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Minutes of a meeting of the Executive of the Bolsover District Council held in the Council Chamber, The Arc, Clowne, on Monday 9th September 2024 at 1000 hours.

PRESENT:-

Members:-

Councillor Steve Fritchley in the Chair

Councillors Anne Clarke, Duncan McGregor, Clive Moesby, John Ritchie and Sandra Peake.

Officers:- Karen Hanson (Chief Executive Officer), Steve Brunt (Strategic Director of Services), Jim Fieldsend (Monitoring Officer), Theresa Fletcher (Section 151 Officer), Pam Brown (Service Director Executive, Corporate Services and Partnerships), Kath Drury (Information, Engagement and Performance Manager), Wayne Carter (Assistant Director Leisure, Health and Wellbeing), Richard Winter (Climate Change Officer) and Alison Bluff (Governance).

EX29-24/25. APOLOGIES

An apology for absence was received on behalf of Councillor Mary Dooley.

EX30-24/25. URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

EX31-24/25. DECLARATIONS OF INTEREST

There were no declarations of interest made.

EX32-24/25. MINUTES – 29TH JULY 2024

Moved by Councillor Duncan McGregor and seconded by Councillor Sandra Peake
RESOLVED that the minutes of an Executive meeting held on 29th July be approved as a correct record.

NON KEY DECISIONS

EX33-24/25. ANNUAL LETTER FROM THE LOCAL GOVERNMENT AND SOCIAL CARE OMBUDSMAN 2023/24

Executive considered the annual letter from the Local Government and Social Care Ombudsman (LGSCO) 2023/24, presented by the Portfolio Holder for Performance and Governance. The letter provided an annual summary of statistics on the complaints made against the Council for the financial year ending 31st March 2024.

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Members were asked to note that the data provided by the LGSCO may not align with the data the Council held because the LGSCO numbers included enquiries from people who had been signposted by the LGSCO back to the Council, but who may then have chosen not to pursue their complaint.

The LGSCO had received 8 enquiries and complaints during 2023/24. Three were closed after initial enquiries, three were referred back for local resolution/internal complaints process and one case was invalid or incomplete. (One decision received May 24 – closed after initial enquiries).

The Portfolio Holder noted that the report was a good report.

Moved by Councillor Duncan McGregor and seconded by Councillor Sandra Peake.
RESOLVED that the annual letter from the Local Government and Social Care Ombudsman (LGSCO) 2023/24 be noted.

Reasons for Recommendation

To note the overall performance and receive the report and the Annual Letter from the Local Government & Social Care Ombudsman 2023/24.

Alternative Options and Reasons for Rejection

None.

EX34-24/25. SOCIAL VALUE POLICY

Executive considered a detailed report, presented by the Portfolio Holder for Growth, which sought Members approval to adopt a Social Value Policy.

At its meeting held on 3rd October 2022, Executive approved six recommendations from the Local Growth Scrutiny Committee, which intended to assist the Council in embedding social value into the wider policy structures and operational delivery of the Council.

The Procurement and Partnership teams had worked together and produced a draft policy which provided a framework for ensuring the Council met its obligations under the Social Value Act 2012. It was also anticipated that this would be built on following the introduction of the Procurement Act 2023 (in force from October 2024) with a requirement for contracting authorities to maximize public benefit and a shift from looking for the “most economically advantage tender” to “most advantageous tender”. The policy would therefore be one that was under constant review with both Procurement and Partnership teams playing key roles in its development.

The draft policy had been presented to Local Growth Scrutiny Committee on 3rd September 2024.

Moved by Councillor John Ritchie and seconded by Councillor Duncan McGregor
RESOLVED that the draft Social Value Policy be adopted.

Reasons for Recommendation

The adoption of a policy on social value was approved by Executive on 3rd October 2022.

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Alternative Options

Not to approve the policy. This is rejected as the proposed draft policy provides a useful framework to comply with the Council's statutory obligations.

EX35-24/25. COUNCIL PLAN TARGETS PERFORMANCE REPORT – APRIL TO JUNE 2024

Executive considered a detailed report, presented by the Portfolio Holder for Corporate Performance and Governance, in relation to the Quarter 1 (April – June 2024) outturns for the Council Plan targets 2024-2028.

