
Council



Forest Heath
District Council

Title:	Use of Chief Executive Urgency Powers	
Paper No:	COU/FH/18/014	
Paper to and date:	Council	25 April 2018
Documents attached:	None	

Use of Chief Executive's Urgency Powers

In relation to the provision of using the Chief Executive's Urgency Powers Part C (a) of the Scheme of Delegation to Officers in Part 3, Functions and Responsibilities, of the Constitution, states that:

- (a) *'Where, in his/her opinion, by reason of limitation of time or urgency, a decision is required on any matter, after such consultation as he/she considers necessary (or as is required by the Council's Budget and Policy Framework Procedure Rules in Part 4 of this Constitution), he/she shall have power to make a decision provided that any such decision shall be reported to the next meeting of the Cabinet, appropriate Committee or Council...'*

Subject

National Heritage Centre for Horseracing and Sporting Art

Reason why decision could not reasonably be deferred

1. Members will be aware that, in March 2018, the National Heritage Centre for Horseracing and Sporting Art was awarded National Portfolio Organisation (NPO) status by the Arts Council.
2. NPOs receive regular funding from the Arts Council - currently for a period of four years. They represent some of the best arts practice in the world. To consolidate the earlier support of the Arts Council for the project, it was therefore critical to the future development of the Heritage Centre

that it achieved NPO status for 2018-2022. As part of this status, the Heritage Centre will receive a £220,000 revenue grant for the next four years, as well as the wider support of the Arts Council.

3. A key part of achieving NPO status is the Arts Council's assessment of financial robustness, which it has achieved (and is relevant to this scrutiny session). Specifically, however, it is a requirement of NPO status that an organisation must hold adequate reserves of between three and six months' turnover. The Heritage Centre's new business plan and fund-raising strategy will see it build up its reserves to this required level by the time of the next NPO review in 2022. In the short-term, however, rather than borrow money simply to hold it in reserves, the Arts Council has allowed the Heritage Centre to seek guarantees from supporting organisations instead.
4. The horseracing industry is already a major funder of the Heritage Centre and, therefore, Forest Heath District Council and Suffolk County Council were approached in this capacity, and asked to provide letters of guarantee (as opposed to actual funds). Subject to annual review, each council was asked to guarantee up to £187,500 (tapering down over the four years as reserves build up). Although not expected to be needed, this would essentially be the offer of a 'last resort' overdraft facility, secured and interest-bearing in accordance with the Council's normal loans policy. Among the other safeguards which would be in place would be the requirement that, if the guarantee was ever called upon, the Heritage Centre would give advance warning so a recovery plan can be discussed. It was also noted that the Overview and Scrutiny Committee was scheduled to scrutinise the new business plan of the Heritage Centre at a special meeting on 16 April 2018, and will report to Cabinet accordingly.
5. This urgent request was received between council meetings and, therefore, so as not to jeopardise the NPO application, it was handled under the Council's urgency procedure. Following proper due diligence and consultation with the relevant Cabinet Members, and the Chairman of the Overview and Scrutiny Committee, the FHDC letter of guarantee was authorised by the Chief Executive under his urgency powers (and mirrored by an identical decision by SCC) on 12 February 2018.

Recommendation:

Council is requested to **NOTE** the use of the Chief Executive's Urgency Powers in accordance with the Council's Constitution, as detailed above.