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Call In Committee

Tuesday, 18th March, 2025
6.00 pm

AGENDA

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Date Published: Wednesday 12th March 2025
Denise Park, Chief Executive

DECLARATIONS OF INTEREST IN ITEMS ON THIS AGENDA

Members attending a Council, Committee, Board or other meeting with a personal interest in a matter on the Agenda must disclose the existence and nature of the interest and, if it is a Disclosable Pecuniary Interest or an Other Interest under paragraph 16.1 of the Code of Conduct, should leave the meeting during discussion and voting on the item.

Members declaring an interest(s) should complete this form and hand it to the Democratic Services Officer at the commencement of the meeting and declare such an interest at the appropriate point on the agenda.

MEETING: Call In Committee

DATE: Tuesday 18th March 2025

AGENDA ITEM NO.:

DESCRIPTION (BRIEF):

NATURE OF INTEREST:

DISCLOSABLE PECUNIARY/OTHER (delete as appropriate)

SIGNED :

PRINT NAME:

(Paragraphs 8 to 17 of the Code of Conduct for Members of the Council refer)

BLACKBURN WITH DARWEN BOROUGH COUNCIL

CALL-IN COMMITTEE – SERVICE CHARGE REVIEW – BLACKBURN MARKET

(Officer Decision under delegated powers published on 28 February 2025)

MEETING PROCEDURE

Chair – Cllr Salim Sidat

Members of the committee: Cllr Salim Sidat , Cllr Saj Ali, Cllr Elaine Whittingham, Cllr Ashley Whalley, Cllr Dave Smith, Cllr Matt Jackson, Cllr Liz Johnson, Cllr Neil Slater, Cllr Kevin Connor

Chief Officer: Dean Langton – Strategic Director, Finance & Resources.

Members who requested the Call-in: Councillors M Russell (representative), Kevin Connor, John Slater, Derek Hardman, Paul Marrow, Julie Slater.

Supporting Member: Executive Member for Environment & Operations (Cllr Jim Smith)

Legal Advisor to the Committee: Asad Laher

Governance Services: Jane Watson

1. Welcome & Apologies

- Chair welcomes the committee
- Chair checks that the committee have received a copy of the reasons for the call-in, and the procedure
- Chair asks for any apologies

2. Declarations of Interests

- Chair asks for any declaration of interests and whether any of the committee members have had any involvement in the decision which has been called in.

3. Guidance on procedure

- Chair asks the Legal Advisor to explain the process to be followed
- Legal Advisor will explain that the meeting will be held in Part 1.
- Legal Advisor will provide confirmation from himself as the Monitoring Officer and the Chief Finance Officer that the decision is within the budget and policy framework. Therefore, the options for the committee and hearing the representations would be to accept the decision or refer the decision back to the Chief Officer, Dean Langton – Strategic Director, Finance & Resources. who now has the delegated responsibility for markets.

The Chair asks the representative of those members who requested the call- in (Cllr Mark Russell) and the Chief Officer, Strategic Director, Finance & Resources (Dean Langton) and other supporting officers to take their places at table.

Officer Decision taken under delegated powers outlined in the Constitution (Part 3, Section 16) and published on 28 February 2025 – Service Charge Review – Blackburn Market.

- a) Chair asks Cllr Mark Russell to explain the reasons for the Call-in
- b) Strategic Director, Finance & Resources seek clarification from Cllr Mark Russell.
- c) Members of the committee to ask Cllr Mark Russell questions.
- d) Chair asks the Strategic Director, Finance & Resources to explain the reasons for the decision made (with other supporting officers).
- e) Cllr Mark Russell to ask the Strategic Director, Finance & Resources questions.
- f) Members of the committee to ask the Strategic Director, Finance & Resources and Supporting Officers questions.
- g) Sum up – Cllr Mark Russell
- h) Sum up – Strategic Director, Finance & Resources and Supporting Officers

Chair asks Cllr Mark Russell and the Strategic Director, Finance & Resources and Supporting Officers to leave the table.