Out of the 34 targets, 31 (91%) targets were on track, one (3%) target had been extended by one quarterly period, one (3%) target had yet to start and one (3%) target had been withdrawn as it was incorporated within two other targets.

The Portfolio Holder for Corporate Performance and Governance referred to the target; ***Our Economy – by driving growth, promoting the district and being business and visitor friendly***, and noted that all 7 targets were on track. This followed the Council's policy on growth and the outturn was a good outturn.

Moved by Councillor Duncan McGregor and seconded by Councillor John Ritchie **RESOLVED** that quarterly outturns against the Council Plan 2024-2028 targets be noted.

Reasons for Recommendation

This was a report for information only to keep Members informed of progress against the Council Plan targets noting achievements and any areas of concern.

Alternative Options and Reasons for Rejection

Not applicable to this report as providing an overview of performance against agreed targets.

EX36-24/25. BUDGET MONITORING

Executive considered a detailed report, presented by the Portfolio Holder for Resources, which provided an update on the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity.

The Council continued to make payments to Dragonfly Management for the provision of services in line with the service level agreement (SLA), and made a charge to Dragonfly Development for the support services the Council provided to the whole company. Budgets from the already approved Medium-Term Financial Plan (MTFP) were paid over to Dragonfly Management to allow them to operate and pay for the Council's services.

To ensure effective financial management continued to take place regarding the transferred services, the structure of services within the Council's financial management system was changed.

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Services that had been transferred into Dragonfly Management were shown as Dragonfly Services on Appendices 1, 2 and 4 attached to the report. The remainder of the Council's services were shown in the Community Services Directorate if they were outward facing services or in the Corporate Resources Directorate if they were internal support services.

The whole report was split between General Fund and Housing Revenue Account with the Dragonfly Services shown within each of the funds.

Moved by Councillor Clive Moesby and seconded by Councillor Duncan McGregor **RESOLVED** that 1) the monitoring position of the General Fund at the end of the first quarter as detailed in Appendix 1 to the report (a net favourable variance of £0.576m against the profiled budget) and the key issues highlighted within the report, be noted,

2) the position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management at the end of the first quarter (Appendices 2, 3, 4, 5 and 6 to the report) be noted.

Reasons for Recommendation

The report summarised the financial position of the Council following the first quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account, Capital Programme and Treasury Management activity.

The Medium-Term Financial Strategy approved in July 2023, and being presented to Members during September and October 2024 for updates and approval, stated that it was the Council's intention to monitor the budgets of the services transferred into Dragonfly Management as part of the budget monitoring process.

Alternative Options and Reasons for Rejection

The Budget Monitoring report for 2024/25 was primarily a factual report which detailed progress against previously approved budgets. Accordingly, there were no alternative options to consider.

EX37-24/25. MEDIUM TERM FINANCIAL STRATEGY

Executive considered a detailed report, presented by the Portfolio Holder for Resources, in relation to the Medium-Term Financial Strategy (MTFS).

The MTFS set out the Council's strategic approach to the management of its finances and outlined the various factors and influences that may impact on the Council over the next few years.

The MTFS related purely to the General Fund at present as the Housing Revenue Account (HRA) assumptions, were based on the 30-year Business Plan. The decisions for Members around the HRA dwelling rents and service charges would be provided to Council in the Medium Term Financial Plan in January 2025.

Moved by Councillor Clive Moesby and seconded by Councillor Duncan McGregor **RESOLVED** that 1) the Medium-Term Financial Strategy at Appendix 1 be approved,

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2) the Council continues to fund the General Fund revenue base budget from the full amount of New Homes Bonus (and related grants such as Services Grant) allocated by Government,

3) to set the strategic intention to continue to be a member of the Derbyshire Business Rates Pool while ever it is financially advantageous for the Council to do so,

4) to set the strategic intention to raise Council Tax by the maximum allowed in any given year, without triggering a Council Tax referendum, to endeavour to continue to deliver services. (The actual Council Tax for any given year will be decided by Council in the preceding March),

5) the Council maintains a policy of a minimum level of Balances for the General Fund of £2m.

