

Council

Wednesday, 24th February, 2021, 6.00 pm

Accessible through MS Teams and YouTube

Supplementary Agenda

I am now able to enclose, for consideration at the above meeting of the Council, the following information:

5 Cabinet

(Pages 3 - 8)

To receive and consider the report of the Cabinet held on Wednesday, 10 February attached.

Gary Hall
Chief Executive

Electronic agendas sent to Members of the Council

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Report of Cabinet

1. Any Cabinet recommendations on the reports that require a decision by full Council appear as separate items on the agenda.

GENERAL REPORT OF THE MEETING OF CABINET HELD ON WEDNESDAY 10 FEBRUARY 2021

Draft Budget 2021/22 and Summary Position over the Medium Term

2. The Cabinet Member (Finance, Property and Assets), Councillor Matthew Tomlinson, presented a report of the Deputy Director of Finance/ Section 151 Officer setting out the budget position for 2021/22, including the forecast for the following two years to 2023/24 and presenting the relevant proposals in respect of the use of forecast resources identified in 2021/22.
3. The report indicated that delays from the government in reforming council funding created significant uncertainty, however the impact of the Covid-19 pandemic on the borough's residents over the last year had been immense. On that basis, while noting the uncertainty in Government funding reforms, it was felt a freeze in Council Tax would best support residents of South Ribble Borough for 2021/22.
4. The budget forecast over the next 3 years had been updated to take account of the following:
 - A freeze on council tax in 2021/22.
 - There is a proposed 1.99% increase in council tax in 2022/23 and 2023/24 this will be revisited every year and will be dependent upon the outcome of the Government announcements regarding the Fair Funding Review and review of the business rates system.
 - Significant investment of over £1million in revenue budgets to support the delivery of corporate strategy priorities
 - Capital investments of over £62m in corporate priority projects
 - Strategies to reduce the budget deficit in the medium term
5. Councillor Tomlinson informed members that he had given authorisation for the Budget Consultation to commence early to coincide with the publication of the report to the Scrutiny Committee.
6. The Scrutiny Committee at its meeting on 8 February 2021, had made recommendations with regard to the Budget 2021/22 and Summary Position over the Medium Term report. These included inviting the Cabinet Member to provide an update on leisure centre management at regular intervals and its appreciation of the suggestion by the Cabinet Member that Scrutiny is involved earlier in the budget process in future years.

7. In response to a question regarding the Lancashire Business Rates Pool, Cllr Tomlinson responded that he was as confident as he could be that it would continue in 2021/22 and therefore this was reflected in the draft Budget.
8. Cllr Ogilvie referred to paragraphs 29 and 30 of the report, querying a disparity between the figures quoted in the table and the text below it with regard to forecast savings for Shared Services (which should be cumulative). The Deputy Director of Finance/Section 151 Officer confirmed that the savings for 21/22 should be £328k rising to £508k by 2023/24 and that the report would be amended to reflect the correct figures quoted prior to the report going to Council.
9. Cabinet agreed the following:
 - 1) That, subject to amendments in relation to the forecast savings from Shared Services, the contents of this report be agreed and that the following proposed budget items be noted, in particular:
 - A proposed freeze in council tax in 2021/22 with no proposed cuts to services
 - The forecast balanced budget for 2021/22 and the forecast budget position in 2022/23 and 2023/24
 - To note the impact of the challenges faced within the leisure centre industry and the subsequent budgetary impact on the council
 - 2) That the recommendations of the Scrutiny Committee be noted and agreed.

McKenzie Arms Development Procurement Strategy Update

10. The Cabinet Member (Finance, Property and Assets) presented a report of the Director of Commercial updating members in relation to the proposed procurement strategy for the appointment of a Contractor to deliver the McKenzie Arms development.
11. In response to questions received from members the Chair explained that a design and build contract was appropriate because the advantage was cost and time certainty. The associated risks with such contracts were due to any last minute changes by the client, leading to increased costs; however Cabinet was confident that there would not be any late changes. He also indicated that

the development would be built in such a way that maintenance costs would actually be reduced.

