



The Arc  
High Street  
Clowne  
Derbyshire  
S43 4JY

Date: 25 September 2015

Dear Sir or Madam,

You are hereby summoned to attend a meeting of the Executive of Bolsover District Council to be held in Chamber Suites 1 and 2 at **The Arc, High Street, Clowne** on **Monday 5 October 2015 at 1000 hours**.

Register of Members' Interests - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on pages 2 to 3.

Yours faithfully


Assistant Director – Governance & Monitoring Officer  
To: Chairman & Members of the Executive

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Email [enquiries@bolsover.gov.uk](mailto:enquiries@bolsover.gov.uk) Web [www.bolsover.gov.uk](http://www.bolsover.gov.uk)  
Chief Executive Officer: Wes Lumley, B.Sc., F.C.C.A.  
The Arc, High Street, Clowne, Derbyshire, S43 4JY

## EXECUTIVE AGENDA

Monday 5 October 2015 at 1000 hours in  
Chamber Suites 1 and 2, The Arc, High Street, Clowne

Item No.		Page No.(s)
	<b>PART 1 – OPEN ITEMS</b>	
1	<b>Apologies for absence</b>	
2	<b>Urgent Items of Business</b>  To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4(b) of the Local Government Act 1972.	
3	<b>Declarations of Interest</b>  Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of:  a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items  and if appropriate, withdraw from the meeting at the relevant time.	
4	<b>Minutes</b>  To approve the minutes of a meeting of the Executive held on 7 September 2015.	Circulated
5	<b>Recommended Items From Other Standing Committees</b>  None.	
6	Property and Estates Staffing Report <b>Recommendations on page 7</b>	4-12
7	New Build - Principal Designer <b>Recommendations on page 15</b>	13-16
8 (KD)	Tender for the provision of the Wide Area Data and telephony network <b>Recommendations on page 19</b>	17-19

9 (KD)	Drainage Works Contract <b><i>Recommendations on page 23</i></b>	20-23
10 (KD)	Local Authority Mortgage Scheme (LAMS) Policy <b><i>Recommendations on page 25</i></b>	24-50
<b>PART 2 – EXEMPT ITEMS</b>		
<b><i>The Local Government (Access to Information) Act 1985, Local Government Act 1972, Part 1, Schedule 12a.</i></b>		
11 (KD)	<u>Paragraph 3</u>  Vehicle Replacements Housing Repairs <b><i>Recommendations on page 55</i></b>	51-55
12 (KD)	Corporate Payments System <b><i>Recommendations on page 60</i></b>	56-61

Notes for agenda:

Items marked (KD) are all Key Decisions. A Key Decision is an executive decision likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates or which is significant in terms of its effects on communities living or working in an area comprising two or more wards in the District. The Council has decided that income or expenditure of £50,000 or more is significant.

No representations have been received to hear items 11 and 12 in the public session of the meeting.

**Bolsover District Council**

**Executive**

**5 October 2015**

**Property and Estates Staffing Report**

**Report of the Joint Assistant Director of Property & Estates**

This report is public

**Purpose of the Report**

- To seek Executives approval to take forward and implement a restructure to the Property and Estates department as outline within the report.

**1 Report Details**

**Background**

- 1.1. In August 2014 the Appointments Committee appointed an Assistant Director with responsibility for Estates and Property. This appointment was the final stage of the restructure of the Strategic Alliance Management team which had arisen as a result of the reduction in the number of Directors from four to two. The current shape of the service has also been affected by the fact that there have been a number of secondments agreed since the inception of the Strategic Alliance. The Assistant Director was charged with implementing a new departmental structure. The first stage has been completed by way of introducing a new joint management structure below the Assistant Director which was ratified by the Strategic Alliance Joint Committee and the respective approval routes within each council (Bolsover and North East Derbyshire). The initial staff consultation for the remainder of the structure has concluded and the outcome of the consultation is included within the body of the report.
- 1.2. The Property and Estates department broadly operates under three distinct areas, Facilities/Contract Management, Commercial Property and Development Projects. The present structure reflects a number of changes made to staffing levels at both authorities and has been revised many times as areas of responsibility have moved between Heads of Service/Assistant Directors. As a consequence, there is little in the way of a coherent structure or alignment of services within the department.

Management have been giving consideration to the future structure and have come to the view, including through consultation with staff, that the most appropriate solution would be for the:

- Facilities and Contracts Manager to take responsibility for the property services functions, including the contract team, engineers and facility management at both NEDDC and BDC. All services are to remain as separate areas within each of the councils, but will benefit greatly by implementing joint asset management, joint procurement and joint contractor solutions.
- Commercial Property and Development Manager will take responsibility for business centre management, commercial property, estate management and development projects. Business centre management has been jointly managed for over two years. However, all other aspects of the service are to remain as separate areas within each of the councils, but will benefit greatly by implementing joint lease documentation, joint management processes, joint procurement and joint contractor solutions.

