

MINUTES OF: THE CABINET

Date of Meeting: Wednesday 21st October 2015

**Present: Councillor A Barnes (in the Chair)
Councillors Ashworth, Lamb, Marriott and Serridge**

**In Attendance: Mr S Sugarman, Chief Executive
Mr P Seddon, Head of Finance and Property Services
Mrs J Cook, Committee Officer**

**Also Present: Councillors Essex, Haworth, Sandiford D. Smith
10 members of the public
1 member of the press**

1. APOLOGIES FOR ABSENCE

1.1 There were no apologies for absence; all Cabinet members were present.

2. MINUTES OF PREVIOUS MEETINGS

Resolved:

That the minutes of the meeting held on 16th September 2015 be approved as a correct record.

3. URGENT ITEMS OF BUSINESS

3.1 There were no urgent items of business.

4. DECLARATIONS OF INTEREST

4.1 There were no declarations of interest.

5. PUBLIC QUESTION TIME

5.1 Mr Clive Balchin asked a question that had three parts to it:-

- Is Transdev formally contracted to use the bus station?
- With reference to the Council's website and the Town Centre redevelopment – what was the hard data behind the 'hundreds of jobs' that would be created?
- What was the financing and background behind Green Vale Homes' decision to become a tenant of the development.

The Leader of the Council noted that in terms of Transdev there was no formal contract agreement in place, however there was no reason why Transdev would not use the bus station, as this would have facilities for their drivers to use and that Transdev had done so in other areas. The Leader noted that the fallback position would be to remove the bus stops on Bank Street, however this was not expected to be necessary.

The Leader of the Council stated that ‘hundreds of jobs’ related to the development as a whole and that this would be based on hard data, as growth funding from LEP had been obtained – this would have been based on an application with evidence.

The Leader of the Council stated that Green Vale Homes had significantly outgrown their current base and had been in talks about this for a number of years. The Leader agreed to write to Mr Balchin with more details of this.

Mr Balchin was allowed to respond and stated that he did not feel the Transdev issue had been answered in full, it was hard to believe hundreds of jobs would be created and he had been informed that Green Vale Homes were looking to use hot-desking, working from home and additional technology in drivers’ vans. Mr Balchin urged the Leader to proceed with caution and not use commercial sensitivity and FOI to avoid releasing information.

- 5.2 Mr Tony Winder asked that now Green Vale Homes were having the upper floors of the bus station, who would pay for the refurbishment and upkeep?

The Leader of the Council noted that whether this would be capital cost or would be the responsibility of tenants was still under negotiation.

- 5.3 Mr Michael Pickup asked a question in relation to the Empty Homes Project and asked why no financial monitoring had been carried out, would the Portfolio Holder confirm the figures and resign if these were found to be inaccurate?

The Portfolio Holder for Resources and Performance responded that the funding had come from the HCA as a grant and would not have been seen on the financial monitoring reports until AAW went into liquidation, and the Council became the accountable body. The estimates given were provided by officers and were subject to variances.

Mr Pickup was allowed to respond and asked if the Finance Department knew whether payments were being made to AAW and would the former Chief Executive be held to account?

The Portfolio Holder and the Leader responded that internal and independent external investigations were ongoing, as well as a Police investigation, and that the Council could not prejudice these investigations by commenting. The Leader confirmed that the report would be published ‘warts and all’ and that no stone would be left unturned with the investigations and subsequent staff disciplinarys.

- 5.4 Mr Frank Rogers asked a question regarding the Empty Homes Project and raised concerns about whether Councillors and the Cabinet had been regularly monitoring the project.

The Leader responded that all this would be covered in the published report.

Mr Rogers was allowed to respond and asked why, given that the original problem had emerged 40 weeks ago, were the public still having to wait for answers.

The Leader reiterated that the investigation was subject to processes and fairness and that the Council needed to ensure that it was protected from future litigation.

- 5.5 Mr Peter Wood asked how the comments made on the bus station consultation process would be measured and presented to the public.

The Leader of the Council responded that the process was ongoing and the responses would be presented in a measured manner, noting feedback and general statements.

Mr Wood was allowed to respond and asked how the comments would be presented, as there was only the opportunity to provide general comments, not whether you approved or disapproved of the scheme. Mr Woods also noted that RTB did not appear to be subject to the Freedom of Information Act.

The Leader stated that RTB was not subject to FOI and she would speak with him at the end of the meeting. The responses would be pulled together in a sensible format and would be fed back to members and the public.

- 5.6 Mr John Atherton asked how many times the exclusion of public and press under the Local Government Act 1972 had been used in relation to the Empty Homes Project.

The Leader of the Council confirmed that this had never been used.

- 5.7 Ms Freeman asked a question regarding the Long Term Assets shown on the interim balance sheet at 5.2, Item D1 of the agenda and enquired which property had been sold for £87.5k, the price achieved and which fund was the money credited to? Ms Freeman also asked where she could find a list of land sales that could occur in future years.

The Leader of the Council noted that the land sales process had been amended, following a Scrutiny review and that information may be available from the relevant Ward Member. The Head of Finance and Property Services agreed to answer Ms Freeman's questions in writing after the meeting.