Reasons for Recommendation

To inform the Medium Term Financial Plan process by providing strategic financial intention.

Alternative Options and Reasons for Rejection

Members could decide not to approve the MTFS. The Medium Term Financial Plan would then be prepared on assumptions not agreed by Members and there could be a risk it would need to be amended in January if the assumptions used were not agreeable. By law, the Medium Term Financial Plan must be approved prior to the beginning of the financial year to which the budget related, 31st March 2025.

KEY DECISIONS

EX38-24/25. COMBINED HEAT AND POWER UNIT FOR THE ARC

Executive considered a detailed report, presented by the Portfolio Holder for Housing, which sought Members approval to award a contract for the installation of Combined Heat and Power (CHP) Units at the Arc.

In February 2024, Executive approved a report to accept a grant offer of £455,000 from the Swimming Pool Support Fund, and additional costs of £200,000 from the Transformation Reserve towards the installation of CHP units for the Arc. A procurement exercise had been completed to secure a contractor to supply and install the CHP units, and Pure World Energy had been the successful contractor through the procurement process.

The tender price was £499,795.50 and was inclusive of obtaining planning permissions, supply of all equipment, and full install of the project.

The Assistant Director Leisure, Health and Wellbeing, noted that the indicative savings to the Council on future electricity costs was substantial and in excess of £100,000 per annum.

Moved by Councillor Sandra Peake and seconded by Councillor John Ritchie

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RESOLVED that the award of the contract for the installation of the Combined Heat and Power Units for the Arc to Pure World Energy Ltd, be approved.

Reasons for Recommendation

Following the grant award from the Swimming Pool Support Fund and subsequent approval from Executive, a procurement exercise was undertaken to find a suitable contractor for the installation of the CHP units.

Alternative Options and Reasons for Rejection

Continue with current operating systems of conventional gas fired boilers and not recoup the benefit of long-term savings.

EX39-24/25. MINE WATER DEMONSTRATOR AND HEAT NETWORK PROJECT

Executive considered a detailed report, presented by the Portfolio Holder for Growth, which provided Members with an update on the mine water demonstrator project at Creswell, and a related feasibility study funded by the Heat Network Distribution Unit.

The report also sought Members approval for:

- the novation of a contract originally entered into with D2N2 for the funding for the mine water energy project to a contract with the East Midlands Combined Authority for the same project to allow the demonstrator project to go ahead
- delegated authority to officers to procure a contractor to construct and operate the demonstrator and small heat network in Creswell, serving the Creswell Heritage and Wellbeing Centre in the first instance.

In addition, the report sought to notify Executive of the acceptance of the funding for the feasibility study from the Heat Network Distribution Unit.

The Portfolio Holder for Growth noted that this was an exciting project and was good for the Council to be at the heart of it, not least given its position in the north Derbyshire coalfield. The projects were linked as one was taking mine water from Creswell Colliery utilising a closed loop system which was a capital project and then looking at whether hot water brought up from the pit would heat or help heat distribution networks in Creswell and or Whitwell. The innovation at Creswell Colliery project is the closed loop system which would act like a coil in an indirect cylinder and by being a closed loop system, the hot water drawn up the shaft would be returned down the shaft, so the heat could be extracted without impacting on the physical integrity of the shaft without having a wider impact on the underground system which was a concern of the coal authority. Following this concern, D2N2 earmarked £200,000 for use on the project and the close loop system.

Moved by Councillor John Ritchie and seconded by Councillor Duncan McGregor
RESOLVED that 1) the acceptance of funding from the Heat Network Distribution Unit be noted,

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- 2) the novation of the contract for the Mine Water Energy project from D2N2 to EMMCCA with the effect of accepting the £900,000 funding originally awarded by D2N2 be agreed,
- 3) the procurement of ENER-G Renewable Solution Ltd to construct and operate the demonstrator and small heat network in Creswell serving the Creswell Heritage and Wellbeing Centre in the first instance be approved,
- 4) Delegated authority be given to the Chief Executive Officer to make the decision to agree the contract price with ENER-G Renewable Solutions Ltd subject to this not exceeding £200,000

Reasons for Recommendation

Extensive coalfields exist across Great Britain, and it is estimated that 25% of homes and businesses in the UK were located above former coal mines and more so in Bolsover District, and larger parts of North Derbyshire and North Nottinghamshire.

