Borough Council of
King's Lynn &
West Norfolk

CABINET

Agenda

TUESDAY, 4 MARCH 2014
at 5.30pm

in the

Committee Suite
King's Court
Chapel Street
King's Lynn
PE30 1EX

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Borough Council of
King's Lynn &
West Norfolk

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CABINET AGENDA

DATE: CABINET –TUESDAY, 4 MARCH 2014

VENUE: COMMITTEE SUITE, KING'S COURT, CHAPEL STREET, KING'S LYNN

TIME: 5.30 pm

There are no items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

1. MINUTES

To approve the Minutes of the Meeting held on 5 February 2014 (previously circulated).

2. APOLOGIES

To receive apologies for absence.

3. URGENT BUSINESS

To consider any business, which by reason of special circumstances, the Chairman proposes to accept, under Section 100(b)(4)(b) of the Local Government Act 1972.

4. DECLARATION OF INTEREST

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of

Interests) and the agenda item to which it relates. If a disclosable pecuniary interest is declared, the member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

5. CHAIRMAN'S CORRESPONDENCE

To receive any Chairman's correspondence.

6. MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

To note the names of any Councillors who wish to address the meeting under Standing Order 34.

7. CALLED IN MATTERS

To report on any Cabinet decisions called in.

8. FORWARD DECISIONS LIST

A copy of the Forward Decisions List is attached (Pages 1 - 3)

9. MATTERS REFERRED TO CABINET FROM OTHER COUNCIL BODIES

To receive any comments and recommendations from other Council bodies which meet after the dispatch of this agenda. Copies of any comments made will be circulated as soon as they are available.

- Resources and Performance Panel and Audit Committee – 25 March 2014
- Regeneration, Environment and Community Panel – 26 March 2014

10. REPORTS

1 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement And Annual Investment Strategy 2014/2015 (Pages 4 - 25)

The Council is required to receive and approve a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy which covers:

- Capital plans, including prudential indicators
- A Minimum Revenue Provision (MRP) Policy
- The Treasury Management Strategy

- An Investment Strategy

This report covers the requirements of the Local Government Act 2003, the Chartered Institute of Public Finance Accountants (CIPFA) Prudential Code, the Department of Communities and Local Government (DCLG) MRP Guidance, the CIPFA Treasury Management Code and the DCLG Investment Guidance.

This report looks at the period 2013/2017 which fits with the Council's Financial Plan and capital programme. The report is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Capita Asset Services, Treasury Solutions.

2 Regeneration And Economic Development Member Task Group And Heritage Task Group Report (Pages 26 - 47)

In November 2012 the Cabinet approved the creation of the Regeneration and Economic Development Member Task Group. Its main purpose is to review key areas of the council's current regeneration and economic development policy and make a series of recommendations to Cabinet in terms of future priorities and interventions.

In January 2013, Cabinet approved the creation of a further task group to examine the Heritage Assets stream of work associated with the Regeneration and Economic Development Policy Task Group. The Heritage Task Group was asked to provide a series of recommendations to Cabinet on how to preserve and enhance the cultural and historical assets of the area.

This report sets out those recommendations.

3 Local Enterprise Partnerships' Strategic Economic Plans (Pages 48 - 54)

This report outlines:

1. The aims, priorities and intervention packages of New Anglia Local Enterprise Partnership's Draft Strategic Economic Plan (2014-2026)
2. The aims, priorities and intervention packages of West Norfolk Strategic Economic and Infrastructure Investment Plan (2014-2020)
3. New Anglia and Greater Cambridge Greater Peterborough Local Enterprise Partnerships' investment priorities and funding allocations under the EU Growth Programme (2014-2020)

To: Members of the Cabinet

Councillors N J Daubney (Chairman), A Beales, Lord Howard, A Lawrence, B Long, Mrs E A Nockolds, D Pope and Mrs V Spikings.

Cabinet Scrutiny Committee

For further information, please contact:

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FORWARD DECISIONS LIST

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
4 March 2014	Treasury Management Strategy 2014/15	Strategy Update	Non	Council	Resources Deputy Chief Executive		Public
	Report of Regeneration & Economic Policy Task Group and Heritage Task Group	Outcome of the work carried out and subsequent recommendations from the Regeneration & Economic Policy Task Group and Heritage Task Group	Non	Cabinet	Regeneration Chief Executive		Public
	New Anglia Local Enterprise Partnership Strategic Economic Plan and the West Norfolk Strategic Economic and Infrastructure Investment Plan		Key	Council	Regeneration Chief Executive		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
1st April 2014	Markets		Non	Cabinet	Regeneration Exec Director – C Bamfield		Public
	"A" Boards enforcement		Non	Cabinet	Community Exec Director C Bamfield		Public

