

CORPORATE STRATEGY AND FINANCE

A record of decisions made by the Executive Member with responsibility for Corporate Strategy and Finance:-

WEDNESDAY, 12TH DECEMBER, 2007

following consideration of the matters detailed below in the presence of:-

Councillor Morris	Executive Member for Corporate Strategy and Finance
Councillor. J. Walsh	Major Opposition Spokesperson
Councillor. R. Hayes	Minor Opposition Spokesperson
Mr. S. Harriss	Chief Executive
Mr. S. Arnfield	Director of Corporate Resources
Mr. A. Eastwood	Director, Legal and Democratic Services
Mr. P. Marsh	Assistant Director, Corporate Property Services
Ms. S. Crossley	Assistant Director, Adult Services
Ms. J. Spencer	Head of Libraries
Ms. M. Appleton	Principal Development Officer
Mr. J. Kerambrum	Democratic Services Officer

68. MONITORING OF EXECUTIVE MEMBER DECISIONS

The Director of Legal and Democratic Services submitted a report which contained monitoring information related to decisions taken at the Executive Member's previous meetings.

The Executive Member Corporate Strategy and Finance NOTED the progress of the decisions taken.

69. LIABILITY INSURANCE RENEWAL

The Director of Corporate Resources submitted a report that informed the Executive Member of the results of the liability insurance tender.

By way of background information the report stated that the liability insurance was renewable on 1st February 2008 and was therefore, subject to formal tender in accordance with EC procurement legislation. Following these guidelines, the Council's presentation was requested by and issued to 21 interested parties. Five submissions were returned by the deadline date of 13th November 2007.

The report explained that the tenders had been evaluated over a range of criteria to ensure that the most economically advantageous quotation was secured. Specialist advice using an external broker had been used to assist with the evaluation, thereby providing useful current knowledge of the insurance and risk markets. The areas evaluated were:

- price;
- claims handling;
- levels of breadth of cover;
- risk management services; and
- administration of contract.

The report stated that based on Bolton's claims history over recent years £4.5m was considered too high and £3.025m too low. £4m was considered to be sustainable for both parties throughout the three year period.

Four suitable tenders were outlined in the report and on the overall evaluation, it was felt that Tenderer 2 should be accepted. Tenderer 2 currently provided property and motor insurance to Bolton Council and had previously held the liability business. The excess and aggregate cap were both fixed which would give financial certainty to Bolton for the three year period. The level of aggregate cap was felt to be sustainable.

The Executive Member AGREED:-

- (i) To award the liability insurance contract to Tenderer 2, American Insurance Group; and APPROVED -**
- (ii) The purchase of increased limits of indemnity as outlined.**

70. BOLTON ARENA

The Director of Corporate Resources submitted a report which outlined the proposed financial arrangements to enable Bolton Arena to maintain and keep their facilities up to date.

By way of background information the report reminded the Executive Member that several loans had been made to the Arena in order to enable them to keep their facilities up to date.

The report stated that the Arena was currently looking at its facilities in the Health and Fitness suite. The Arena was looking to reinvest in this area with a view to helping to maintain and, if possible, increase membership within Health and Fitness.

The report advised that the loans which had been provided to date had enabled the Arena to either grow or maintain its user base and the Arena had always made the required repayments.

It was, therefore, proposed that instead of the Arena constantly requesting further loans from the Council that a single loan was provided on a rolling basis. This would proceed as follows:-

- the Council would provide an overall loan of £750,000 (the current outstanding loan was £537,000);
- the Arena would repay this loan over ten years, including interest, which would amount to £120,000 per annum; and

- at any time the Arena could draw down further loans up to £750,000.

The Arena had indicated that this would meet their foreseeable needs and would provide a more effective way for them to plan and undertake improvements to the facilities.

The report advised that, under this arrangement, the Council would undertake the works which maintained the overall ownership and investment in the Arena. The Arena would seek quotes for the work, complying with the Council's Standing Order arrangements.

The Executive Member AGREED –

That Bolton Arena be provided with a rolling £750,000 loan in order to maintain and keep their facilities up to date.

71. BANKING SERVICES TENDER

The Director of Corporate Resources submitted a report that advised the Executive Member of the outcome of the tendering exercise undertaken for banking services.

The report stated that an invitation to tender was advertised for the provision of banking services for a period of three years with an option to extend for a further 2 years. Two banks had returned submissions. Both were major banks with existing contracts delivering similar services to local authorities. Both had the appropriate Fitch ratings.

The report set out the initial tender prices for the core banking services in year 1. In addition to the core prices, adjustments had been made to reflect other services, the introduction of new pricing methods, differences in both interest and the treatment of inflation between the two tenders. A loyalty bonus from the current banker had also been taken into account.

The report outlined the evaluation results for tenderer 1 and 2 for both a core three year period and a possible additional 2

years, meaning a 5 year maximum contract. These were consistent with the existing budget.

The report informed the Executive Member that overall the tender submitted by Tenderer 1 was the lowest.

