

WEST LINDSEY DISTRICT COUNCIL

MINUTES of a Special Meeting of the Prosperous Communities Committee held in the Council Chamber at the Guildhall, Gainsborough on Thursday 6 March 2014 at 7.00 pm.

Present : Councillor Malcolm Parish (Chairman – In the Chair)
Councillor Gillian Bardsley (Vice-Chairman)

Councillor Owen Bierley
Councillor David Dobbie
Councillor Paul Howitt-Cowan
Councillor Irmgard Parrott
Councillor Lesley Rollings
Councillor Lewis Strange
Councillor Geoff Wiseman
Councillor Trevor Young

In Attendance :
John Rice Interim Commercial Director
Russell Stone Section 151 Officer
Alan Robinson Monitoring Officer
Steve Bolan Team Manager – Business Development
Dinah Lilley Governance and Civic Officer
Katie Coughlan Governance and Civic Officer

Also Present : Councillor Alan Caine
Councillor Chris Day
Councillor Pat Mewis
Councillor Sue Rawlins
Councillor Jeff Summers

Apologies : Councillor Richard Doran

Membership : Councillor Owen Bierley substituting for the late
Councillor William Parry

86 MEMBERS' DECLARATIONS OF INTEREST

Councillor Alan Caine declared a non-pecuniary interest in report PCC.53 13/14 (Hi-Speed Rural Broadband – Proposed Loan), as a Commercial customer of the proposed service provider.

87 EXCLUSION OF THE PUBLIC AND PRESS

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 ground that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

88 HI-SPEED RURAL BROADBAND – PROPOSED LOAN (PRCC.53 13/14)

Consideration was given to a report which asked Members to consider providing a sub-commercial loan to a service provider in order to provide hi-speed Broadband to 100% of the District.

In presenting the report, the Interim Commercial Director referred to the detailed workshop Members had earlier attended, and recapped a number of key points:

- 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.

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 to those present, along with the ways in which they had been and would be mitigated against. Furthermore to the measures set out in the report, the interim Commercial Director noted the comments which had been made during the workshop and indicated, if agreed in principle this evening, further assurance would be offered by ensuring quarterly monitoring was undertaken by the Governance and Audit Committee and the delegation to Officers (referred to in recommendation 2 of the Policy and Resources Committee Report) would be further extended to include consultation with all Group Leaders, not just the Leader of the Council, and the Chairman of the Governance and Audit Committee.

A thorough and robust debate ensued around the potential merits and risks associated with the proposal. During which Members asked a number of questions of the Officers.

On the whole Members were 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. Fair and equitable access to services was something very much welcomed by Members, and reassurance was offered that this project would help to deliver this.

Whilst acknowledging and welcoming the assurance arrangements that had been put in place and the additional monitoring Officers had offered to undertake, some Members were of the view that the Business Plan, once received, should be submitted to the Committee or Full Council for further consideration and approval. This view was not shared across the Committee, and Officers outlined their reasoning, including their concerns should it be agreed to proceed in the way that had been suggested, reminding Members of the Council's wish to be entrepreneurial and the time sensitive nature of the decision on the table.

To aid Members understanding further, Officers again outlined where the service provision gaps would be across the District, in the event of the Council not finding a solution. The reasons for the gaps were re-iterated, and it was stressed that the District was not seen as a profitable area for larger, global companies.

Some Members were of the view that a better financial deal could be reached, however, it was re-emphasised and stressed that this proposal was not solely a commercial one. Officers again gave reassurance that they had pushed for the best possible solution for both parties and if Members were minded they could ask for a higher interest rate, although Officers made clear their reservations with pursuing this route.

In responding to Members' questions, Officers gave their reassurance that in the event that the loan was not re-couped, services would not be impacted upon as a result as this would be a capital investment, having little effect on revenue streams. Furthermore, this was a proven technology and health risks should not be a concern.

On that basis it was: -

RESOLVED that:

- (a) the proposal to use Section 1 of the Localism Act 2012 to offer a loan to the proposed service provider, for the anticipated social and economic benefit that would become available to the residents and businesses in West Lindsey be approved; and
- (b) it be **RECOMMENDED** to the Policy and Resources Committee that they consider agreeing to loan the proposed service provider up to £500,000 subject to the safeguards explained in Section 8.14 to 8.24 of report PRCC.53 13/14.

The meeting concluded at 8.05 pm.

Chairman