

## MINUTES OF SHAREHOLDER COMMITTEE MEETING - MONDAY, 19 DECEMBER 2022

### Present:

Councillor Taylor (in the Chair)

Councillors

Clapham (Co-opted)

L Williams

### In Attendance:

Lennox Beattie, Executive and Regulatory Manager

Alan Cavill, Director of Communications and Regeneration (Items 10, 11, 12 and 13 only)

Antony Lockley, Director of Strategy and Assistant Chief Executive

Vikki Piper, Head of Housing

Steve Thompson, Director of Resources

Mark Towers, Director of Governance and Partnerships and Group Company Secretary

Kirsten Whyatt, Finance Manager

John Donnellon, Chief Executive, Blackpool Coastal Housing Limited (BCH) (Items 7, 8 and 9 only)

Stephen Dunstan, Director of Resources, BCH (Items 7, 8 and 9 only)

Paul Whitehead, Director of Finance and Resources, Blackpool Housing Company Limited (BHC) (Item 10 only)

Councillor Brookes, Chair of BCH and BHC (Items 7, 8, 9 and 10 only)

James Carney, Finance and Commercial Director, Blackpool Transport Services Limited (Items 11 and 12 only)

Jane Cole, Managing Director, BTS (Items 11 and 12 only)

James Clough, Business Analyst Manager, BTS (Items 11 and 12 only)

Councillor Galley, Chair of BTS (Items 11 and 12 only)

### 1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

### 2 EXCLUSION OF THE PRESS AND PUBLIC

The Shareholder Committee agreed that under Section 100A of the Local Government Act 1972, the public be excluded from the meeting during consideration of Item 3 'Minutes of the last meeting held on 14 October 2022' (restricted minutes only), Item 4 'Shareholder Committee Action Tracker', Item 5 'Wholly-Owned Company Financial Performance as at Month 7 2022/23', Item 6 'Shareholder Committee Update', Item 7 'Blackpool Coastal Housing Annual Audit Report and Strategic Risk Register', Item 8 'Blackpool Coastal Housing Update', Item 9 'Blackpool Coastal Housing Performance Report', Item 10 'Blackpool Housing Company Limited KPI and Financial Performance at Period 6 2021/22', Item 11 'Business Case and Loan Report Update for the ZEBRA Programme' and Item 12

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'Concessionary Fares – Budget 2023/24' on the grounds that they would involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act.

### **3 MINUTES OF THE LAST MEETING HELD ON 14 OCTOBER 2022**

(The press and public were excluded from the consideration of the restricted minute part of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

The Committee considered the minutes of the last meeting held on 14 October 2022, noting that there was a public and restricted version.

The Committee agreed the minutes of the meeting as a true and correct record.

### **4 SHAREHOLDER COMMITTEE ACTION TRACKER**

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

The Committee considered its action tracker and agreed to note the updates.

### **5 WHOLLY-OWNED COMPANY FINANCIAL PERFORMANCE AS AT MONTH 7 (2022/2023)**

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

Mr Steve Thompson, Director of Resources provided an overview of the financial performance of the Council's Wholly-Owned Companies as at Month 7 2022/2023.

The Committee noted the update provided.

### **6 SHAREHOLDER UPDATE**

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

Mr Antony Lockley, Director of Strategy and Assistant Chief Executive and Mr Steve Thompson, Director of Resources were invited to provide an update on the Council Wholly-Owned Companies on behalf of the Shareholder.

The Committee noted the updates provided.

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### **7 BLACKPOOL COASTAL HOUSING ANNUAL AUDIT REPORT AND STRATEGIC RISK REGISTER**

John Donnellon, Chief Executive, Mr Stephen Dunstan, Chief Financial Officer and Councillor Neal Brookes, Chair of Blackpool Coastal Housing Limited joined the meeting at this point.

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

The Committee noted that the item would normally have been presented by Mr Andrei Szatkowski as the Chair of Blackpool Coastal Housing Audit Committee but he had unfortunately been unable to attend due to illness.

The Committee noted the Blackpool Coastal Housing Annual Audit Report and Strategic Risk Register.

### **8 BLACKPOOL COASTAL HOUSING UPDATE**

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

John Donnellon, Chief Executive and Councillor Neal Brookes, Chair of Blackpool Coastal Housing presented an update on key emerging issues for the company and the social landlord sector more generally.

The Committee noted the update provided.

