

<b>Minutes of</b>	<b>Cabinet</b>
<b>Meeting date</b>	<b>Wednesday, 10 February 2021</b>
<b>Members present::</b>	Councillors Paul Foster (Chair), Michael Titherington (Vice-Chair), Aniela Bylinski Gelder, Bill Evans and Matthew Tomlinson
<b>Officers:</b>	Gary Hall (Chief Executive), Chris Sinnott (Deputy Chief Executive), Chris Moister (Director of Governance), Asim Khan (Director of Customer and Digital), Mark Lester (Director of Commercial), Andrew Daniels (Shared Service Lead - Communications and Visitor Economy), Jonathan Noad (Director of Planning and Development), James Thomson (Deputy Director of Finance), Victoria Willett (Service Lead - Transformation and Partnerships), Rachel Salter (Service Lead - Development and Business), Emma Marshall (Service Lead - ICT), Darren Cranshaw (Shared Services Lead - Democratic, Scrutiny & Electoral Services) Ruth Rimmington - Democratic Services Team Leader and Clare Gornall (Democratic and Member Services Officer)
<b>Other members and officers:</b>	Councillors Alty, Bell, Bretherton, Chisholm, Clark, Forrest, Hancock, Howarth, Jones, Martin, Mary Green, Michael Green, Melia, Mort, Lomax, Ogilvie, Sharples, Mrs Smith, P Smith, Caleb Tomlinson, Trafford, Walton and Wooldridge.
<b>Public:</b>	0

### **183 Apologies for Absence**

There were none.

### **184 Declarations of Interest**

There were none.

### **185 Minutes of the Last Meeting**

The minutes of the previous meeting of the Cabinet held on 20 January 2021 were submitted for approval.

#### **Decision made (unanimously):**

That, subject to the inclusion of Councillor Ogilvie as present at the meeting, the minutes of the previous meeting held on 20 January 2021 be agreed as a correct record.

## 186 Cabinet Forward Plan

The Cabinet Forward Plan 1 February 2021 – 31 January 2022 was presented to members for information.

The Chair informed members that due to the nature of the Forward Plan being a live document and often updated shortly after publication of the Cabinet agenda, going forward members would be encouraged to view the Plan via the Council's website, including the date each decision is published.

### **Decision made (unanimously):**

That the Cabinet Forward Plan 1 February 2021 – 31 January 2022 be noted.

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

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. 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.

At its meeting on 8 February 2021 the Scrutiny Committee made the following recommendations with regard to the Budget 2021/22 and Summary Position over the Medium Term report:

The Scrutiny Committee:

1. thanks the Cabinet Member and Section 151 Officer for attending and presenting the detailed and clear report.
2. welcomes the commitment to involve Members in developing the transformation strategy.
3. invites the Cabinet Member to provide an update on leisure centre management at regular intervals.
4. notes the Cabinet Member's reassurance that the capital programme is deliverable.
5. is grateful to the Cabinet Member for suggesting that Scrutiny is involved earlier in the budget process in future years.

Cllr Walton raised the issue of whether the Lancashire Business Rates pool would continue for 2021/22. 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. The Deputy Director of Finance reiterated that there was nothing to suggest this would not be the case; however, confirmation from Central Government was still

being awaited. If this was provided prior to the final Budget bring prepared by 3 March 2021 it would be updated accordingly.

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.

#### **Decision made (unanimously):**

- 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.

#### **Reasons for Decision**

The delays from the government in reforming council funding creates significant uncertainty, however the impact of the Covid-19 pandemic on the borough's residents over the last year has been immense. On that basis, while noting the uncertainty in Government funding reforms, it is felt a freeze in Council Tax will best support residents of South Ribble Borough for 2021/22.

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 2022/23 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

#### **Alternative options considered and rejected**

Some of figures outlined in the report are estimates and based on assumptions that are likely to change. These include external risks such as changes to Government

funding arrangements, changes to interest rates and national and local economic changes. In addition, the council faces internal risks such as the risks of delivering transformational change including the expansion of shared services.

The risks are dealt with through managing prudent levels of reserves, continually monitoring government announcements, monitoring current and future economic projections and by making prudent budget assumptions.

## **188 McKenzie Arms Development Procurement Strategy Update**

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.

A number of questions were received from members to the Cabinet. 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.

### **Decision made (unanimously):**

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).

### **Reasons for Decision**

To allow the progression of the development that will deliver a passivhaus compliant build.

### **Alternative options considered and rejected**

The Council could tender the works via an open procurement route, however due to the specialised nature of delivering passivhaus accredited housing it is advised that an OJEU compliant framework that allows appointment of Contractors who are experienced in delivering modular passivhaus schemes will de-risk this element of the development delivery.

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

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.

Councillors Michael Green and Clark 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.

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?”

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.

Members present expressed concerns regarding public questions where the person did not consent to their name being publicised and requested that the procedure be reviewed.

### **Decision made (unanimously):**

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.

### **Reasons for decision**

The 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.

A budget of £200,000 has been included in the Budget and Medium-Term Financial Strategy for this project. A due diligence process has 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 is necessary to enter into certain documents with the Trust. The required agreements are 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.

### **Alternative options considered and rejected**

The Cabinet could have chosen to do nothing in this regard. However, it was not considered that this was in the best interests of the residents of Much Hoole.

## **190 Exclusion of Press and Public**

### **Decision made (unanimously):-**

That the press and public be excluded from the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972.

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

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.

### **Decision made (unanimously):-**

1. That Cabinet approves the contract award procedure for a number of joint procurements with Chorley Council outlined at Appendix 1 of the report 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).

### **Reasons for decision**

By jointly procuring these contracts it ensures alignment of software and hardware across both Authorities supporting Shared Services.

It is anticipated that a joint procurement exercise will achieve greater efficiencies across both Councils.

**Alternative options considered and rejected**

Each Council could procure software independently, but this would make it very difficult to align software or services in future.

Chair

Date