

**LEISURE (PFI) BOARD MEETING held at 3.30 pm on 12 DECEMBER 2001 at COUNCIL OFFICES LONDON ROAD SAFFRON WALDEN**

Present: Councillor R J Copping – Chairman.  
Councillors R A E Clifford and A R Row.

Officers in attendance: Mrs E Forbes, Mrs L Bunting, F Chandley,  
Ms K Chapman, J B Dickson, and Mrs S McLagan.

**PFI 142 APOLOGIES**

An apology for absence was received from Councillor A J Ketteridge.

**PFI 143 MINUTES**

The Minutes of the meeting of the Leisure (PFI) Board held on 16 October 2001 were received, confirmed and signed by the Chairman as a correct record.

**PFI 144 BUSINESS ARISING**

With regard to Minute PFI 136, the Project Manager reported that two independent people, prepared to act as IPS Members, had been found and the IPS was now being registered.

**PFI 145 UPDATE FROM SENIOR OFFICER LEISURE BOARD**

The Project Manager updated Members on the meeting of the Senior Officer Board held earlier in the day.

**PFI 146 TAX ADVICE – COSTS**

In relation to the Director of Resources' report to the last meeting on consultancy costs, a report was circulated informing Members that additional detailed specialist tax advice would be required in relation to the PFI Project to ensure that the Council would not be exposed to adverse tax liabilities.

The additional tax advice required would cover the following areas:

- Review of corporate tax and VAT assumptions made in the financial model ensuring consistency with the Concession Agreement
- Review of VAT implications of the inclusion of the Industrial and Provident Society in the structure
- Review of implications of the operating lease payments
- Review of VAT implications of the proposed capital payments
- Review of entire structure for VAT issues

Detailed quotations for the specialist advice were being sought and it was expected that these would be approximately £12,000 - £15,000. The degree of complexity of the work was higher than originally anticipated and more experienced staff would need a more advanced degree of involvement.

The Director of Resources emphasised how crucial it was to obtain specialist VAT advice on this scheme. The consequences of being challenged by Customs and Excise on this complex scheme were potentially immense and Officers' professional judgement was that detailed specialist advice should be sought. It was envisaged that the cost of the additional advice could be accommodated within the existing PFI budget.

After discussion during it was

RECOMMENDED that the Director of Resources should seek further detailed quotations for specialist VAT advice and then discuss the matter further with the joint Chairman of the Leisure (PFI) Board prior to appointing advisors.

**PFI 147 UPDATE ON LINTEUM LEISURE**

The Project Manager updated the Board on current progress with regard to the contract with Linteum Leisure.

**PFI 148 PRESENTATION – RISKS**

Michael Ware and Karen Henderson of Mouchel then attended the meeting to present an overview of risks to the Council. They then left the meeting.

**PFI 149 PROPOSED PRESENTATION TO MEMBERS**

The Chief Executive outlined the need to inform Members of the Council of current issues regarding the PFI Project and a discussion took place on this item.

It was decided that the Project Manager should produce a report outlining the crucial elements of the scheme. This would then be reviewed by the Senior Officer and Leisure (PFI) Board prior to circulating to all Council Members. If any Members have particular concerns they could meet with the Project Manager and other Officers as may be necessary. A full report would then be made to Full Council to seek approval for the Full Business Case.

**PFI 150 SCHOOLS UPDATE**

**(i) Helena Romanes School**

The Project Manager reported that the newts were to be moved to a new home in March 2002. All other issues regarding the school were still progressing.

**(ii) Stansted Mountfitchet School**

There were no outstanding issues at Stansted.

**(iii) Lord Butler Fitness and Leisure Centre**

The Project Manager reported that the situation at the Leisure Centre had now improved and that there was definitely less public dissatisfaction.

The meeting ended at 5.30 pm.