Water within the mines is warmed by natural processes and can, if sustainably managed, provide a continuous supply of heat. Mine water temperatures are not affected by seasonal variations and subject to the right support, mine water can provide renewable, secure, low carbon heating for buildings in coalfield areas.

With heating accounting for 40% of energy use in the UK, mine water heat connected to an appropriate heat distribution network could also play a large part in the District's efforts to tackle climate change and support its net zero future alongside providing cheaper energy to its residents.

Therefore, there were good reasons to endorse the application for - and acceptance of the funding for the feasibility study that would help determine whether mine water energy could be utilised in Whitwell and Creswell where there was relatively easy access to the underground mine water and determine the feasibility of heat networks more generally in both locations.

For similar reasons, it was considered appropriate to recommend endorsement of novation of the original contract made with D2N2 to ensure retention of the funding for the mine water demonstrator and the construction of a larger network if the demonstrator proved to be successful.

In particular, if the demonstrator was successful it would offer 'proof of concept' of a novel system that would significantly reduce the costs and risks associated with mine water energy and potentially unlock this resource, which would be of local, regional, and national significance primarily because of the size and scale of the resource and the difficulties experienced in utilising this resource.

This was also because a heat network using mine water and ground source heat pump technology would have substantially better co-efficiency of performance compared to air source heat pump technology and would be cheaper to operate in the longer term despite higher initial costs because of the higher input temperature (c.17° - 22°) from a mine water system compared to the ambient winter temperatures (<5°) utilised by an air source heat pump in the UK.

However, because the system is novel and because it involves the use of mine water there was demonstrably an insufficient market to tender for the supply of goods,

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services or works required to carry out the project that was funded by an external grant on a 'not for profit' basis.

In this case, ENER-G Renewable Solutions Ltd were the only company that officers had been able to identify through extensive market engagement that not only had the relevant skills, knowledge and experience to carry out the project, and the trust and support of the Coal Authority, but were also willing and able to do so within an acceptable time frame and cost envelope.

Therefore, it was also considered appropriate to recommend approval of an exemption to the Council's Contract Procurement Rules and to make a direct award of the contract for construction and operation of the demonstrator to ENER-G Renewable Solutions Ltd.

The relevant exemption was part 4.8.4 (e) of the Contract Procurement Rules which allowed for a direct award of a contract where it related to commissioning of projects funded by external grant where there was no or insufficient marketplace. The Procurement team had been consulted and they were satisfied that there were grounds to award a contract to ENER-G Renewable Solutions Ltd without undertaking a wider procurement exercise.

Finally, the fee proposal received by officers from ENER-G Renewable Solutions Ltd also included full costings that were reasonable and competitive within this context but exceed £150,000. However, the full value of the contract was yet to be determined. Therefore, it was recommended that Executive delegate authority to the Chief Executive Officer to agree the contract price subject to this not exceeding £200,000.

Alternative Options and Reasons for Rejection

The option to return the funding rather than novate the original D2N2 contract to EMMCCA was rejected because significant progress had now been made on the demonstrator project and the funding was required to carry the project out and build a larger heat network if the demonstrator was successful.

The option to discontinue the demonstrator project was rejected because of the significance of this scheme in relation to the Council's own aims and objectives, and its wider significance in terms of decarbonisation of housing stock and commercial property.

The option to go out to tender was rejected because only one company was identified through thorough market testing that could carry out the project to the satisfaction of the Coal Authority, meet the requirements of the funding body, and complete the works in an appropriate time frame and cost envelope.

EX40-24/25. ACCEPTANCE OF FUNDED SUPPORT FOR LOCAL AREA ENERGY PLANNING

Executive considered a detailed report, presented by the Climate Change Officer, which provided Members with an update on proposals for the creation of a regional Local Area Energy Plan.