### **9 BLACKPOOL COASTAL HOUSING PERFORMANCE REPORT**

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

John Donnellon, Chief Executive, presented the key performance indicators to the Committee and the business plan for approval. The Committee noted that key performance indicators were broadly positive and noted the benchmarking data which provided comparative information with other social landlords. The Committee noted as explained at the May meeting in respect of voids where performance had been lower than anticipated a task and finish group had created to further investigate the issues and its report was anticipated shortly.

John Donnellon, Chief Executive and Stephen Dunstan, Director of Resources, Blackpool Coastal Housing Limited left the meeting at the conclusion of this item.

Councillor Neal Brookes as Chair of Blackpool Housing Company Limited remained in the meeting for the following item.

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### **10 BLACKPOOL HOUSING COMPANY LIMITED KPI AND FINANCIAL PERFORMANCE AT PERIOD 6 2021/22**

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

Paul Whitehead, Director of Finance and Resources - Blackpool Housing Company Limited joined the meeting at this point.

Paul Whitehead, Director of Finance and Resources provided an update on financial performance and key performance indicators for the period to September 2022. The information included was in respect of Blackpool Housing Company Limited and its subsidiary, Lumen Housing Limited.

The Committee noted the update provided.

### **11 BUSINESS CASE AND LOAN REPORT UPDATE FOR THE ZEBRA PROGRAMME**

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

Mr James Carney, Finance Director, Blackpool Transport Services Limited (BTS), Ms Jane Cole, Managing Director, BTS, Councillor Paul Galley, Chair, BTS and Mr James Clough, Business Analyst, BTS joined the meeting at this point.

The Committee considered a report on the Zebra programme and an associated loan request. It noted that the loan request had been recommended for approval by the Council's Loans Panel.

#### **Shareholder Committee decision:**

1. To formally endorse the ZEBRA programme as part of a joint initiative between the Council and Blackpool Transport Services Ltd for the conversion of the BTS bus fleet to zero emission electric power.
2. To agree the recommendations from the ZEBRA Programme Board and BTS Board for the procurement of 115 vehicles and charging points on the basis of an operating lease for 105 vehicles over two initial procurement tranches and to decide upon the further 10 vehicles once operating conditions become clearer.
3. To endorse the recommendation from the Council's Loans Panel and approve BTS's application to the Council for a loan of £8.0m for development of the Rigby Road depot site and electrical infrastructure purchase and installation as an enabling project for the fleet conversion.
4. To note the financial implications for the company set out in the report and potential impact upon profitability and dividend to the Council.

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### **Reason for the decision:**

The decision to proceed with the overall business case was supported for the following reasons:

- a) Increasing diesel costs and the freezing of the subsidy on this fuel type.
- b) The decision currently being taken by many main manufacturers of buses to reduce or cease the manufacture of diesel engines in the next 5 years.
- c) The real potential of an increase in demand for public transport due to various regeneration schemes in the town centre in particular the relocation of office workers to the centre.
- d) The climate emergency policy of the council to achieve net zero CO2 by 2030.
- e) The availability of a grant to support the purchase (which may not be available once diesel vehicles are no longer available).

The decision to approve the application for a loan was based on the recommendation of the Council's Loans Panel and that the application met the criteria outlined in the Council's Business Loans Fund.

### **Other options considered:**

Paragraphs 5.7 to 5.29 of Appendix 10a to the agenda of the Shareholder Committee set out an analysis of the alternative options in terms of retention of the fleet and alternative procurement streams.

### **Date of decision:**

19 December 2022.

## **12 CONCESSIONARY FARES - BUDGET 2023/2024**

(The press and public were excluded prior to the consideration of this item as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972).

The Committee considered a report on treatment of payments for concessionary travel and the Department for Transport's guidance.

### **Shareholder Committee decision:**

That consideration of the item on Concessionary Fares be deferred to a future meeting.

### **Reason for the decision:**

The Committee considered that it would be useful to further analyse potential options and consider the impact on the overall budget both of the Council and Blackpool Transport Limited in greater depth.

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### **Other options considered:**

The Committee considered that while it could make a decision at this meeting, it would not be appropriate to make a decision without exploring the full range of potential options and their implications for the Council and its companies.

### **Date of decision:**

19 December 2022.

### **13 DATE AND TIME OF NEXT MEETING**

To note the date and time of the next meeting as Friday 20 January 2023, commencing at 10.00am.

### **Chairman**

(The meeting ended at 3.45 pm)

Any queries regarding these minutes, please contact:

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