

MINUTES OF CABINET

MEETING DATE Thursday, 21 June 2018

MEMBERS PRESENT: Councillors Mary Green (Chair), Caroline Moon (Vice-Chair), Warren Bennett, Michael Green and Susan Snape

OFFICERS: Heather McManus (Chief Executive), Lisa Kitto (DCE (Resources & Transformation)), Jonathan Noad (Director of Planning and Property), Dave Whelan (Legal Services Manager/Interim Monitoring Officer), Jennifer Mullin (Director of Neighbourhoods and Development) and Dianne Scambler (Governance and Member Services Team Leader)

OTHER MEMBERS AND OFFICERS: Councillor Jane Bell, Councillor Colin Clark, Councillor William Evans, Councillor Paul Foster (Leader of the Opposition and Leader of the Labour Group), Councillor Keith Martin, Councillor Jacqueline Mort (Member Champion (Member Development)), Councillor Alan Ogilvie (Member Champion (Armed Forces)), Councillor Margaret Smith, Councillor Phil Smith, Councillor Michael Titherington (Deputy Leader of the Opposition and Deputy Leader of the Labour Group), Councillor Matthew Tomlinson and Councillor Graham Walton

PUBLIC: 4

1 Apologies for Absence

No apologies for absence were received.

2 Minutes of the Last Meeting

RESOLVED (Unanimously):

That the minutes of the meeting held on 11 April 2018 be approved and signed as a correct record.

3 Declarations of Interest

There were no declarations of any interests made at the meeting.

4 Property Investment Strategy

Further to Minute No. 57 of the meeting held on 6 December 2017, the Cabinet considered the report of the Director of Planning and Property which provided details of the revised Investment Property Strategy which had been produced following meetings with the Council's appointed advisers Lambert Smith Hampton Investment

Management (LSHIM). This report set out the investment matrix and the ground rules for LSHIM to find appropriate investments to meet the Council's aims.

An amendment to the report was submitted at the meeting to delegate the final approval to invest on any LSHIM's recommendations to the Section 151 Officer and Corporate Property Officer in consultation with the Cabinet Member for Assets and Transformation. The approval of any such investments would also involve the Cabinet Member for Finance.

Details on the development of two further complementary Investment Strategies, to support Economic Development/Regeneration and Housing were also provided within the report.

During the debate, Cabinet raised the following issues:

Although the Strategy presented last year had forecasted a target net annual shield of 5-8%, Members noted the target reduction of 4.5%. It was accepted that the rate of return has dropped from what was originally earmarked. This was primarily due to changes in the markets, particularly in relation to the retail sector.

The aim was to invest in long term investments in the context of the Treasury Management process, being mindful that investment was considered better than raising the Council's level of balances. There was a general consensus that the authority needed to make its reserves work more effectively.

Decision Made: (Unanimously)

That:

- (1) the Investment Property Strategy as set out in Appendix A of the report be approved; and
- (2) Delegate the final approval to invest on LSHIM's recommendation to Section 151 Officer and Corporate Property Officer in conjunction with the Cabinet Member (Assets and Transformation).
- (3) it be noted that two further complementary Investment Strategies were being developed to support Economic Development / Regeneration and Housing and would be considered at a future Cabinet meeting.

Reasons for Decision:

The Council identified investment in commercial property as an opportunity to increase its income whilst protecting its capital in its Budget for 2017/18. An Investment Strategy and appropriate governance framework was developed and agreed at the Cabinet meeting on 6 December 2017. At that meeting it was agreed to procure specialist advice and LSHIM were subsequently properly procured and appointed in March 2018.

LSHIM met with Council officers to establish a common understanding of the opportunities that could be available and the practical challenges that would need to be addressed to meet the potentially tight timescales for decisions. On 25 April 2018, the Managing Director of LSHIM, held workshops at the Civic Centre with Members of the Cabinet and the Asset Working Group outlining the staged approach to identifying and selecting investment opportunities. The Investment Strategy had

been revised following those workshops and identified potential opportunities and progression to investment

Alternative Options Considered and Rejected:

This was one investment strategy identified for sustainable income. Other investment opportunities have been identified and funded through the Council's 5 year Capital Strategy.

5 First Phase of Campus Programme

Further to Minute No. 90 of the Council meeting held on 28 February 2018, the Cabinet considered the report of the Director of Neighbourhoods and Development which provided details of the initial first phase works of the Campus Programme, the predicted expenditure in 2018/19 and the preferred procurement route for the leisure element of the Leyland Campus.

During the debate, the Cabinet raised the following issues:

A feasibility study of the playing pitches at Penwortham Holme Recreation Centre identified the need for adequate drainage to allow them to be accessed throughout the winter months. Although concerns were raised about the impact of this work in an area that is liable to flooding, it was thought that the new and improved drainage would restore the pitches to previous conditions and allow for substantially more use of the site during the playing season. The Environment Agency proposals to deliver a flood defence scheme to protect Preston and South Ribble from future flooding was also noted.

The appointment of a Programme Director for the Campus Programme would oversee the whole programme of works and take a specific lead on the new build projects. It was anticipated that this position would be a part time post and discussions with Sport England were currently underway to share the costs of this appointment.

In response to questions raised at the meeting, the Director of Planning and Property updated Cabinet on the work that had been undertaken on the West Paddock Masterplan and the Chief Executive reported that a report on a Playing Pitches and Sports Strategy would be brought to a future meeting of Cabinet.