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The report sought Members approval for acceptance of funded support from the East Midlands Combined County Authority (EMMCCA) to ensure the Council was fully included in the region's Local Area Energy Planning, and also approval of delegated authority to the Chief Executive Officer to allow officers to enter into the associated memorandum of understanding (MOU) with Nottingham County Council to allow the Council to access the support.

A Local Area Energy Plan set out the change required to transition an area's energy system to 'net zero' in a given timeframe. This was achieved by the analysis of data to evaluate the existing situation and future energy demand, then considering a range of technologies and scenarios, which when combined with stakeholder engagement, lead to the identification of a series of preferred options to create the most cost-effective sequenced plan that would systematically reduce the demand for fossil fuel and achieve decarbonisation of the area's transport, housing, and industry.

Moved by Councillor Anne Clarke and seconded by Councillor John Ritchie
RESOLVED that the supported funding for a Local Area Energy Plan for Bolsover District be approved, and delegated authority be given to the Chief Executive Officer to sign the associated MOU on behalf of the Council.

Reasons for Recommendation

The creation of a Local Energy Area Plan for Bolsover would use data, local information, and stakeholder engagement to create a strategic framework that would support the Council to maximise inward investment in energy infrastructure, renewable energy, and energy systems.

The Local Energy Area Plan would also provide a framework to support the Council to create the conditions for clean and inclusive growth, reduce energy costs for business and residents, and improve the environment.

The cost to the Council of entering the MOU was primarily officer time used in providing information to, and engaging with, the consultants to identify local need and local priorities. The MOU does not otherwise place any unreasonable burdens on the Council or contain any unfair or unreasonable terms.

Consequently, it is recommended that the Executive endorse the acceptance of the supported funding for a Local Area Energy Plan for Bolsover District and approve delegated authority to officers to sign the associated MOU on behalf of the Council

Alternative Options and Reasons for Rejection

Bolsover District Council could not participate in this research but there would be reputational damage in not supporting this EMMCCA led project. The LAEP would support our development plans and the transition to Net Zero, not entering into the MOU risked BDC undertaking projects and spending inefficiently.

To undertake a LAEP, or a similar plan, including appointing consultants would cost the authority approximately £150K, in addition to the costs of officer time and the procurement process.

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EX41-24/25. GREEN SKILLS AND RETROFIT PROJECT

Executive considered a detailed report, presented by the Portfolio Holder for Growth, which provided an update to Members on Phase 1 and Phase 2 of a Retrofit Skills pilot funded by the Department of Energy Security and Net Zero (DESNZ) through the Midlands Net Zero Hub and the Local Area Retrofit Accelerator funded by the MCS Foundation.

The report also proposed:

- acceptance of funding from DESNZ;
- approval of revenue spend over £75,000;
- approval for five separate exemptions from the Contract Procedure Rules;
- acceptance of supported funding from the MCS Foundation for the Local Authority Retrofit Accelerator.

This work built on previous work identifying the need to provide more opportunities for people living and working in the District to gain skills to ensure its local workforce was not left behind in the transition to net zero and was better able to obtain higher skilled, higher paid jobs.

Moved by Councillor John Ritchie and seconded by Councillor Duncan McGregor **RESOLVED** that 1) the funding DESNZ be accepted,

2) approval is granted for the procurement of:

- Nottingham Trent University to provide the services as set out in paragraph 2.8 of this report
- Direct Education Business Partnership CIO to provide the services as set out in paragraph 2.12 of this report
- East Midlands Chambers to provide the services as set out in paragraph 2.17 of this report
- Elmhurst Energy Systems Limited to provide the services set out in paragraph 2.26 of this report; and
- RLB to project manage Phase 2 of the Retrofit Skills Pilot.

3) the supported funding for the Local Area Retrofit Accelerator be accepted.

Reasons for Recommendation

In conclusion, the Council's work on retrofit skills has therefore been and will increasingly be of local and regional significance. This work could only continue as proposed and at pace with the support of external funding. The work was of significance because of the challenges every Council faced retrofitting its own housing stock and the need to decarbonise our existing housing stock to achieve net zero. These projects aim to deliver actionable solutions that addressed these challenges.

