

## ITEM F

### COUNCIL – 1<sup>ST</sup> FEBRUARY 2006

#### ITEM F – RECOMMENDATIONS TO COUNCIL

Cabinet – 25<sup>th</sup> January 2006

#### **F1. PRUDENTIAL BORROWING** *(REPORT - PAGES 23 - 31)*

The Cabinet, at its meeting on 25<sup>th</sup> January 2006, considered a joint report of the Head of Financial Services and Head of Community and Partnerships on proposals to facilitate a partnership approach to the delivery of a purpose built Lifestyle Centre on the site of the Haslingden Sports Centre.

#### **Cabinet Decision made:**

In addition to their recommendation to Council highlighted below, the Cabinet agreed the following:-

1. That the Cabinet support proposals to develop facilities at Haslingden Sports Centre as set out within the Trust transfer documentation as contained within the Partnership Delivery Plan agreed in May 2004 and through the adoption of the Trusts three year business plan as agreed by the Council in November 2004.
2. (see Council recommendation below).
3. That financial servicing of the Prudential Code borrowing be met through a corresponding reduction in the Trusts support grant over the full term of the load period.
4. That the Council secure technical advisers to oversee any building project in order to protect the Council's interest in terms of cost and quality of the final building.
5. That the project be categorised as a B2 risk within the Council's strategic risk register.

#### **Council are Recommended:**

To agree, in principle, to borrow under the Prudential Code or by way of guarantee, to a maximum of £1.2 million, in support of the redevelopment scheme, subject to a full review of leisure provision in the Borough. The detailed

contractual issues around this being delegated to the Head of Financial Services and Head of Legal and Democratic Services in consultation with the Leader of the Council and Portfolio Holder for Finance and Risk Management.

**Reason for Decisions:**

The Council and the Leisure Trust prepared a Partnership Delivery Plan which highlighted the steps the Trust would need to take in order to create long term financial stability for the organisation and a core element of the Plan includes an investment at Haslingden Sports Centre to create a modern health and fitness facility capable of generating sufficient surplus revenue to assist the Trust in gaining financial stability in the long term. The review of leisure provision throughout the Borough will improve customer satisfaction levels and develop a long term plan for improvements to services.

**Alternative Options Considered and Rejected:**

The Council has access to low interest borrowing opportunities through Prudential Code borrowing over a 23 year term. If the Council were to access funding on behalf of the Trust the subsequent savings on repayments in the short to medium term would generate higher surpluses for the Trust. The Trust is required to reinvest these within the infrastructure of leisure in the community. However this provides a risk to the Council, in the event of the trust becoming insolvent the Council would be liable for the continuing repayments on any loan.

Rossendale Leisure Trust also has the option of raising the investment through a mini PFI which would provide off balance sheet funding requiring monthly rental payments for the development over a 15 year term. Whilst this method provides initial higher payments, the reduction in payment period reduces the total amount repaid by approximately £400,000, over the term. However any finance house would require the Council to act as guarantor for the agreement. In this case should Rossendale Leisure Trust become insolvent a one-year payment holiday could be invoked to give the Council a period of time to identify a new operating partner for its leisure provision.

## **F2. CHIEF EXECUTIVE RECRUITMENT**

**(REPORT - PAGES 33 – 36)**

The Cabinet, at its meeting on 25<sup>th</sup> January 2006, considered a report of the Head of Human Resources on issues in relation to the appointment of a new Chief Executive.

### **Council are Recommended:**

1. To Form an Appointment Committee consisting of the Leader of Council, Deputy Leader of Council, Cabinet Member for Human Resources, Chair of Overview & Scrutiny, Leader of the Labour Group, Deputy Leader of the Labour Group, Chair of the Local Strategic Partnership and Head of Human Resources.
2. To establish a budget of £45,000 for the cost of consultancy and advertising as set out in the report and delegate authority to the Appointment Committee to procure a package of consultancy support to assist them in the appointments process.
3. To delegate authority to the Appointment Committee to offer a salary package not exceeding £90,000 (plus nationally agreed cost of living increases) to a suitable candidate.
4. To approve the interim appointment of the Deputy Chief Executive, on an honorarium basis, as the Acting Chief Executive until a permanent appointment is made and the successful applicant takes up the position.
5. To require the Acting Chief Executive to assume the role of returning officer and any other such responsibilities that come with the position of Chief Executive.
6. To keep the position of Deputy Chief Executive vacant until a permanent Chief Executive is appointed and the successful applicant takes up the position.

### **Reason for Decision:**

The appointment of an effective Chief Executive is an essential requirement if the Council is to achieve the outcomes set out in the Corporate Improvement Plan.

### **Alternative Options Considered and Rejected:**

None.