6. IRRECOVERABLE DEBT REPORT

- 6.1 The Portfolio Holder for Resources and Performance introduced the report which sought member approval for the write off of irrecoverable council tax and non-domestic rate debts. These amounts being £5,594.05 in respect of council tax and £52,984.30 in respect of non-domestic rates were above the delegated limit of £5,000. The Portfolio Holder noted that due to the changes to NNDR, there was an unfavourable variance of 20% on the amount, however provision had been made for this and it was within expectations.

- 6.2 The Leader of the Council noted that the write-off was for accountancy purposes only and that the debts would continue to be pursued.

6.3 Members were invited to comment on the report and the following comments were made:

- Councillor Sandiford enquired how the tenant within the former One Stop Shop had been allowed to amass large debts. The Portfolio Holder for Finance and Resources stated that it had been agreed to find a tenant for the One Stop Shop and that work had been ongoing with the tenant to assist them, however the business had ultimately gone into liquidation. It was noted that having a tenant in the property had divested the Council of the business rates responsibility.

Resolved:

1. That the write-off of £5,594.05 in respect of irrecoverable council tax debts is approved.
2. That the write-off of £52,984.30 in respect of irrecoverable non-domestic rate debts is approved.

Reason for Decision

All means of recovery are currently exhausted and the decision is in the interests of financial prudence. The write-off is for accountancy purposes only and the debt would continue to be pursued.

Alternative Options Considered:

None

7. COMBINED AUTHORITIES UPDATE

7.1 The Leader of the Council introduced the report which updated members on the latest discussions and negotiations taking place within Lancashire regarding combined authorities.

7.2 Members were invited to comment on the report and the following comments were made:-

- Councillor Essex noted he was surprised there was no mention of the Chief Executive approaching Greater Manchester to discuss Associate Membership. The Leader of the Council responded that approaches had been made and Greater Manchester was broadly supportive of this, however they were currently assessing new responsibilities under devolution and would resolve this issue before considering new/associate members. The Chief Executive confirmed that he had attended a number of meetings. A report would be taken to Full Council in December 2015.
- Councillor D. Smith noted the report was expected at Full Council in December and asked if all the relevant information would be there to allow members to make an informed decision. The Leader of the Council stated it was not a case of either Lancashire or Greater Manchester and that the Council would be looking towards full membership with Lancashire and Associate membership with Greater Manchester. More information would be given to members as and when available.

Resolved:

1. That the report is noted.

Reason for Decision

To provide an update to members on on-going discussions.

Alternative Options Considered:

None

8. FINANCIAL MONITORING REPORT

- 8.1 The Portfolio Holder for Resources and Performance outlined the report which updated members on the latest revenue forecast for 2015/16, considered the Council's mid-term balance sheet and updated the Council's Medium Term Financial Strategy revenue forecast. A balance sheet had been included for Members' information. It was noted that the Council's settlement from central Government would not be available until late December.
- 8.2 The Portfolio Holder outlined the risk considerations within the report and noted that work had taken place to close the funding gap of £843k for 2019/20 outlined in the Medium Term Financial Strategy report submitted to members in February 2015. The key areas had been identified including:-
 - Scout Moor Windfarm – £690k had been identified from this, however the decision had now been called in by the Secretary of State.
 - The Capita Contract had been secured and extended, to provide a £1.35m saving over the 5-year term.
 - NNDR – the Council would seek to find a partner to avoid an annual NNDR levy, expected to save the Council £400k.
- 8.3 The Portfolio Holder noted that the Revenue Support Grant was expected to reduce significantly, with 40% as a possibility based on statements from the Chancellor in the summer. It was noted that this would transfer to the district councils.
- 8.4 The Leader of the Council noted that the Chancellor's announcement regarding business rates distribution would leave Lancashire as a loser and that some form of equaliser would be required. She stated that she had heard that a figure of £1bn would be removed from public services budgets in Lancashire by 2021.
- 8.5 Members were invited to comment on the report and the following comments were made:-
 - Councillor D. Smith asked for clarification on the likely costs of the Empty Homes Project and AAW. The Portfolio Holder for Resources and Performance stated that the costs would reduce to £200k and would be reviewed annually. The Leader of the Council noted that this would be included in the Medium Term Financial Strategy.
 - Councillor Essex noted that the costs and payments made regarding the Empty Homes Project appeared to have only been noted in the Annual Statement of Accounts. He also expressed concern that the Portfolio Holder had not highlighted a possible rise in council tax for 2016/17. The Leader of the Council

stated that no decision had been made. The Portfolio Holder for Resources and Performance noted the key assumptions in the report.

- 8.6 The Leader of the Council allowed Mr Balchin to ask a further question regarding this report. Mr Balchin asked for clarification on the long-term debtors identified in the interim balance sheet. The Head of Finance and Property Service replied that this was in relation to the revolving loan scheme and that this would reduce in the balance sheet.

Resolved:

1. That the report is noted.

Reason for Decision

To ensure robust monitoring of the Council's finances.

Alternative Options Considered

None

The Leader of the Council reminded everyone present that the Council's Remembrance Events would be taking place from 1st November 2015.

The meeting commenced at 6.30pm and closed at 7.25pm

_____ CHAIR _____ DATE