

# NORTHAMPTON BOROUGH COUNCIL

## CABINET

Wednesday, 13 July 2016

**PRESENT:** Councillor Markham (Chair); Councillor Nunn (Deputy Chair); Councillors Bottwood, Eldred, Hadland, Hallam, Hibbert and King

### **APOLOGIES:**

#### **1. APOLOGIES**

There were none.

#### **2. MINUTES**

The minutes of the meeting held on the 8<sup>th</sup> June 2016 were agreed and signed by the Leader.

#### **3. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE**

There were no items to be heard in private.

#### **4. DEPUTATIONS/PUBLIC ADDRESSES**

There were none.

#### **5. DECLARATIONS OF INTEREST**

Councillor Bottwood declared a personal non-pecuniary interest as a Board Member on Northampton Partnership Homes (NPH)

#### **6. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES**

None.

#### **7. UPDATE ON RECOVERY OF SIXFIELDS LOAN MONEY**

Councillor Beardsworth commented that she had concerns about the report, and questioned the long term value of spending a further £500,000 on the overall money that was hoped to be recovered. She stated that she supported pursuing those responsible for taking the money and questioned whether the administration would consider approaching blue chip companies to buy or redevelop the associated land.

The Leader, in response, commented that the Administration were speaking to a wide range of people interested in redeveloping the land but that the onus was on retrieving the money from the people who took it.

Councillor Meredith commented that he did not agree with taking the money out of reserves but agreed that the money should be pursued from the perpetrators. He stated that there was not enough information relating to what the extra funding would be spent on and noted that he thought that a consultation should have been undertaken.

Councillor Stone stated that there was a need to protect public funds and agreed that the money needed to be recovered but questioned why extra funding was needed. She stated that the cost was not only financial but had impacted on the credibility of the Council. She questioned what the parameters were and what risks were involved in spending further funds.

Councillor Birch questioned what form the recovery of the money would take.

Councillor McCutcheon questioned whether it would be plausible for a blue chip company to purchase and/or re-develop the land around the Sixfields Stadium and commented that there was a need to have more clarity on the issue to properly determine the risks and values and stated that the Labour Group were considering calling in the decision should it be agreed by Cabinet.

Councillor Russell questioned what steps were being taken to reduce the litigation risks.

The Leader stated that whilst the original estimated costs of the initial professional fees from legal and financial experts had been exceeded, it had been a necessity due to procedures that had to legally be followed but that for some part of the negotiations solicitors had been engaged on a 'no win, no fee' basis. The Leader noted that it was imperative that whilst ongoing talks were had with interested parties, those responsible for taking the money had to be pursued and held accountable for their actions. She further noted that there had previously been cross party support for action to be taken against those responsible and questioned the opposition's commitment to the retrieval of the money. It was noted that the Administration did not intend to spend more money that was necessary and that it was being monitored on a weekly basis. She urged the opposition to reconsider calling in the decision as the delay would potentially jeopardise urgent issues being resolved in the retrieval of the money.

Councillor Eldred, as the Cabinet Member for Finance, commented that the opposition were effectively asking the Administration to give up on the notion of retrieving the money and stated his, and the Cabinet Members' commitment to pursuing those responsible. Councillor Nunn stated the continued assurance to retrieve as much of the money as possible and there was an obligation to the tax-payers to do so.

#### **RESOLVED:**

That a transfer of up to £500,000 from the Future Pressures Earmarked Reserve for professional fees to continue the recovery of monies lent to Northampton Town Football Club (NTFC) be approved. .

## **8. FINANCE AND MONITORING OUTTURN 2015-16**

Councillor Beardsworth stated that she had concerns about the financial deficit the Council potentially could be faced with, especially with the approval of the £500,000 taken out of the reserves for the Football Club. She voiced her concern that there was a need for the Council to be mindful and prepared for the unexpected, such as the impact of Britain exiting the European Union, the future cost of which was unknown.

Councillor Davenport questioned why there had been an underspend in Customers and Communities budget when people's lives were being blighted by overhanging branches and trees that were leaving residents in the dark.

Councillor Eldred, submitted his report and noted that the 2015/16 underspend would be used to mitigate risk and ensure that the Council could continue to invest in future services improvements and economic initiatives across the Borough. He further explained that the capital expenditure for 2015/16 totaled £559 million against the final approved

budget of £66.5 million which was a net underspend of £7.5 million. It was explained that the total General Fund capital expenditure included a £46 million loan to the University of Northampton to fund part of its new campus which he commented was a positive investment in the Town Centre.

**RESOLVED:**

1. That the outturn for the General Fund and Housing Revenue Account for the financial year 2015/16 as set out at Appendix 1 and Appendix 5 of the report be noted.
2. That the contributions to General Fund Revenue Earmarked Reserves as shown in Appendix 3 of the report be approved.
3. That the net movement in Housing Revenue Account Reserves and working balances as set out at Appendix 6 of the report be approved.
4. That the outturn for the Council's General Fund and Housing Revenue Account Capital Programmes for 2015/16 and how the expenditure was financed as set out at Appendix 4 and Appendix 7 of the report be noted.
5. That the carry forward for revenue and capital schemes from 2015/16 into 2016/17 be approved.
6. That the outturn for Northampton Partnership Homes for 2015/16 as set out at Appendix 8 of the report be noted.

