

Item No 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 was 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 oppositions 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. .