Decision Made: (Unanimously)

That:

- (1) approval be given to the schedule of works described in section 6 of the report including Project Management, Green Infrastructure (Green links identified in Appendix C for 2018/19), Existing Built Assets, Leisure Facility and Sports Pitch Hub which are within the approved Capital Strategy and to the expenditure been incurred on those schemes;
- (2) the procurement route for developing the leisure element of the Leyland Campus be endorsed and approval be given to the procurement of the development team via a single source, direct award framework as described in Section 6.5. (Pagabo/perfect Circle Framework) of the report; and

- (3) approval be given to the commencement of work on the Leyland Campus Master Plan including public consultation which will then be submitted to Planning Committee at a later date.

Reasons for Decision:

The Council approved the Capital Strategy on 28 February 2018 and the development of campuses was a key element of the Health and Wellbeing priority within that Strategy. Cabinet approval was required for the detail within the overall Strategy to allow expenditure to be incurred in 2018/19 and progress to be made.

The appointment of a development team for the leisure element of the Leyland Campus was essential to move the project forward. Without this the project and hence the whole programme would stall. The single source direct award from a framework was the best route for the Council to secure the wide range of services required. This route would ensure compliance with Official Journal of European Union (OJEU) procurement process, secure best value and enable the Council to move forward. This route would also build in flexibility for the Council to adjust the resources required as the project evolves.

Alternative Options Considered and Rejected:

The report defined the priorities for spending in 2018/19. Other packages of work have been identified and would come forward as further funding was released.

6 South Ribble Borough Council Budget Out-turn Report 2017/18

The Cabinet considered the report of the Interim Deputy Chief Executive (Resources and Transformation) which provided details of the 2017/18 Budget Outturn position in relation to both revenue and capital expenditure. The report had previously been considered by the Governance Committee on 29 May 2018 together with the Council's core financial statements that were produced as part of the Council's draft Statement of Accounts. These were available on the Council's website in accordance with statutory requirements and to meet the earlier statutory deadline of 31 May 2018.

The Council's end of year accounts had been finalised and showed an underspend of £0.770m against the original annual budget of £13.482, representing 5.7%. The reserves at the end of the year reflected some decisions that were made as part of the budget setting process which had resulted in the creation of some new reserves and had consolidated some existing reserves. Members were asked to note the level of reserves with a view to utilising the in-year underspend of £0.770m differently.

During the debate, the Cabinet raised the following issues:

It was noted that income collection levels were good, performance continues to be strong with a slight increase in the Council Tax Collection Rate (0.07%). Although the interest on investment figures were down in comparison to 2016/17, this was in line with market factors and was still compared favourably with external benchmarks for investment returns.

The Business Rates Retention pooling arrangements that the authority had entered into with the wider Lancashire Councils continues to be beneficial with the Council by attaining an additional levy of £1.1m which was reflected in the annual budget.

In response to a member of the public it was explained that the year-in underspend was made up of a number of variances that included employees and premises costs.

Decision Made: (Unanimously)

That:

- (1) the contents of the report and appendices be noted;
- (2) the final out turn position of £0.770m underspend against the original revenue budget of £13.482m and the key variances be noted;
- (3) the final out turn position on the capital budget of £0.597m underspend against an annual budget of £2.774m be noted;
- (4) the financing of the capital programme for 2017/18 be noted and approval be given to the carry forward of £0.402m of capital re-phasing into 2018/19 as outlined in this report;
- (5) the end of year position on reserves as a result of the out turn position and the contributions to and withdrawals from these reserves be noted;
- (6) the Council be recommended to give approval to the underspend being utilised to support other key projects or initiatives; and
- (7) approval be given to the development of a wider investment strategy in light of the level of balances.

Reasons for Decision:

The report sets out the final position for the Council in relation to its 2017/18 revenue and capital budget. The report supports the statutory accounts that are also being presented to the Governance Committee in accordance with statutory requirements. These accounts have to be signed by the Chief Finance Officer by 31 May 2018 which is one month earlier than has previously been required.

Alternative Options Considered and Rejected:

None.

7 Temporary Suspension of Fees and Charges for Domestic Rat and Mice Treatments

The Cabinet considered the urgent report of the Director of Neighbourhoods and Development which sought approval to temporarily suspend the current charges for domestic rat and mice treatments offered to the Borough by the Council's Pest Control Service until 11 July 2018, when a full Fees and Charges Report would be presented for Cabinet approval.

During the debate the Cabinet raised the following issues:

The safety of residents was considered to be of the utmost importance and the Cabinet had taken on board their concerns. It was recognised that the recent decision to charge for this service, had impacted adversely on the community and the Cabinet were minded not to continue with the domestic charge for rat and mice treatments on a permanent basis.

The Cabinet wanted to be clear that this was not about staff underperforming. Since the new charge had been introduced there had been a significant decrease in requests for the service. The Pest Control team had worked hard to increase service delivery to business customers and assurance was sought that the team had the capacity to manage the expected increase in domestic requests upon suspension of the charges.

Decision Made: (Unanimously)

That Cabinet agree to the temporary suspension of the domestic fees and charges for rats and mice until the 11 July 2018 when a Fees and Charges Report will be presented to Cabinet for approval.

Reasons for the Decision:

The new fees and charges for domestic rodent treatments have applied for the last nine months. Since the introduction of the charges, there has been a significant decrease in the number of treatments to residential properties.

Alternative Options Considered and Rejected

Maintain the fees and charges until 11 July 2018 when a full report can be presented to Council detailing all available options and the likely impact.

Chair

Date