



Date: 02 July 2014

Hinckley & Bosworth
Borough Council

A Borough to be proud of

To: **All Members of Council**

Copy to all other Members of the Council

(other recipients for information)

Dear Councillor,

Please see overleaf a Supplementary Agenda for the meeting of the **COUNCIL** on **TUESDAY, 1 JULY 2014 at 6.30 pm.**

Yours sincerely

A handwritten signature in black ink, appearing to read 'R Owen'.

Rebecca Owen
Democratic Services Officer

COUNCIL - 1 JULY 2014

SUPPLEMENTARY AGENDA

6. QUESTIONS

To deal with questions under Council Procedure Rule number 11.1:

- a) Question from Councillor PR Batty to the Executive Member for Planning:

“Bearing in mind the current traffic chaos in the vicinity of the Hinckley Hub, particularly at peak times that appears to have been exacerbated by the change in road layout and installation of traffic lights at the Rugby Road junction, can the Executive member provide any reassurance that this situation will not continue to get even worse with the start of the construction phase of the Bus Station redevelopment together with the recently announced proposals for a retail park on Hawley Road between Tesco and Lidl. How will all this construction traffic be effectively managed without adding to the gridlock that is regularly being experienced by the people of Hinckley.

Can the Executive member please confirm whether or not there is a current finalised traffic management/circulation plan in place for this part of the town that would properly address the impact of the Bus Station development should it confound predictions and become the resounding success promised by his administration and if there is a detailed plan in place what would be the likely impact on that plan by the proposed retail park on Hawley Road, for example the significant likely increase in large delivery vehicles coming along Rugby Road from the M69 and under the railway bridge.”

Response from Councillor SL Bray:

“Cllr Batty is an experienced Councillor, he well knows that all highways matters are the responsibility of Leicestershire County Council.”

- b) Question from Councillor C Ladkin to the Executive Member for Finance:

“Can the Executive member please confirm the Council’s total spend for 2013 – 2014 on consultants and all forms of external advice and what the total projected spend is currently for this financial year.”

Response from Councillor KWP Lynch:

In 13/14, the Council spent £104,000 on Consultants. This amount £45,000 which was the cost of the Council’s appointed self employed Regeneration Officer who was shared with Oadby and Wigston Borough Council. The projected spend for this year is £100,000.

- c) Question from Councillor RG Allen to the Executive Member for Leisure:

“A fixed price of £13.55m had been contracted for the new leisure centre but then

the footprint of the proposed building was reduced by some 6% (the Council's figures), surely as there would have been a significant reduction in foundation, roof and some elevation costs, can the Executive member please explain why savings could not be found to fund the improvement to competition standard of the main swimming pool as requested by Hinckley Swimming Club."

Response from Councillor DS Cope:

"The answer to this question was essentially provided at the meeting of Council on 8 April, albeit it in response to a different question. The Leisure Centre will be the subject of the Extraordinary meeting of Council on 29 July, where you will have the opportunity to put such questions."

7. LEADER OF THE COUNCIL'S POSITION STATEMENT

Mr Mayor, Fellow Councillors, Members of the Public, Officers and Media Representatives

We have a long agenda tonight, with much to debate and approve which is positive for the people who live and work in our Borough. So, I shall be as brief as possible; although I do need to recognise the many other positive activities which will not be mentioned otherwise tonight.

First of all, despite the doubts and negative comments from the opposition Leader and his group, work to develop the new Crescent on the bus station site *did* begin on 2 June this year, as promised, and has since moved on at a tremendous pace. Even people who do not live or work in Hinckley have expressed pleasant surprise at the speed of the demolition process! We are well on the way to delivering something for which the town has waited for over twenty years! Councillor Batty has made further brazen attempts to prevent this from happening and ending the Squash Club in Hinckley. We will deal with that later on; but I am sure the public will see it for what it is!

For those who aren't aware already, I am very pleased to announce that the Council was placed a very close second, receiving a 'highly commended' award, at the recent M. National Awards, in the category of Innovation in Finance. Members of the Scrutiny Commission have received recently a very brief presentation, summarising our submission showing how our strategy to combine regeneration with sound financial management and planning for the future has proved very successful over the last ten or so years. To have secured this accolade in the face of stiff competition from much larger county and unitary authorities is a real feather in our corporate cap. Congratulations to Sanjiv and his team. This comes on the back of the national award for our Endeavour initiative, which was announced in April, showing that the Council is maintaining a very positive national profile!