- 1.3. The structure is designed to add resilience, capacity and ongoing service improvement to the property and estates function and takes account of an ever increasing workload as a consequence of the growth agenda.
- 1.4. It is not envisaged that any staff will be placed at risk as a result of the proposed structure, however one member of staff within the engineers section (REG 031) has asked to be considered for voluntary redundancy. This has been reflected within the proposed structure and will be investigated and implemented subject to members approving delegated powers to the Executive Director Operations following a satisfactory financial viability appraisal.
- 1.5. The attached existing and proposed structure charts show the changes described above.
- 1.6. On the basis that the recommendations as set out in this report are agreed, then the structure set out above would be subject to the joint Policy and Procedures for Organisational Review. Once appointed, employees will remain on the establishment of their substantive authority but may work across both Councils as necessary to enable appropriate cover and a consistent service to customers, officers and members.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 Following on from the appointment of a Joint Assistant Director to manage the service it is considered appropriate to take steps to regularise the current secondment arrangements and to ensure that a resilient and cost effective service is provided for both authorities.
- 2.2 The proposed structure will allow the Property and Estates team to operate more effectively as a single team with clear management arrangements allowing for greater sharing of expertise and management of capacity between both councils. While cost implications cannot be finalised until JE implications are known, officers are committed to delivering proposals within existing approved budgets. Whilst

direct financial efficiencies are not the focus of the proposals, any cost efficiencies identified will be taken as savings.

### **3 Consultation and Equality Impact**

- 3.1 Initial consultation with employees and the trade unions has taken place in line with the Policy and Procedure for Organisational Review. Further consultation on Job Descriptions, Person Specifications, etc will take place as appropriate prior to implementation.
- 3.2 An Equality Impact Assessment is not considered necessary as the impact of the proposed change is low and internally focused.

### **4 Alternative Options and Reasons for Rejection**

- 4.1 Officers are of the view that the current arrangements do not provide an appropriate structure for the effective delivery of Property and Estates service. Given the conclusion that a restructure is required, Officers have taken the view that staff should remain with their current employer rather than transferring over to a host authority. It is considered that this is the most appropriate way forward for the service as it will enable the restructure to be concluded in a shorter timescale and will have less impact on staff and service delivery.

### **5 Implications**

#### **5.1 Finance and Risk Implications**

The restructure will be undertaken with the objective of operating within existing approved budgets at both Council's with savings identified and secured where appropriate. As already stated Officers are committed to establishing a cost effective structure which can be funded within existing approved budgets.

One of the objectives of the restructure is to provide a more resilient service to both Council's which will reduce the risks of an under-performing or failing service developing. The restructure is also aimed at securing more robust managerial arrangements which recognise the extent of the ad hoc secondments and joint working between the two authorities which has evolved over the last three years.

#### **5.2 Legal Implications including Data Protection**

There are no legal or data protection issues arising directly from this report.

#### **5.3 Human Resources Implications**

It is anticipated that no staff will be placed at risk during the restructure exercise. The proposals are covered by the joint Policy and Procedures for Organisational Review as agreed by both Councils. The proposals will be subject to ongoing consultation with affected employees and Trade Unions.

Although in some cases employees will on occasion carry out work for both Councils they will be employed by one authority dependant on their existing contract of employment, as such existing terms and conditions will apply. The employing organisation for each post has been included on the proposed structure. Where appropriate and subject to agreement with the employees concerned individual contracts of employment would be varied.

## 6 **Recommendations**

6.1 That Cabinet consider the proposals for the Property and Estates Restructure and:

- (a) Notes that the Assistant Director, Property Services will conduct a formal consultation in accordance with the Policy and Procedures for Organisational Review with affected employees and recognised trade unions on the implementation of the revised structure as outlined in the report.
- (b) Agrees that the Executive Director Operations, following consultation with the Deputy Leader, be given delegated powers to approve the costs associated with voluntary redundancy of post (REF 031) subject to a satisfactory financial viability appraisal
- (c) Notes that the Chief Executive will use his delegated powers to amend the structure following the removal of post REF031 from the structure.

## 7 **Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	n/a
<b>Links to Corporate Plan priorities or Policy Framework</b>	Providing Our <b>Customers</b> with Excellent Service <b>Transforming</b> Our Organisation

## 8 **Document Information**

<b>Appendix No</b>	<b>Title</b>
	Current structure charts Proposed Senior Management Structure Chart
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	

<b>Report Author</b>	<b>Contact Number</b>
Assistant Director – Property and Estates Management	BDC – 242223