	Update to Freedom of Information and Data Protection Policies	Update of the Council's Freedom of Information and Data Protection Policies	Non	Council	Leader Deputy Chief Executive		Public
	St Margaret's Conservation Area Appraisal and Management Plan	Report to link with the Townscape Heritage Initiative	Key	Council	Regeneration Chief Executive.		Public
	Staff Pay Award		Key	Cabinet	Leader Exec Director – D Gates		Public
	NORA Joint Venture Housing Company	Consideration of the use of the Council's assets to invest in residential property.	Key	Council	Resources Deputy Chief Executive		Public

Date of meeting	**Report title**	**Description of report**	**Key or Non Key Decision**	**Decision Maker**	**Cabinet Member and Lead Officer**	**List of Background Papers**	**Public or Private Meeting**
6 May 2014	Leisure Trust Arrangements		Non	Cabinet	Leader Assets Health and Wellbeing Exec Director – C Bamfield		Public
	Wash East Coastal Management Strategy (WECMS)	Proposals for a WECMS consultation	Non	Cabinet	Environment Exec Director – G Hall		Public
	Report of the Mart Task Group	Proposals for the 2015 Mart and future arrangements	Non	Council	Health & Wellbeing Exec Director – C Bamfield		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
1 July 2014	King's Lynn Bus Station & Train Station Link Improvements	Scheme to improve the bus station and pedestrian link to the train station using S106 funding	Non	Cabinet	Regeneration Chief Executive		Public

REPORT TO CABINET

<table>
<tr><td colspan="2">Open</td><td colspan="3" rowspan="2">Would any decisions proposed :

(a) Be entirely within Cabinet's powers to decide NO

(b) Need to be recommendations to Council YES

(c) Be partly for recommendations to Council NO
and partly within Cabinets powers –</td></tr>
<tr><td>Any especially affected Wards None</td><td>Mandatory</td></tr>
<tr><td colspan="2" rowspan="2">Lead Member: Councillor Nick Daubney
E-mail:cllr.nick.daubney@west-norfolk.gov.uk</td><td colspan="3">Other Cabinet Members consulted: None</td></tr>
<tr><td colspan="3">Other Members consulted: None</td></tr>
<tr><td colspan="2">Lead Officer:
E-mail: lorraine.gore@west-norfolk.gov.uk
Direct Dial: 01553 616432</td><td colspan="3">Other Officers consulted: Management Team</td></tr>
<tr><td>Financial Implications YES</td><td>Policy/Personnel Implications YES</td><td>Statutory Implications (incl S.17) YES</td><td>Equal Opportunities Implications NO</td><td>Risk Management Implications YES</td></tr>
</table>

Date of meeting: 4th March 2014

1 TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2014/2015

Summary

The Council is required to receive and approve a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy which covers –

- Capital plans, including prudential indicators
- A Minimum Revenue Provision (MRP) Policy
- The Treasury Management Strategy
- An Investment Strategy

This report covers the requirements of the Local Government Act 2003, the Chartered Institute of Public Finance Accountants (CIPFA) Prudential Code, the Department of Communities and Local Government (DCLG) MRP Guidance, the CIPFA Treasury Management Code and the DCLG Investment Guidance.

This report looks at the period 2013/2017 which fits with the Council's Financial Plan and capital programme. The report is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor, Capita Asset Services, Treasury Solutions.

Recommendations

Cabinet is asked to recommend to Council:

1. **The Treasury Management Strategy Statement 2014/2015, including treasury indicators for 2014/2017.**
2. **The Investment Strategy 2014/2015.**
3. **The Minimum Revenue Provision Policy 2014/2015.**
4. **Adopt the revised Treasury Management Practices (TMPs).**

Reason for the Decision

The Council must produce a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2014/2015 by 31 March 2014.

1. Background

1.1 The Council operates a balanced budget, which broadly means cash raised during the year and the use of reserves and balances will meet its expenditure. Part of the treasury management operations ensure the cash flow is adequately planned, with surplus monies being invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering maximising investment return.

1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

1.3 As a consequence treasury management is defined by CIPFA (Chartered Institute of Public Finance and Accountancy) as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "

2. Reporting Requirements

2.1 CIPFA's Code of Practice on Treasury Management (revised November 2009) was adopted by this Council in March 2010.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices (TMPs) which set out the manner in which the Council will seek to achieve those policies and objectives.

