

**MINUTES OF A MEETING OF THE
SPECIAL BUDGET EXECUTIVE
HELD AT THE TOWN HALL, NELSON
ON 10th FEBRUARY, 2015**

PRESENT –

Councillor J. Cooney (Chairman – in the Chair)

Councillors

*Councillor Nadeem Ahmed
Councillor D. Clegg
Councillor T. Cooney
Councillor J. Purcell*

*Councillor J. K. Starkie
Councillor G. Waugh
Councillor D. M. Whipp
Councillor P. White*

Officers in attendance:

*Stephen Barnes
Philip Mousdale
Dean Langton
Jane Watson*

*Chief Executive
Deputy Chief Executive
Head of Central and Regeneration Services
Senior Committee Administrator*



120. DECLARATIONS OF INTEREST

Members were reminded of the legal requirements concerning the declaration of interests.

121. PUBLIC QUESTION TIME

There were no questions from members of the public.

122. MINUTES

RESOLVED

That the Minutes of the Executive meeting held on 22nd January, 2015 be approved as a correct record and signed by the Chairman.

**123. CAPITAL STRATEGY AND CAPITAL PROGRAMME
ROLLFORWARD 2015/16**

The Head of Central and Regeneration Services submitted a report on the Capital Strategy and Capital Programme Rollforward for 2015/16.

The report reviewed the Council's Corporate Capital Strategy in the context of the Council's objectives and priorities. The report also provided details of the Medium-Term Capital Programme for the period 2015-2018.

In accordance with the Prudential Code for Capital investment in Local Authorities, the report also provided various prudential indicators for consideration and approval.

RESOLVED

- (1) That the forecast outturn position on the Council's Capital Programme for 2014/15, as shown at Appendix A and detailed in the report be noted.
- (2) That a budget virement (transfer) of £1m from underspends on existing capital schemes in support of the redevelopment of Brierfield Mill be endorsed.
- (3) That Council be recommended to approve a supplementary capital estimate of £250,000 funded from the ICT Strategy Reserve to fund the IDOX solution.
- (4) That a loan of £110,000 be approved to Pendle Leisure Trust to fund the replacement of fitness equipment with the terms of the loan to be agreed by the Head of Central and Regeneration Services.
- (5) That the Head of Central and Regeneration Services be granted delegated authority to determine the most appropriate methods of financing the Capital Programme for 2015/16 to ensure the use of resources is optimised by the Council.
- (6) That the indicative programmes for 2016/17 and 2017/18, as shown in Appendix C attached to the report, be noted and that these be subject to review as part of the development of future years' capital programmes.
- (7) That Area Committees be advised, when considering their capital allocations, to seek to maximise external resources, to have regard to the Council's key objectives and to only use the funding allocated for capital purposes.
- (8) That the report be referred to the Special Budget Council meeting, to be held on 19th February, 2015 for further consideration.

REASON

To agree adjustments to the Capital Programme for 2014/15, agree the Corporate Capital Strategy 2015/18 and the Capital Programme for 2015/16.

124. GENERAL FUND REVENUE BUDGET 2015/16

Management Team submitted a report on the General Fund Revenue Budget for 2015/16. The report provided an update of the most recent information in relation to the provisional Local Government Finance Settlement (LGFS) for 2014/15, the development of the budget and proposed a budget strategy for 2015/16.

The Executive were asked to consider making a recommendation to Council on the level of Council Tax to be set for the financial year 2015/16. The report also provided details of the Council's Medium Term Financial Plan for the period 2015/19 which highlighted the significant budget deficit and the need to take further action to reduce expenditure to a sustainable level.

RESOVLED

- (1) That regard be given to Appendix A attached to the report in respect of the robustness of Council's budget estimates and adequacy of reserves.
- (2) That the proposal to maintain the General Fund Minimum Working Balance at £1.250m be noted.
- (3) That it be noted that the details of the Local Government Finance Settlement for 2015/16 will be made available at the Council meeting.
- (4) That the projected outturn position in the current financial year be noted.
- (5) That each Service Area be required to operate within its budget for 2015/16, once approved, and that these budgets be cash limited and subject to regular monitoring and control.
- (6) In view of the estimate of savings required for the 2016/19 period onwards, and as set out in the report, Management Team be requested to develop and bring forward a three-year strategy comprising a package of savings options for consideration by the Executive early in the new financial year as part of the development of future year's budgets.
- (7) That a further report be brought back to a future meeting of the Executive updating the Financial Strategy and Medium Term Financial Plan for 2016/19.
- (8) That the report be referred to the Special Budget Council meeting, to be held on 19th February, 2015 for further consideration.

REASON

To comply with statutory requirements to determine a balanced budget and council tax for the forthcoming year.

125. CLITHEROE ROAD AND BUNKERS HILL HOUSING SCHEMES

The Economic and Housing Regeneration Manager submitted a report which provided an update on the above schemes.

It was reported that in response to the Homes and Communities Agency's (HCA) launch of the Builders Finance Fund (BFF) in May 2014, bids for each of the above schemes had been prepared and submitted by PEARL2. The BFF was a loan fund amounting to £525m of development finance that had been made available by HCA to support the delivery of housing sites by private developers (between 15 and 250 units). Success on securing funding was dependent upon a start in 2015, planning consents being in place and the scheme achieving good value for money for the tax payer.

HCA were now seeking guarantees from the Council. The Council's guarantee would only be called upon after PEARL2 (as first guarantor) and then Barnfield Investment Properties (as second guarantor) had been called. If the Council provided this guarantee it would support PEARL's

strong case and HCA would reduce the interest rate on the loan by 3.9 percentage points which would improve the viability of the Schemes overall.

It was reported that the bid for Clitheroe Road, Brierfield had been turned down by the HCA's Builders Finance Fund as it was felt that the project "stood on its own" and did not require additional funding.

RESOVED

- (1) That progress on the delivery of the two housing schemes (Clitheroe Road and Bunkers Hill (Phase 2)) and the bid by PEARL2 for loan funding from the HCA's Builders Finance Fund be noted.
- (2) That a funding guarantee of £875,000 for the BFF loan for Bunkers Hill (Phase 2) scheme (subject to agreeing step-in rights with PEARL2 in the event the guarantee is called) be approved.

REASONS

- (1) ***To keep the Executive informed of progress.***
- (2) ***To secure HCA loan fund for the scheme.***

126.

TENDERS

The Democratic and Legal Manager submitted, for information, a report on tenders which had been received and accepted. The report also contained information relating to sealed bids for 108 Scotland Road, Nelson

It was reported that the offer for 108 Scotland Road had been reduced from £60,000 to £50,000. It was therefore felt that the property go out for re-tendering.

RESOLVED

- (1) That the tenders which had been received and accepted be noted.
- (2) That 108 Scotland Road, Nelson go out for re-tendering.

REASON

To agree acceptance of tenders in accordance with Contract Procedure Rules.

Chairman _____