

## **WEST LINDSEY DISTRICT COUNCIL**

MINUTES of the Special Meeting of the Policy and Resources Committee held in the Council Chamber at the Guildhall, Gainsborough on 19 March 2014 commencing at 6.30 pm.

**Present:** Councillor Tom Regis (Chairman)  
Councillor Ian Fleetwood (Vice Chairman)

Councillor Owen Bierley  
Councillor Nigel Bowler  
Councillor Chris Darcel  
Councillor Reg Shore  
Councillor Jeff Summers  
Councillor Mick Tinker

**Also present:** Councillor Geoff Wiseman

**In Attendance:**  
John Rice Interim Commercial Director  
Russell Stone Chief Finance Officer  
Alan Robinson Head of Central Services  
Dinah Lilley Governance and Civic Officer

**Apologies:** Councillor Burt Keimach  
Councillor Ken Bridger  
Councillor David Cotton

**Membership:** Councillor Mick Tinker substituted for Councillor Bridger

### **76 MEMBERS' DECLARATIONS OF INTEREST**

Councillor Fleetwood declared a personal, non-pecuniary interest in the agenda item as being a customer of the proposed service provider.

**77 RESOLVED** that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 5 of Part 1 of Schedule 12A of the Act.

### **78 HI-SPEED BROADBAND – PROPOSED LOAN (PR.56 13/14)**

The Interim Commercial Director briefly summarised the presentation and the discussion which had taken place at the workshop which had been held for all Members on 6 March.

- The proposed loan would be on a phased basis, as specified within the detail of the report, this would help with monitoring progress and would assist in mitigating some degree of risk;
- The proposal was to complement and “plug the gaps” the BDUK rollout would leave across the District, referring to the maps contained on pages 17 and 18 of the report;
- The proposed loan was being offered at a lower percentage rate to reflect the economic and social benefits that would become available to the residents and businesses in West Lindsey if the project was delivered, this was not a commercial proposal;
- The proposal would offer choice to local businesses at a lower cost helping them to grow and develop, and make the district more attractive to any potential business developers.

It was acknowledged that there was a degree of risk attached to the proposal, both for the company in question and the Council. These were outlined in full, along with the ways in which they had been and would be mitigated against. Further assurance would be offered by ensuring quarterly monitoring was undertaken by the Governance and Audit Committee and the delegation to Officers would include consultation with all Group Leaders, the Leader of the Council, and the Chairman of the Governance and Audit Committee.

Lengthy debate ensued with a number of questions being asked, each of which was responded to by the Interim Commercial Director. Members were generally supportive of the proposals and were in agreement that if delivered, social and economic benefits would become available to the residents and businesses in West Lindsey.

Members questioned the cost to users, both domestic and commercial, and some felt that these were on the high side, however given that a Broadband service was not, nor likely to be, available through other providers for some areas, this was felt to be acceptable. The BDUK coverage proposals were outlined. It was acknowledged that the lack of Broadband was detrimental to households, businesses and, in particular, education.

The process of obtaining expressions of interest was described, and details were given of how loan repayments would work. Some Councillors felt that they would like to see a comprehensive business plan before approving any financial commitment. Councillor Shore proposed an amendment to the Recommendations, that Recommendation 2 read:

Subject to agreeing 1. above, that the offer of a loan be subject to the Council receiving a comprehensive Business Plan for evaluation by the Council’s Bank Manager **and the Policy and Resources Committee**, and subject to considering any comments from the Bank Manager, for the final details of the loan to be agreed by the Chief Executive in consultation with the Group Leaders, the Chair of Governance & Audit Committee, the Section 151 Officer and Interim Commercial Director.

The motion was seconded, however on being voted upon, the **motion was lost**.

The recommendations as set out in the report were then proposed, seconded and voted upon. A recorded vote was called for by two Members of the Committee.

For: Councillors Bierley, Bowler, Fleetwood, Regis, Summers and Tinker.

Against: Councillors Darcel and Shore.

**RESOLVED** that:

- i) subject to recommendation ii) below, a loan be offered in principle, to the proposed service provider of up to £500,000 at an APR of 5%, drawn down in three phases upon the satisfactory delivery of the agreed outputs and outcomes for each stage, over a 5-year maximum loan period;
- ii) subject to agreeing i) above, that the offer of a loan be subject to the Council receiving a comprehensive Business Plan for evaluation by the Council's Bank Manager and subject to considering any comments from the Bank Manager, for the final details of the loan to be agreed by the Chief Executive in consultation with the Group Leaders, the Chair of Governance and Audit Committee, the Section 151 Officer and Interim Commercial Director;
- iii) for the loan conditions to be those specified in 8.14 to 8.24 of the report, having regard to any conditions suggested by the Council's Bank Manager, S151 Officer, Interim Commercial Director or the Chair of Governance and Audit Committee;
- iv) for the Governance and Audit Committee to monitor copies of the monthly accounts from the service provider, at a frequency they determine to be appropriate, having regard to the progress with repaying the loan, any relevant trends in the accounts, etc.

The meeting concluded at 8.02pm.

Chairman