In addition, the work was of significance because the quicker we can improve the energy efficiency of our housing stock through accelerating delivery of retrofit solutions, the quicker more of our most vulnerable residents would live in a house that was more likely to be free of damp, less draughty and cheaper to keep warm.

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The work was also of significance because of the potential impact of substantial inward investment for retrofit for the local economy and local supply chain. This investment could be guided by the Local Area Energy Planning, subject of a separate report and due for adoption by the combined authority next year.

Decarbonisation of existing housing stock was already a priority for the new Government and the combined authority and the District needed to be investment ready to take advantage of any funding that became available from the Government or the Mayor in any event.

Retrofit skills were also the same skills that the local workforce and local businesses would need to get involved with projects like construction of heat networks goes ahead in the District if the mine water demonstrator project (also subject of a separate report) was successful, for example, in the construction of other large renewable energy projects or in the construction of new homes that would need to be to the 'future homes' standard.

Therefore, the projects in this report were closely aligned with the Council's own ambitions to drive the local economy, maximise opportunities arising from the combined authority and create the right conditions to make the District and the people who lived and work here more prosperous.

The projects in this report were also closely linked to making the business case for a skills hub that had been included in the list of regeneration projects. In particular, this work was aimed at ensuring it would be a viable proposition if it were to go ahead and as importantly, work towards the Council's ambitions to improve educational attainment in the District and create more opportunities for more of our residents to find employment and gain careers in better jobs, with higher skills and higher wages.

Finally, the projects had been progressed to the point they were now ready to go, which meant there was a very limited risk of failure to deliver on the requirements of the funding bodies but there was a residual corporate risk of reputational damage if the Council decided to withdraw at this late stage after showing purposeful leadership in this area and driving these initiatives forward across the region over several years.

Consequently, it was considered that there were very good reasons for the Executive to accept the recommendations made in this report especially when taking into account that aside from the original investment in the NTU report and officer time, this was all being achieved with no direct cost to the Council.

Alternative Options and Reasons for Rejection

The option to refuse the funding offers was rejected because significant progress had been made on retrofit skills and the funding was required to continue this work.

The option to discontinue the retrofit skills projects was rejected because of the significance of this work in relation to the Council's own aims and objectives, and its wider significance in terms of decarbonisation of housing stock and commercial property, the impact on the local economy, and the boost to employment and skills opportunities within the District.

The option to go out to tender where exemptions had been sought was rejected because of the urgency of the requirements for the relevant goods or services, or there

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had been a continuation of existing contracted works and where a direct award was to be made, the contractor was able to meet the requirements of the funding body, and could complete the works in an appropriate time frame and cost envelope.

EX42-24/25. GRANT OF AN EASEMENT ALONG LOXLEY LAND, WHITWELL

Executive considered a detailed report, presented by the Portfolio Holder for Growth, which sought approval to grant an easement for access rights across Loxley Lane, Whitwell.

The Council owned the access road, known as Loxley Lane, which lead off Station Road, Whitwell, to the Whitwell Station car park. The car park was leased by the Council from Network Rail.

A developer now required access to its site via Loxley Lane for 18 of 19 houses and had been in negotiation with the Council to acquire an easement granting rights of access. An agreement in principle had been agreed between the Council's Senior Valuer and the developer for the payment of a premium of £150,000 to acquire rights of access.

The developer had also agreed to contribute to future maintenance of the access road by paying £100 per annum per property. Based on 18 properties using the access this would amount to £1,800 per annum and would be fixed for five years and then adjusted in line with Consumer Price Index every five years. Both the Senior Valuer and the Senior Engineer were satisfied that this level of contribution would be sufficient to cover the development's proportionate share of future maintenance costs.

Moved by Councillor John Ritchie and seconded by Councillor Duncan McGregor
RESOLVED that the Council grant an easement for a right of way across Loxley Lane, Whitwell on terms agreed by the Senior Valuer.

Reasons for Recommendation

To secure Executive's agreement to grant an easement to the owner of the development. This matter has been considered by Asset Management Group who are comfortable with the proposal.

Alternative Options

Not to grant an easement. The Council would not receive a capital receipt and there would be no vehicular access to the properties being built on the development.

The meeting concluded at 1036 hours.