Report Reference –



**PROPERTY AND ESTATES**

**REG030**  
Grade 11  
BUILDING AND CONTRACTS MANAGER

**DEV010**  
Grade 3  
KEYBOARD OP/ADMIN ASS. (JS)

**DEV011**  
Grade 3  
KEYBOARD OP/ADMIN ASS.

**DEV012**  
Grade 3  
KEYBOARD OP/ADMIN ASS. (JS)

**REG031**  
Grade 8  
SENIOR ENGINEERING ASSISTANT

**REG033**  
Grade 7  
SENIOR ENGINEERING ASSISTANT

**REG056**  
Grade 6  
PROJECT CO-ORDINATOR

**REG040**  
Grade 9  
COMMERCIAL PROP/DEV MANAGER

**REG002**  
Grade 8  
SENIOR VALUER

**REG012**  
Grade 4  
LAND AND PROPERTY ASSISTANT

**REG006**  
Grade 9  
BUSINESS ESTATES MANAGER

**REG049**  
Grade 8  
PRINC CONTRACTS SURVEYOR

**REG048**  
Grade 8  
PRINCIPAL BUILDING SURVEYOR

**REG051**  
Grade 7  
CLERK OF WORKS/BUILD SURVEYOR

**REG050**  
Grade 7  
ASSISTANT PROP AND EST MANAGER

**REG054**  
Grade 3  
STUDENT BUILDING SURVEYOR

**REG080**  
Living Wage  
CATERING ASSISTANT

**REG081**  
Living Wage  
CATERING ASSISTANT

**REG046**  
Grade 8  
PROPERTY AND ESTATES MANAGER

**REG060**  
Grade 4  
CARETAKER

**REGT30**  
Grade 4  
RELIEF CARETAKER

**REG061**  
Living Wage  
CLEANER

**REG063**  
Living Wage  
CLEANER

**REG065**  
Living Wage  
CLEANER

**REG066**  
Living Wage  
CLEANER

**REG069**  
Living Wage  
CLEANER

**REG070**  
Living Wage  
CLEANER

**REG071**  
Living Wage  
CLEANER

**REG073**  
Living Wage  
CLEANER

**REG075**  
Living Wage  
CLEANER

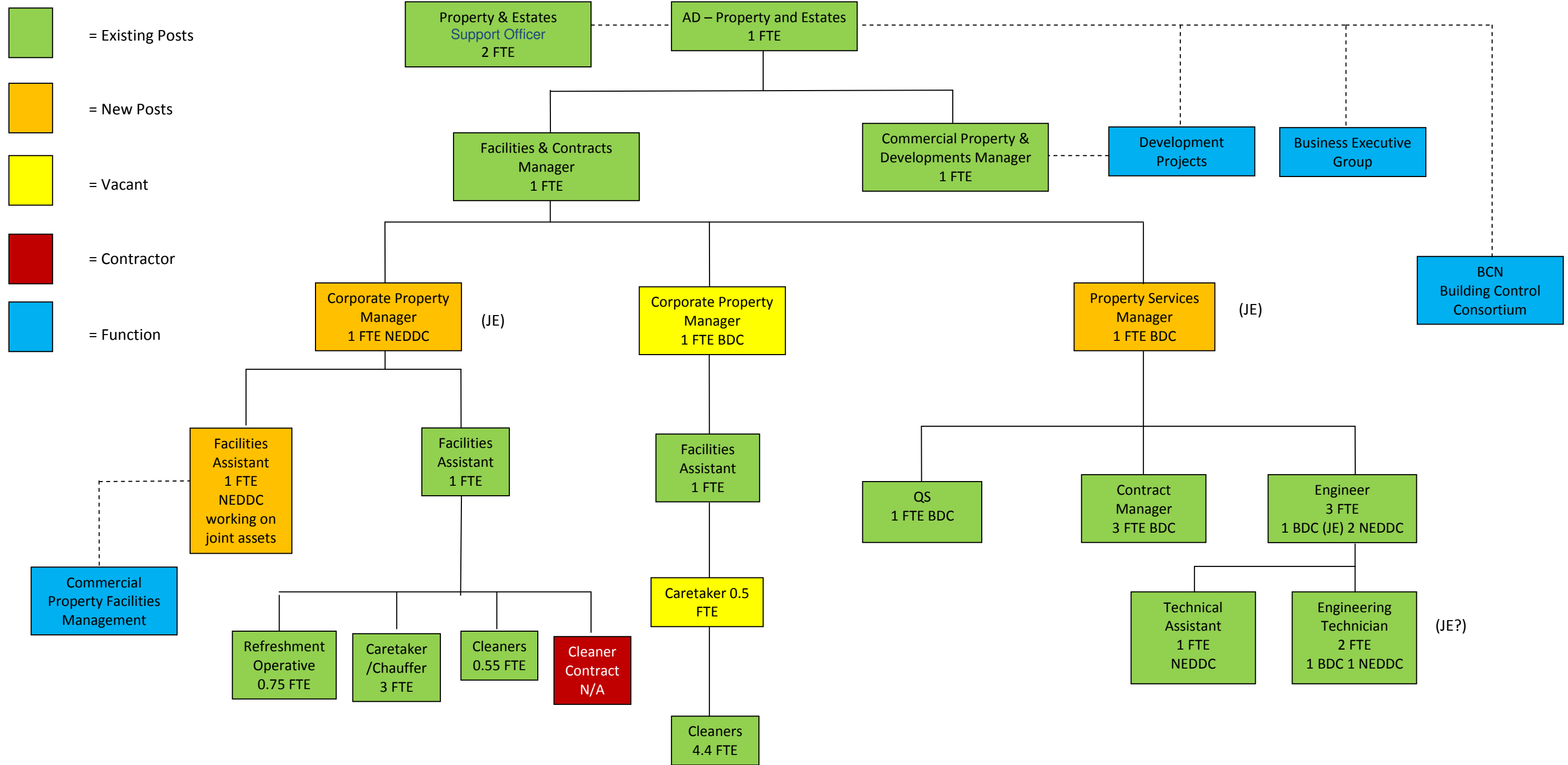
**REG076**  
Living Wage  
CLEANER

**REG072**  
Living Wage  
CLEANER

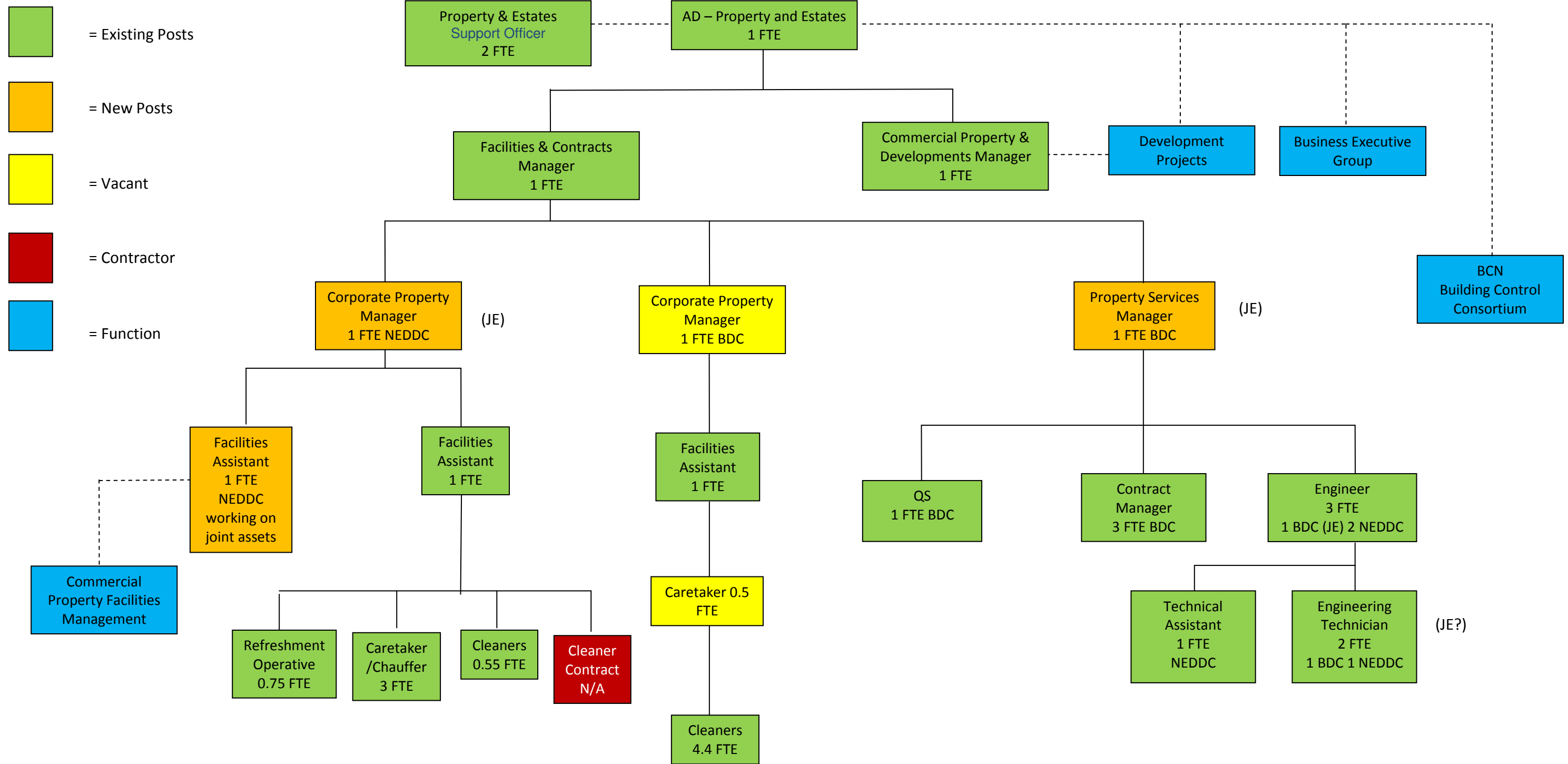
**REG078**  
Living Wage  
CLEANER

**REG079**  
Grade 3  
FACILITIES ASSISTANT

# Property and Estates (Facilities, Contracts and Engineers)



# Property and Estates (Facilities, Contracts and Engineers)



**Bolsover**

**Executive**

**5 October 2015**

**New Build - Principal Designer**

**Report of the Leader**

This report is public

**Purpose of the Report**

- To seek approval from Executive to suspend Standing Orders and appoint WT Partnership to deliver the Principal Designer role for the B@Home project.

**1 Report Details**

- 1.1 As members of Executive will be aware, a programme of residential development is being brought forward by Housing Strategy, Housing Services and Property and Estates, supported by a development fund. This programme has the title B@Home and aims to deliver, amongst other economic benefits, 150 new build Council properties across the district.