- i) Chair requests any final contributions from members of the Committee
- j) Chair asks the committee to consider the representations made and decide how to proceed.
- k) Chair asks Legal advisor to go through the options:

To Accept the decision; or

To refer the decision back to the Strategic Director, Finance & Resources and Supporting Officers.

- l) Named vote and recording of reasons.



TO: THE CHIEF EXECUTIVE
 For the immediate attention of
 Democraticservices@blackburn.gov.uk

From COUNCILLOR MARK RUSSELL

Date: 05/03/2025

EXECUTIVE BOARD/MEMBER DECISION TO BE CALLED IN: Ref	
EXECUTIVE BOARD/EMD	DATE OF PUBLICATION: 28/02/2025
Subject: Service Charge Review – Blackburn Market	

EXECUTIVE BOARD/MEMBER DECISION CALLED IN BY:
 (6 Members)

Councillor	Signature
1. Mark Russell	
2. Paul Marrow	
3. Kevin Connor	
John Slater	
Julie Slater	
6. Derek Hardman	
Date Received by Democratic Services:	

REASONS FOR THE CALL IN

1. *The Decision states "Costs have increased year on year" - this is not supported by the Council's annual Budgets for the Market - budgeted costs decreased significantly from 23/24 to 24/25.*
2. *The 'Financial Implications' section is wrong. It gives an incorrect service charge increase and an incorrect amount of additional income raised.*
3. *The 'Financial Implications' section fails to mention that the proposed Service Charge increase is contrary to what Labour approved at Finance Council only days before this Decision was published*

4. *"A future full review will be required to be undertaken working with Finance Team and Property Team colleagues to fully understand what is included in the service charge." The Council should not be increasing Service Charges before it understands what is included in the Service Charge - the review should happen first.*
5. *The 'Options Considered and Rejected' section fails to mention that the Council intended to increase the Service Charge by 15%*
6. *The Decision lists only Cllr Jim Smith as a consultee. This Decision should not be made without consulting Market Traders and specifying the outcome of that consultation. Their opinion is more important than Jim Smith's.*
7. *Increasing Service Charges will only further deter traders from taking up stalls on Blackburn Market. The Council would be better off reducing Service Charges in order to generate additional income by attracting more Traders onto the Market.*
8. *The Decision was published too late to take effect from 1st March. The Decision to increase Service Charges can only take effect - at the earliest - from when the Decision is approved (either at Call-In Committee or following referral back to the Executive Member or at Full Council).*
9. *The Decision is dated 13th November but says authority to make it was only delegated in January 2025.*
10. *For all the above reasons, this is a shoddy Decision containing clear and obvious errors that should be reconsidered and rewritten.*

Agenda Item 5

**RECORD OF DECISION TAKEN UNDER
DELEGATED AUTHORITY FROM
EXECUTIVE/COUNCIL/COMMITTEE
DELEGATED POWERS OUTLINED IN
THE CONSTITUTION**



DELEGATED OFFICER DECISION TAKEN BY:	Strategic Director of Environment and Communities
DELEGATED BY:	Executive (January 2025)
IN CONSULTATION WITH:	Executive Member
PORTFOLIO AREA:	Environment and Communities

SUBJECT: Service Charge Review - Blackburn Market

1. DECISION

To reduce the subsidy given by the Council by increasing the Service Charge recovered from traders in Blackburn Market by 7.5% with effect from 1 March 2025.

2. REASON FOR DECISION

The service charge for Blackburn Market had not been reviewed since prior to the Covid pandemic. There is now a gap between the general running costs of the Market and what is actually being recovered from the traders via an annual service charge. It is important that the service charge recovered is increased to reduce the subsidy provided by the Council to the traders for the general running costs of the Market.

3. BACKGROUND

The service charge at Blackburn Market is used to apportion the general running cost of the market fairly between the traders operating within the Market. All associated costs are totalled up and then turned into a £ per square foot figure which can be then apportioned to each of the traders based on the size of the individual stalls.

