought to provide such items as seating, marquee cover, lighting, a sound system, security works and signage for year-round, all weather use. Other elements of the project included the provision of a "Crazy Golf" facility and a small wind turbine. The total project costs were £240,000. DDEP was asked to meet 50% of the costs and details were given of the other funding contributions being sought, including the District Council's, which would be "in-kind" support.

The second bid sought to provide business units at the Centre. The report explained the background to this project, leading to the employment of consultants to undertake a two-stage feasibility study. The study provided four different design layouts at four different locations within the Centre. Conclusions had been reached on both the location and design of the new units and details were submitted. The anticipated scheme costs were £590,000, excluding VAT. The cost of the project meant it no longer fitted into the funding parameters of the LSP Investment Plan. Following discussions with DDEP, a separate stand-alone bid would be made. The financial aspects of this project were reported, together with the funding contributions secured and those that were subject to pending applications. It was envisaged that construction would begin the Autumn of 2009, with the units opening in Spring 2010.

The report then focused on the Sharpe's Pottery Museum, providing background on the Trust and the major investments secured. Sharpe's had since become a registered museum and from 2006, the Swadlincote Tourist Information Centre. The Pottery site formed part of the Sharpe's estate on a prominent site that formed a gateway to the town centre. The report explained the current condition of the site, which could potentially detract from private investment. The opportunity had arisen to acquire an interest in land adjacent to the museum and the benefits of this were reported. It should enable inward investment in the form of complimentary attractions and the creation of new employment floor space, whilst reclaiming a brown field site and the regeneration of buildings on this site. The project would also enhance the museum through the improvement of facilities and attractions.

The project would involve the purchase of a long-term lease for the site immediately adjacent to the museum. It encompassed historically important buildings, vacant and derelict buildings and brown field land. The District Council was presently supporting a major investment in the main building to

be acquired, through its Partnership Schemes in Conservation Areas initiative.

The Trust had employed a project manager on a two-year fixed-term contract, commencing April 2009. Details were provided of the duties of the project manager and what it was envisaged would be achieved by March 2011. The project manager would act as a catalyst, taking forward the restoration work and further development of the museum and related activities. An application for the majority of the funding required for the project had been submitted to DDEP. Details were also given of the other funding secured or applications that had been submitted.

A Member commented that these significant developments affected all parts of South Derbyshire. Officers explained how funding was secured for such initiatives, which otherwise could not proceed. In the current economic climate it was becoming increasingly difficult to identify funding streams. With regard to the Sharpe's Pottery proposals, Officers explained that there were potential issues for other private sector partners involved.

**RESOLVED:-**

***That the Committee approves further development at the Rosliston Forestry Centre and Sharpe's Pottery Museum as outlined above.***

FM/101.WORK PROGRAMME

**RESOLVED:-**

***That the Committee receives the updated Work Programme.***

FM/102.LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)

**RESOLVED:-**

***That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.***

**MINUTES**

***The Exempt Minutes of the Meeting held on 4th December 2008 were received.***

**PAY AND GRADING REVIEW (Paragraph 3)**

***The Committee approved a series of recommendations with a view to moving forward and concluding the Pay and Grading Review.***

J. HARRISON



CHAIRMAN