**Principal Designer**

- 1.2 As with all construction contracts we deliver we need to consider the Health and Safety impacts of the development being delivered through the role of Principal Designer (Similar to the former CDM-C Role). Principal Designer is defined as follows:

*The Construction (Design and Management) Regulations (CDM Regulations) are intended to ensure that health and safety issues are properly considered during a project's development so that the risk of harm to those who have to build, use and maintain structures is reduced. They were introduced in 1994 and revised in 2007. A further revision came into force in April 2015.*

*One of the key changes introduced by CDM 2015 is replacement of the role of CDM co-ordinator (CDMC) with a principal designer (PD). The principal designer has responsibility for co-ordination of health and safety during the pre-construction phase. The reason for the change is to give responsibility for CDM during the design phase to an individual that has the ability to influence the design. Under the 2007 regulations, this role was often contracted out, resulting in extra costs, but the individual appointed was rarely properly embedded in the project team and so had little opportunity to influence the design.*

*Guidance published by the Health and Safety Executive in January 2015, defines principal designers as ‘...designers appointed by the client in projects involving more than one contractor. They can be an organisation or an individual with sufficient knowledge, experience and ability to carry out the role.’ This may be combined with other roles on the project, such as project manager or architect.*

- 1.3 *At the time of the procurement of our construction contractor, Robert Woodhead Ltd (January 15) and up until a recent RIBA briefing providing clarification on the role of Principal Designer, there was some confusion on whether the role of Principal Designer on construction projects fell to the Architect. On the B@Home programme Robert Woodhead Ltd are responsible for the design of the schemes under the JCT Design and Build Contract but it is BDC’s responsibility to appoint a suitably qualified person/contractor to undertake the role. On the B@Home programme to date, BDC have not appointed such a suitably qualified person/contractor.*
- 1.4 Due to the nature of the role, specifically the need to be embedded within the design team and the complexity of the 4 year B@Home programme this report seeks to suspend standing orders to appoint the member of the design team to undertake the Principal Designer role.