The service charge for Blackburn Market had not been reviewed since before the Covid pandemic. The finance officer along with members of the management team have invested time in collating the financial information required to complete the service charge work. This has identified a gap between the general running cost of the Market and what is actually being recovered from the traders.

It is necessary to reduce the current subsidy level by recovering a greater proportion of the service charge from the market traders in 2025/26.

It would be unreasonable to fully recover the full amount of the service charge from traders within one financial year as it would place undue pressure on the traders and there would be a risk that some traders could find the increase in service charge payments unmanageable.

Therefore, it is proposed that the subsidy be reduced initially by increasing the service charge recovered by 7.5% which would increase the cost per square foot from the current service charge at £17.17 per sq ft, to £18.46 per square foot. This would reduce the Council subsidy from its current level of 38% to 33% (based on 2023/24 service charge figures). This increase would generate £30,000 of additional income based on current occupancy levels (these fluctuate throughout the year).

4. KEY ISSUES AND RISKS

The Service Charge for Blackburn Market has remained at its current level since prior to the pandemic. It was important to support the market traders in what was a very difficult trading period, the Market was closed for several months, and many traders had to resort to on line sales to continue trading. Even after the Pandemic ended, the trading environment was extremely difficult, and it has taken a considerable amount of time for turnover to return to the levels they were at before the pandemic.

The Service Charge needs to be reviewed, and the current subsidy level provided by the Council needs to be reduced. Costs have increased year on year which has meant whilst the service charge has remained at a static amount the Council subsidy % increased to support the general running costs of the Market; the running costs would be apportioned to each of the market traders based on the size of their individual stalls.

Implementing a service charge on a full cost recovery basis would result in up to a 60% increase in the service charge which is deemed unreasonable and potentially unmanageable for many traders in the Market. It is therefore proposed that the service charge is increased by 7.5% with effect from 1 March 2025.

5. FINANCIAL IMPLICATIONS

It is proposed to increase the service charge by 15% which would be equivalent to £19.75 per square foot, this would generate £60,000 additional income based on current occupancy levels (these fluctuate throughout the year).

The review detailed in this report was undertaken by Market Staff only. A future full review will be required to be undertaken working with Finance Team and Property Team colleagues to fully understand what is included in the service charge and the value of any under recovery of these charges.

6. LEGAL IMPLICATIONS

Under the market tenant leases, the service charge year is by default from 1 January to 31 December inclusive. The Council will supply to the tenant an estimate of the service costs for each service charge year and of the estimated service charge for the property for that year based on that estimate. The estimate is to be provided before, or as soon as possible after, the start of the relevant service charge year. Until the Council supplies the estimate, the tenant cannot be required to pay any increase in payments on account of the service charge.

Within 3 months, if possible, after the end of each service charge year the Council will submit to the tenant a certified account of the service costs for that year and give notice of the service charge due in respect of the property. The account must be certified by a qualified accountant.

7. RESOURCE IMPLICATIONS

The Market management team and the Finance Officer will meet with the market traders to discuss the implications of the service charge increase for each individual market trader.

8. OPTIONS CONSIDERED AND REJECTED

Not to increase the service charge or increase it by less than 7.5% - these options were rejected because the service charge has not been increased since c.2019 and the service charge being paid by traders is not covering the general running cost of the Market. If a 7.5% increase is implemented, the running costs are still not being fully recovered.

9. CONSULTATIONS

The Executive member for Environment and Communities will be consulted about the proposed 7.5% increase in service charge.

10. DECLARATION OF INTEREST

All Declarations of Interest of the officer with delegation and any Member who has been consulted, and note of any dispensation granted should be recorded below:

VERSION:	1
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CONTACT OFFICER:	Martin Eden, Paul Taylor
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DATE:	13 November 2024
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BACKGROUND DOCUMENTS:	
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