The Executive Member APPROVED -

That the lowest tender, Tenderer 1, Co-operative Bank PLC be accepted for a period of three years, with an option to extend for up to a further 2 years.

CONFIDENTIAL ITEMS

The background papers and reports in relation to the following items were considered confidential as defined in paragraph 3 of Schedule 12A of the Local Government Act 1972 and that it be deemed that, in all the circumstances of each case, the public interest in its exemption outweighs the public interest in its disclosure.

72. BREIGHMET PRIMARY CARE RESOURCE CENTRE/BREIGHTMET LIBRARY

The Director of Adult Services submitted a report which updated the Executive Member on the progress of Brightmet Library within the Local Improvement Finance Trust (LIFT) and highlighted the arrangement and agreements that needed to be in place.

By way of background information the report advised that the recent announcement of a grant from the Big Lottery Fund for the Brightmet Primary Care Resource Centre would, it was hoped, reinvigorate the Library Service in Brightmet by relocating the existing ageing Library. It was expected that the new Library would mean co-location within a health and social care setting and, through this setting, it was intended that there would be an increase in the visibility of the Library and learning facilities.

The report outlined the tendering progress and requested the Executive Member's approval for exemption of Standing Order 4.

The report stated that discussions were ongoing with LIFT to ensure that the construction work on the Library could be integrated into the overall construction programme without there being delays to that overall programme and consequent additional costs. The changes and additions to the scheme would need to be incorporated no later than March, 2008 and would be the subject of a planning application in December, 2007. It was likely that completion of the Library would occur in Spring, 2009.

The report advised that the PCT would have a head lease for all accommodation. However, the library component would proceed on the basis of the Council contracting directly with LIFT for the construction of the facilities.

The report advised that revenue costs would be borne by the Libraries budget with any additional costs managed within that budget. In the highly unlikely event of Lottery funding not being forthcoming at Stage 2, there was a small risk to the Council in meeting abortive costs.

The Executive Member AGREED –

- (i) To the exemption of Standing Order 4, in terms of the procurement of the Library within the Breightmet Primary Care Resource Centre;**
- (ii) That revenue costs would be borne by Libraries (Adult Services) budget with any additional costs managed within that budget;**
- (iii) That formal approval be sought from the LIFT Board and the Strategic Partnering Board for the inclusion of the Library within the development;**
- (iv) That a capital bid for the additional costs be put forward; and NOTED –**

- (v) **The proposed management of risk factors within the report.**

73. BOLTON COMMUNITY COLLEGE

The Director of Corporate Resources submitted a report that requested the Executive Member to note the current position with regard to Bolton Community College and to authorise the Assistant Director of Corporate Property Services to commence negotiations with the Community College around a revised Concessions Agreement.

The report explained that at the Executive Member's meeting in March, 2002 it was agreed to the principle of the grant to the college of 20 year leases on all the premises then in their possession.

The report stated that at the same time, concession was to be granted to the College for a 6 year period which would represent the first two 3 year cycles of Learning and Skills Council funding. This was to be reviewed after 6 years under the Concessions Agreement, dated 27th June, 2002.

The Executive Member was informed that clause 17 of the Concessions Agreement stated that before 31st July, 2008 the Council and the College should enter into discussions to appraise the terms upon which the College should continue to occupy the CES properties, including the question of whether they should be repeated for any further period.

The report proposed a revised Concessions Agreement to be negotiated incorporating an open market rental for the properties as well as a Service Charge element to recover the full costs of external repairs and maintenance.

The Executive Member was also informed of the contributions the Council had made to Bolton Community College. It was proposed that an agreement be made to limit the amount the Council would recover from the Excel Centre to £100,000.

The Executive Member AGREED –

- (i) **To note the current position with regard to Bolton Community College;**
- (i) **To authorise the Assistant Director of Corporate Property Resources to commence negotiations with the Community College around a revised Concessions Agreement on a basis that includes the college paying a market rent and taking on full repair and maintenance liabilities or fully reimbursing the Council for the costs of external repairs; and**
ENDORSED –
- (iii) **the Council's recovery of £100,000 from the Excel Centre.**

74. GAS AND ELECTRICITY CONTRACT RENEWAL

The Director of Corporate Resources submitted a report that advised the Executive Member of the outcome of the tendering exercise for the procurement of energy contracts for Bolton Council's operational property.

The Executive Member was informed of the current position with regard to the Council's gas and electricity contracts, which commenced on the 1st November, 2007.

The report stated that contracts were traditionally provided by consultants acting on behalf of the Council, however this year the contracts were procured through the energy frameworks operated by the Yorkshire Purchasing Organisation Consortium.

The report detailed steps that had been taken by Corporate Property Services to reduce costs through renewable technologies.

The Executive Member NOTED -

The action taken in renewing gas and electricity contracts and the steps taken through renewable technologies.

75. COUNCIL TAX WRITE-OFFS

The Executive Member AGREED the write offs as set out in the appended schedules.

76. WRITE-OFF OF UNCOLLECTABLE DEBT

The Executive Member AGREED the write offs as set out in the appended schedules.