The existing design team is made up of the following:

<b>Company</b>	<b>Role</b>	<b>Responsible to</b>
Robert Woodhead Ltd	Construction Contractor	BDC
Tibbalds	Pre-Construction Feasibility	BDC
WT Partnership	Quantity Surveyor	BDC
Geoff Carter Architects	Architect	Robert Woodhead Ltd

The most appropriate design team members to undertake the role would be either WT Partnership or Geoff Carter Architects however, as Geoff Carter Architects is appointed by Robert Woodhead Ltd therefore, BDC can’t ensure that they will be the Architect or a member of the design team for the whole of the four year programme.

With this in mind, this report seeks that Executive suspend standing orders to appoint WT Partnership in the role of Principal Designer for the B@Home Programme.

WT Partnership have not been approached to provide a price for the role prior to Executive agreement. However, to ensure BDC obtain value for money the fee proposal will be benchmarked against similar roles on recent projects such as the Bolsover Model Village project and Framework rates from such frameworks as the HCA Multidisciplinary Panel and Efficiency East Midlands.

## **2 Conclusions and Reasons for Recommendation**

- 2.1 The report seeks to suspend standing orders in order to protect the interests of the Council whilst delivering value for money.

## **3 Consultation and Equality Impact**

- 3.1 No consultation has taken place with regards this report and it is the view that this decision doesn't require an EIS

## **4 Alternative Options and Reasons for Rejection**

- 4.1 Principal Designer – The move away from CDM-C to Principal Designer was to ensure that the H&S role is embedded in the design team as outlined in 1.2. An open market procurement process would put this at risk in comparison to appointing an existing design team member.

## **5 Implications**

### **5.1 Finance and Risk Implications**

There are no cost implications which put at risk existing budgets however, it should be noted that suspending standing orders and appointing direct does not test the costs on the open market.

To mitigate this risk, prior to appointment, BDC will benchmark the fee proposal against similar roles on recent projects such as the Bolsover Model Village project and Framework rates from such frameworks as the HCA Multidisciplinary Panel and Efficiency East Midlands.

### **5.2 Legal Implications including Data Protection**

None

### **5.3 Human Resources Implications**

There are no human resource implications arising directly from this report.

## **6 Recommendations**

- 6.1 That Executive suspends Standing Orders and grant delegated authority for the Assistant Director Property & Estates to appoint WT Partnership to deliver the Principal Designer role for the B@Home project.

**7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	
<b>Links to Corporate Plan priorities or Policy Framework</b>	Growth Strategy Corporate Plan

**8 Document Information**

<b>Appendix No</b>	<b>Title</b>
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Matthew Broughton, Commercial Properties & Developments Manager	01246 242210

Report Reference –

**Bolsover District Council**

**Executive**

**5 October 2015**

**Tender for the provision of the Wide Area Data and telephony network**

**Report of the Executive Director for Transformation**

This report is public.

**Purpose of the Report**

- To advise Executive of the procurement process for the tender for wide area data and telephony network services for Bolsover District Council sites
- To seek approval to proceed with the order for the recommended vendor

**1 Report Details**

- 1.1 The 'Wide Area Network' (WAN) for Bolsover District Council comprises a number of point to point data communications links between sites, the Arc at Clowne and onwards to the Pioneer House site in Wingerworth. The network provides the connectivity at each site to facilitate the use of ICT and telephony services.
- 1.2 The current WAN was implemented late in 2012 as part of the work required for the relocation from Sherwood Lodge in Bolsover to the Arc at Clowne. The procurement provided a 36 month contract for the required network services.
- 1.3 The Procurement Service partnership with Chesterfield Royal Hospital was engaged to provide advice and support for the procurement process. The chosen method for procurement was to use a Crown Commissioning Service (CCS) framework for a 36 month agreement with an option to extend for a further 24 months. Suppliers on the framework were provided with a requirements specification and invited to provide an expression of interest. All suppliers who provided an expression of interest were subsequently invited to tender for the solution.
- 1.4 The solution is a utility service with BT Openreach providing the underlying infrastructure. The suppliers effectively manage any relationship with BT Openreach who provide the infrastructure on a wholesale basis to the suppliers. On this basis price was the major consideration and formed 90% of the criteria waiting for comparison of bids. The 10% quality element was focussed on the management of the migration from the existing solution. This is the maximum price weighting allowed as part of the pre negotiated framework. Scoring of price is by a pre determined formula.



- 1.5 The tender evaluation consisted of two parts:
- a) A review of the quality criteria and scoring undertaken by the Joint ICT Service ICT Manager and two of the Senior Technology Officers from the Infrastructure team within the Joint ICT Service. An average of the individual scoring was used.
  - b) a review of the outcome of the scoring process by the Joint ICT Service ICT Manager, Joint Executive Director for Transformation and Councillor with portfolio responsibility for ICT
- Representatives from Legal, Finance and Audit were invited to participate but declined.
- 1.6 The outcome of the evaluation scoring and review process was as follows:

Vendor	Price (out of 90)	Quality (out of 10)	Total
A	86.73	8	94.73
B	83.22	10	93.22
C	78.69	4	82.69
D	90	3.25	93.25
E	88.41	4.5	82

## **2 Conclusions and Reasons for Recommendation**

- 2.1 Vendor A, AdEPT Telecom plc, was the successful bidder. The total contract value is £115,166 which represents an annual saving of £14,917.