At the meeting of the Executive last week, we recognised and endorsed three very positive initiatives:

- * The dedication of part of Queen's Park in Hinckley as a 'Centenary Field' in commemoration of those from this area who gave their lives in the Great War. This choice is particularly fitting, as many of those who died will have walked in this very Park in the years before and during that war. It is fitting also that I can announce this on the 98th anniversary of the first day of the battle of the Somme in 1916!
- * The Environmental Health Commercial Services Enforcement Service Delivery Plan 2014/15. Members of the Executive acknowledged that this is very much an 'unsung service', but one on which so many people in the area are dependent - but don't realise it. The report covered: intervention rates, food sampling, food

hygiene, health and safety campaigns and food surveillance, as well as a focus on Legionella, residential care homes and tyre and exhaust fitting. I urge Members to give it a read, to see the many areas covered and the great service we provide. Can I thank Rob Parkinson, Steve Merry and their colleagues for what they do.

- * Hinckley and Bosworth Voluntary and Community Sector Arrangements. As we all know, the services of the voluntary sector are increasingly vital to the well-being of local communities across the country. This Borough, through the hard work and commitment of Edwina Grant, along with Member colleagues from the Executive, has secured an excellent partnership arrangement with the voluntary sector operators, to ensure that its collective resources, supported by the Council, can be used to maximum effect. Amongst many other things, this year the sector aims to reduce social isolation, so very prevalent in both rural and urban communities nowadays. I have every confidence in the future of this important sector of provision and support and thank Edwina for her work to this end.

And one final item – literally hot off the press this afternoon: Schools in Hinckley and Bosworth have once again done the Borough proud by becoming Schools Games Champions – winning 5 Gold, 14 Silver and 8 Bronze medals in PE and Schools Sport. This is a fantastic team effort and a great reward for their collective commitment. I am sure that all Members will join me in offering our congratulations to them.

My Mayor, I commend this very positive Statement to the Council.

11. HINCKLEY SQUASH & RACKETS CLUB

Advice from PricewaterhouseCoopers LLP has been provided in two emails as follows:

From: janet.morritt@uk.pwc.com [mailto:janet.morritt@uk.pwc.com]
Sent: 15 May 2014 18:20
To: Sanjiv Kohli
Cc: Katherine Plummer; adam.timmins@uk.pwc.com
Subject: RE: Squash Club

Sanjiv,

If the Council will not have an interest in the land on which the new facility will be built, although the Council can reclaim VAT on the construction of the new facility, it will be seen to be making an onward standard rated supply of construction services to the Squash Club. As such, the Council will need to declare VAT on the value of the construction works, i.e. £800,000. This should put the Council into a "nil net" VAT position as it will reclaim £160,000 of VAT on the construction of the facility but will also need to "pay" £160,000 of VAT to HMRC on the onward supply of the construction services to the Squash Club.

If the Council has a freehold or leasehold interest in the land at Tungsten Park (e.g. the Council buys the land or takes a lease in the land from the Squash Club), constructs the new facility then grants a lease in the new facility to the Squash Club, the Council will reclaim VAT on the construction of the new facility but no VAT will be due on the lease to the Squash Club as the lease will be exempt from VAT. In this case, the Council will reclaim VAT of £160,000 on the construction works but will not be required to "pay" any VAT to HMRC on the lease putting the Council in receipt of £160,000 of VAT from HMRC. Although this VAT will be exempt input tax, based on our calculations, the Council should remain within its 5% limit under the seven year average (my email of 13 May 2014 refers).

We cannot say if the legal documents will need to be changed as we have not seen them. However,

the key issue for VAT is to ensure that all transactions are identified with the correct VAT liabilities being applied and any VAT due being brought to account as necessary.

I am happy to discuss the arrangements further with you; however, I will not be in the office now until Monday 19 May 2014.

Kind regards
Janet

Janet Morritt

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From: janet.morritt@uk.pwc.com [mailto:janet.morritt@uk.pwc.com]
Sent: 30 June 2014 17:12
To: Sanjiv Kohli
Cc: adam.timmins@uk.pwc.com; Katherine Plummer; david.s.phelps@uk.pwc.com
Subject: RE: Squash Club

Hello Sanjiv,

Following our earlier conversation, I can confirm the following:

1. We are happy for you to table the advice in our emails of 13 and 15 My 2014 to the Council meeting tomorrow as the advice was provided for use by the Council. The original emails have a PwC header so can be treated as formal advice from us to the Council.
2. We are happy to act on the Council's behalf (subject to authorisation from Alison Breadon) in seeking clearance on the Squash Club transaction from HMRC. Alison has approved the previous advice so I don't anticipate any problems in obtaining further clearance as long as our proposed fees remain within the fee cap for advisory work undertaken outside of our audit role but I will let you know if this is an issue. As discussed, it is difficult to say how long it will take to obtain HMRC clearance particularly if the Council does not have an allocated officer at HMRC. However, I would hope that we can obtain the necessary clearance within a month of writing to HMRC. Our fees for seeking HMRC clearance will be between £2,000 and £5,000 plus VAT.

I hope this is useful and look forward to hearing the outcome of the Council meeting before we draft the clearance letter to HMRC.

Kind regards
Janet

Janet Morritt

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