12. Cabinet agreed the following:

1) That Cabinet approves the procurement strategy to appoint a contractor through an OJEU compliant framework to ensure the appointed contractor is experienced in delivering modular, passivhaus developments.

2) That Cabinet to approves the delegation of Contract Award to the Cabinet Member (Finance, Property and Assets).

13. The decision will allow the progression of the development that will deliver a passivhaus compliant build. An alternative option would have been to tender the works via an open procurement route, however due to the specialised nature of delivering passivhaus accredited housing, it was advised that an OJEU compliant framework that allows appointment of Contractors who are experienced in delivering modular passivhaus schemes would de-risk this element of the development delivery.

Provision of a Loan and Grant to facilitate a works project to the Hoole Village Memorial Hall

14. The Cabinet Member (Finance, Property and Assets) presented a report of the Director of Governance requesting approval to release funds by way of a loan, charge and a grant to the Trustees of Hoole Village Memorial Hall to enable them to progress and complete their works project to the premises. The report also requested that the execution of the loan, grant and legal charge is undertaken by the Director of Governance.

15. The report indicated that village hall trustees had previously approached the Council requesting financial support for the project to address their estimated funding shortfall, for the provision of a works project to the Village Hall.

16. A budget of £200,000 had been included in the Budget and Medium-Term Financial Strategy for this project. A due diligence process had been undertaken with regard to the provision of a loan. In order to protect the Council's interest in the granting of the loan and Grant it was necessary to enter into certain documents with the Trust. The required agreements were a facility agreement which details the terms of the loan, a grant agreement which details the terms of the grant and a legal charge which secures the granting of the loan against the Hoole Village Memorial Hall.

17. By jointly procuring these contracts it ensured alignment of software and hardware across both Authorities supporting Shared Services. It was anticipated that a joint procurement exercise would achieve greater efficiencies across both Councils.

18. Members not on the Cabinet requested information regarding the terms of the loan, i.e. rate of interest and the loan period respectively. The Chief Executive explained that the terms of loan agreement were not yet in the public domain, however it was agreed that all Members of Council would be provided with this information once the decision had been taken.

19. A question had been submitted by a resident from Much Hoole to the Cabinet Member (Finance, Property and Assets) as follows:

“I am a concerned Much Hoole Resident. Over the last few years I have seen the parish council regularly precepting / granting large sums of money to the Much Hoole Village Hall Building fund. (2017 - £43600; 2020 - £25000; 2021 - £25000). This is all with almost no publicity to the residents, who are paying for it. Although nothing has been agreed, I expect the parish council to be used to repay the South Ribble BC. loan.

Will you please clarify for me the repayment conditions you expect to be set by South Ribble Borough Council for the repayment of the loan, as I expect to be used to pay it?”

20. The Cabinet Member (Finance, Property and Assets) in his response clarified that the terms of the agreement between would become public knowledge once the decision had been taken. Until such time, he was unable to disclose details of the loan agreement. He also suggested that anyone with an issue with the Parish Council should raise it with them directly.

21. Cabinet agreed the following:-

- 1) That Cabinet approves the granting of the loan of £150,000.00 and a Grant of £50,000.00 to the Trustees of the Hoole Village Memorial Hall;
- 2) That the Council's interests be protected by way of a facility agreement and legal charge and a separate grant agreement;
- 3) That Cabinet approves the execution of the loan agreement, legal charge and grant agreement by the Director of Governance.

Approval for the contract award procedure and evaluation criteria for ICT hardware software and support

22. The Cabinet Member (Finance, Property and Assets) presented a report of

the Director of Customer and Digital informing members of the proposed shared procurement for ICT hardware, software, and support, and to seek agreement to the sharing of costs and assessment criteria.

23. Cabinet agreed the following:

- 1) That Cabinet approves the contract award procedure for a number of joint procurements with Chorley Council outlined at Appendix 1 for software, hardware and support services;
- 2) That Cabinet approves the use of existing procurement frameworks such as Crown Commercial Services or similar;
- 3) That Cabinet approves the evaluation criteria of 80% cost and 20% quality;
- 4) That the decision to award these contracts is delegated to the Cabinet Member (Finance, Property and Assets).

COUNCILLOR PAUL FOSTER
LEADER OF THE COUNCIL

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