## **3 Consultation and Equality Impact**

- 3.1 Consultation was undertaken with Legal, Democratic Services, Audit, Finance, Shared Procurement service, portfolio member and senior management.
- 3.2 There are no known equality impacts in relation to this procurement.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 Alternatives to fixed point to point connections were investigated but were found to be either too costly from market testing or provided insufficient coverage for our locations.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 This tender process will delivered savings of £14,917 per annum from 2015-16, this equates to £44,751 over the three year term of the agreement. Therefore costs are fully covered within the ICT budgets and budget reductions can be made.

5.1.2 There is a risk in moving to an alternative provider as this may lead to delays in delivery. If the new connections are not delivered before the existing agreements end there may be short term cost increases. Project Management by the successful bidder is the key element to mitigate this and forms the majority of the quality component score.

**5.2 Legal Implications including Data Protection**

Procurement via a government Crown Commissioning Service framework. Legal were consulted and raised no concerns.

**5.3 Human Resources Implications**

None.

**6 Recommendations**

6.1 That Executive approve AdEPT Telecom plc as the appointed supplier and, subject to call in, an order is placed on the basis of a three-year contract.

**7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	Ensuring financial sustainability

**8 Document Information**

Appendix No	Title
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
Nick Blaney	7097

**Bolsover District Council**

**Executive**

**5 October 2015**

**Drainage Works Contract**

**Report of the Special Projects Officer**

This report is public

**Purpose of the Report**

- To seek retrospective approval to let a contract in excess of £50,000 for drainage works at South Street and Common Meadows Recreation Grounds, South Normanton funded through s106 contributions from various housing developments in South Normanton.

**1 Report Details**

- 1.1 As reported to Executive at its meeting of 27 April 2015, approval was sought the investment of s106 commuted sums in enhancing and improving a number of informal recreation and formal sports facilities across the district. These included football pitches at both South Street Recreation Ground and Common Meadows Recreation Ground, South Normanton.
- 1.2 At its meeting of 27 April 2015, Executive RESOLVED that:
- (1) £52,000 of “formal” Section 106 monies be invested in the drainage of the football pitches at Common Meadow Recreation Ground, South Normanton.
- (2) Pitch drainage works up to the value of £80,000 be procured as a single contract to cover Common Meadow Recreation Ground and South Street Recreation Ground, South Normanton.
- 1.3 **Drainage works to football pitches at Common Meadow Recreation Ground and South Street Recreation Ground**
- Bolsover District Council owns two football pitches at Common Meadow Recreation Ground off Lea Vale, Broadmeadows, which are managed by South Normanton Parish Council and used by local football clubs. These were originally installed in the late 1970s as part of the development of the estate.
- 1.4 Over recent years the pitch drainage had become less effective and an increasing number of games had to be called off during the winter months due to waterlogged pitches.

- 1.5 In addition, South Normanton Parish Council and South Normanton Colts have requested a similar scheme for the pitch at South Street Recreation Ground, which is owned and managed by South Normanton Parish Council and suffers from similar issues to the pitches at Common Meadow, with games being cancelled as recently as April 2015.
- 1.6 In order to avoid any potential claw back of these commuted sums, a large proportion of which had to be spent by 1 September 2015, drainage works were scheduled to be carried out in the off-season over the summer of 2015.
- 1.7 In order to meet the deadline for spending the s106 monies, a tender exercise was carried out via the Shared Procurement Unit in June / July 2015.
- 1.8 A total of 5 tenders were received as follows:

	Common Meadow	South Street	Total
Company A	£63,394.50	£31,594.42	£94,988.92
Company B	£64,513.75	£34,833.46	£99,347.21
Company C	£83,985.00	£41,096.00	£125,081.00
Pugh-Lewis	£55,937.00	£28,021.00	£83,958.00
Company D *	£18,110.00	£7,990.00	£26,100.00

*NB. All prices for 4m drain spacings – prices for 3.5m and 3.0m spacings were also requested*

*\*proposal as submitted not in line with tender specification so discounted (aeration rather than drainage).*

- 1.9 Of the tenders received, only Pugh-Lewis were within 5% of the approved budget (Bernhards price was 56% higher than the available budget).
- 1.10 Following further discussions with the parish council and South Normanton Colts FC allowance was made for a closer spacing of drains (as included as an option in the tender specification) to improve drainage of the pitch at South Street Recreation Ground, which had become very waterlogged in places. Additional s106 monies were already in place to cover the additional costs.
- 1.11 In order that the works could be carried out before the start of the 2015/16 football season and to avoid any risk of losing the available funding, it proved necessary to seek approval for the works to proceed via a delegated decision under clause 10.5 of the constitution - where there is a need for a commercial decision so that we can proceed with the works as a matter of urgency and this was subsequently signed by the CEO on 7 August 2015 (DD-084-15-MC).

- 1.12 Works were subsequently completed by J Pugh-Lewis Ltd. in August 2015 and the s106 monies were defrayed before the potential claw back date.
- 1.13 Retrospective approval is sought from Executive for the letting of a contract to J-Pugh Lewis Ltd. to undertake pitch drainage works at South Street and Common Meadows Recreation Ground, South Normanton to the value of £85,734 as per DD-084-15-MC.
- 1.14 In addition, and in order to avoid similar situations arising in future, approval is also sought for a general delegation to let contracts where s106 monies are being used. It is suggested that such a delegation would be able to be approved by the Joint Chief Executive or the Executive Director (Transformation).

## **2 Conclusions and Reasons for Recommendation**

- 2.1 All of the schemes outlined above complied with the requirements as set out in the respective s106 agreements and have met an identified community need.
- 2.2 Approval for the works to proceed was sought via a Delegated Decision under clause 10.5 of the constitution - where there is a need for a commercial decision and works needed to be completed as a matter of urgency.

## **3 Consultation and Equality Impact**

- 3.1 As part of seeking authorisation for a delegated decision, consultation was carried out / approval sought from the Deputy Leader (in the absence of the Leader), the Chair of Scrutiny and the Section 151 Officer.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 Seeking approval from Executive at the earliest opportunity after conducting the tender evaluation was not possible due to the duration of the works and the need to complete them before 1 September 2015 to avoid the potential loss of available s106 monies.

## **5 Implications**

### **5.1 Finance and Risk Implications**

Had the works not been completed before 1 September 2015, a significant amount of the s106 monies could have been clawed back by the respective developers.

### **5.2 Legal Implications including Data Protection**

A Delegated Decision was authorised by the Joint Chief Executive Officer under clause 10.5 of the constitution - where there is a need for a commercial decision so that we can proceed with the works as a matter of urgency.

### **5.3 Human Resources Implications**

None.

## 6 Recommendations

- 6.1 To retrospectively approve the letting of a contract to J-Pugh Lewis Ltd. to undertake pitch drainage works at South Street and Common Meadows Recreation Ground, South Normanton to the value of £85,734 as per DD-084-15-MC.
- 6.2 To establish a general delegation to let contracts where s106 monies are being used, to be approved by the Joint Chief Executive or the Executive Director (Transformation).

## 7 Decision Information

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	Yes
<b>District Wards Affected</b>	South Normanton East South Normanton West
<b>Links to Corporate Plan priorities or Policy Framework</b>	

## 8 Document Information

Appendix No	Title
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Matthew Connley	01246 242359

**Bolsover District Council**

**Executive**

**5 October 2015**

**Local Authority Mortgage Scheme (LAMs) Policy**

**Report of Councillor Syrett**

This report is public

**Purpose of the Report**

- To approve a Local Authority Mortgage Scheme (LAMS) Policy for Bolsover District Council. (draft attached at appendix 1)

**1 Report Details**

- 1.1 In April 2015 Executive agreed to the development of a Local Authority Mortgage Scheme (LAMs) in the district, to be administered by Capita Asset Services on our behalf.
- 1.2 The adoption of the scheme requires the development of a policy outlining how the scheme will operate in practise, including criteria for participation in the scheme. This is attached at appendix one for approval. The requirement for a policy is outlined in appendix B of the LAMS Legal White paper (attached at appendix 2). Once the Policy is approved it will be placed on the council's website as a public document.
- 1.3 The scheme is aimed at first time buyers, providing help for potential buyers who can afford mortgage payments, but not the initial deposit , to get on to the property ladder.
- 1.4 Key criteria for eligibility as outlined in the Policy:
- The scheme is only open to first time buyers
  - The total indemnity is £500,000
  - The maximum individual indemnity offered to a first time buyer under the scheme is 20%
  - The maximum loan size is £150,000 per property
  - The applicant must have a 5% deposit and meet the lender's criteria
  - The property to be purchased must be within the administrative area of Bolsover District Council
  - The scheme covers both new and second hand properties

## **2 Conclusions and Reasons for Recommendation**

- 2.1 To approve a LAMS Policy for the council as required in the LAMS Legal White paper. (appendix 2)

## **3 Consultation and Equality Impact**

- 3.1 A representative from Capita Asset Services attended cabinet and provided an overview of LAMs. This included an opportunity for members to ask questions relating to the schemes, their benefits to the district, and the level of financial risk that the council would be exposing itself to prior to a final decision being made to adopt the scheme in April 2015.
- 3.2 An EIA has been completed as part of the development of the policy.

## **4 Alternative Options and Reasons for Rejection**

- 4.1 No other options available as this is a requirement as part the LAMS legal White Paper.

## **5 Implications**

### **5.1 Finance and Risk Implications**

- 5.1.1 The risk financially is where there is a default on the mortgage within the first 5 years. To the end of February 2015 Capita have around 3700 LAMs mortgages in place. To date there have been no repossessions, although 2 mortgages are in arrears in excess of three months.

Credit checks by the lender will be robust and mortgages will only be issued where people can afford the repayments.

It is envisaged that the cash bonus pot be retained in the event of any defaults.

### **5.2 Legal Implications including Data Protection**

- 5.2.1 The scheme will be administered by Capita Asset Services on behalf of the council. The required documentation has been made available to the council and has been checked by our Legal Services and the Finance department.

### **5.3 Human Resources Implications**

None

## **6 Recommendations**

- 6.1 That Cabinet approves the Policy attached at appendix 1.



**7 Decision Information**

<b>Is the decision a Key Decision?</b> (A Key Decision is one which results in income or expenditure to the Council of £50,000 or more or which has a significant impact on two or more District wards)	No
<b>District Wards Affected</b>	All
<b>Links to Corporate Plan priorities or Policy Framework</b>	Growth Strategy Housing and Economic Development Strategy

**8 Document Information**

<b>Appendix No</b>	<b>Title</b>
Appendix 1 Appendix 2	Bolsover LAMS Policy LAMS white paper appendix B – Legal White Paper
<b>Background Papers</b> (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
<b>Report Author</b>	<b>Contact Number</b>
Rebecca Slack – Joint Housing Strategy and Growth Manager	01246 217289

Report Reference –

# Local Authority Mortgage Scheme (LAMS) Policy

September 2015

## CONTROL SHEET FOR LOCAL AUTHORITY MORTGAGE SCHEME

<b>Policy Details</b>	<b>Comments / Confirmation (To be updated as the document progresses)</b>
Policy title	Local Authority Mortgage Scheme
Current status – i.e. first draft, version 2 or final version	Final Draft
Policy author	Rebecca Slack
Location of policy – i.e. L-drive, shared drive	L- drive
Member route for approval	Executive
Cabinet Member (if applicable)	Councillor Ann Syrett
Equality Impact Assessment approval date	
Partnership involvement (if applicable)	
Final policy approval route i.e. Executive/ Council /Planning Committee	Executive
Date policy approved	
Date policy due for review (maximum three years)	
Date policy forwarded to Strategy and Performance (to include on Intranet and Internet if applicable to the public)	

# LOCAL AUTHORITY MORTGAGE SCHEME (LAMS) POLICY

## **1. Introduction**

### 1.1

The recent recession has had an adverse effect on the economy and the housing market. One of the effects was a reduction in the number of first time buyers, partly as a result of the tightening of mortgage lending criteria. At the time, most mortgage lenders were only prepared to lend a maximum of 75-80% loan to value, which meant that the buyer required a deposit of 20-25%. This was a major barrier for many first time buyers, although they could afford the mortgage repayments. Whilst the situation has improved, many first time buyers remain unable to secure the necessary deposits without support schemes such as LAMS.

First time buyers are integral to movement in the housing market and therefore the local economy.

### 1.2

Bolsover District Council has agreed to join a national scheme known as the Local Authority Mortgage Scheme (LAMS) to assist first time buyers to access the housing market.

### 1.3

The requirement for a policy relating to LAMS and how the council will operate the scheme is outlined in appendix B of the LAMS legal white paper.

## **2. Scope**

The scheme covers properties which are within the administrative area of Bolsover District Council. This covers all property types, including bungalows, houses and flats and may be either new or second hand properties.

## **3. Principles**

### 3.1

The Council's Corporate Plan 2011-15 and the Economic Development and Housing Strategy 2015 both support this action to enable first time buyers to purchase their own homes.

### 3.2

The aim of the scheme is to assist first time buyers to purchase a property by providing an indemnity to the lender, which will result in a smaller deposit being required. If willing first time buyers are able to access the market,

rented and affordable housing could be freed up for other people, the local housing market will be stimulated and the local economy will benefit.

#### **4. Statement**

##### **4.1**

The Local Authority Mortgage Scheme is a national scheme to help first-time buyers who, whilst they can afford mortgage payments, do not have access to a 20-25% deposit as is required by most mortgage lenders.

##### **4.2**

The council will provide a financial indemnity in the form of a guarantee for the partner mortgage lender, Leek United Building Society. This means that if a potential buyer meets the strict credit criteria applied by the lender, and also meets the criteria set out by the Local Authority to qualify for the scheme, they only have to find a 5% deposit and the council will indemnify up to 20%. The indemnity provided by the council allows the buyer to obtain a 95% mortgage on similar terms to a 75% mortgage as the risk to the lender is reduced.

##### **4.3**

The indemnity will run for 5 years on each property (this can be extended by a further 2 years if a mortgage were in arrears in the last 6 months of the initial 5 year period) , after which time the lender will continue with the mortgage on the same terms.

##### **4.4**

LAMS is supported by a non-cash backed guarantee which is only called upon if repossession is to take place under the scheme. Any loss in excess of the indemnity is attributable to the lender. In the case that the indemnity has to be paid, the council undertakes to make payment within 30 days.

##### **4.5**

LAMS will be audited by Capita Asset Services.

##### **4.6**

No additional resource or training is required at council level as once the scheme is operational, the lender will simply apply standard mortgage application and approval processes.

##### **4.7**

#### **Criteria**

- The scheme is only open to first time buyers
- The total indemnity is £500,000
- The maximum individual indemnity offered to a first time buyer under the scheme is 20%

- The maximum loan size is £150,000 per property
- The applicant must have a 5% deposit and meet the lender's criteria
- The property to be purchased must be within the administrative area of Bolsover District Council
- The scheme covers both new and second hand properties

#### 4.8

Individuals will apply for assistance by applying for a mortgage with the partner mortgage lender. There is no selection process or nomination process at council level. The scheme will be advertised to raise awareness, but the council will not be involved in any promotion of the scheme as this is a FCA regulated activity and will be managed by the lender. All financial advice will be provided by the lender.

#### 4.9

Should an individual have a complaint in respect of the scheme it will be handled in accordance with the Complaints Procedure, or if it relates to the lending process will be forwarded to the lender for response under their Code of Conduct for Mortgage Lending and usual complaints procedure.

### 5. **Responsibility for Implementation**

The Local Authority Mortgage Scheme will be implemented by the Joint Housing and Growth Manager in partnership with Leek United Building Society.

### 6. **Glossary of terms**

#### **First time Buyer**

Someone who has never had a mortgage or owned a property

#### **Indemnity**

Protection against possible damage or loss, especially a promise of payment, or the money paid if there is such damage or loss.

#### **Loan to Value**

Relates to how much mortgage you have in relation to how much your property is worth; for example if the property is valued at £200,000 and you have 75% loan to value you will have a loan of £150,000