3. Receipt by the full Council of:
   a. **An annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead. This report covers**
      - **the capital plans (including prudential indicators);**
      - **a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time);**
      - **the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators;**
      - **an investment strategy (the parameters on how investments are to be managed).**

   b. A Mid-year Treasury Management Review Report - This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

   c. An Annual Treasury Report - This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions. For this Council the delegated officer is the Chief Financial Officer.

5. Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit Committee.

2.2 Training

The CIPFA code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in Treasury Management. This especially applies to members responsible for scrutiny. Training was provided for members on the 29 January 2013 and further training will be arranged as required.

2.3 Treasury Management Consultants

The Council uses Capita Asset Services, Treasury solutions (previously named Sector but has recently been rebranded) as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains within the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

The Council also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2.4 The Treasury Management Strategy Statement for 2014/2015 covers two main areas:

Capital Issues

- the capital plans and the prudential indicators;
- the MRP strategy.

Treasury management Issues

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the DCLG MRP Guidance, the CIPFA Treasury Management Code and the DCLG Investment Guidance.

3. The Capital Prudential Indicators 2014/2015 – 2016/2017

3.1 The Council's capital expenditure plans are one of the key drivers of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members overview and confirm capital expenditure plans.

Capital Expenditure. This prudential Indicator is a summary of the Council's capital expenditure plans approved at Council on 5 February 2014:

	Revised Budget 2013/2014 £000s	**Revised Budget 2014/2015 £000s**	**Revised Budget 2015/2016 £000s**	**Revised Budget 2016/2017 £000s**
Major Projects	6,236	11,131	1,631	2,129
Central & Community Services	2,251	1,296	1,437	1,522
Chief Executive	569	95	60	60
Commercial Services	2,698	1,270	654	1,187
Environment & Planning	6	43	0	0
Resources	900	625	400	235
Total	**12,660**	**14,460**	**4,182**	**5,133**

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

	Revised Budget 2013/2014 £000s	**Revised Budget 2014/2015 £000s**	**Revised Budget 2015/2016 £000s**	**Revised Budget 2016/2017 £000s**
Capital Expenditure	**12,660**	**14,460**	**4,182**	**5,133**
Less 50% for the Housing Joint Venture	(2,014)	(2,809)	0	0
Net Capital to Finance	**10,646**	**11,651**	**4,182**	**5,133**
Financed by:				
Capital receipts	937	8,674	2,552	2995
Capital grants	577	604	604	604
S106	190	1546	26	0
Capital reserves	4,847	1152	288	947
Net financing need for the year	(4,095)	325	(712)	(587)

The above financing need excludes other long term liabilities, such as leasing arrangements which already include borrowing instruments.

3.2 The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The CFR now includes any other long term liabilities (e.g. PFI -private finance Initiatives schemes, finance leases) brought onto the balance sheet. Whilst this increases the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. As at the 31 March 2013 the Council had £436,000 of finance leases within the CFR.

The Council is asked to approve the CFR projections below:

	2013/2014 Estimate £000s	**2014/2015 Estimate £000s**	**2015/2016 Estimate £000s**	**2016/2017 Estimate £000s**
Total CFR	**13,555**	**16,858**	**15,010**	**14,722**
Internal Borrowing	782	514	712	587
External Borrowing	3,313	(189)	0	0
Net Financing Need Total	**4,095**	**325**	**712**	**587**
Less MRP and other financing movements*	(792)	(2,173)	(1,000)	(1,000)
Movement in CFR	**3,303**	**(1,848)**	**(288)**	**(413)**
Closing CFR	**16,858**	**15,010**	**14,722**	**14,309**

*Includes finance lease annual principal payments and the repayment of borrowing.

3.3 MRP Policy Statement – (Minimum Revenue Provision)

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

DCLG Regulations have been issued which require the full Council to approve **an MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the continued use of the Asset Live Method as set out below.

- **Asset Life Method** – MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3) which provides for a reduction in the borrowing need over approximately the asset's life.

3.4 The Use of the Council's Resources and the Investment Position

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	**2013/2014**	**2014/2015**	**2015/2016**	**2016/2017**
	Estimate	**Estimate**	**Estimate**	**Estimate**
	£000s	**£000s**	**£000s**	**£000s**
Fund balances / reserves	19,166	18,677	17,923	16,387
Capital receipts	1,146	1879	1377	0
Unapplied Grants	1,062	1,019	1,019	1,019
Total core funds	**21,374**	**21,575**	**20,319**	**17,406**
Working capital*	5,800	5,800	5,800	5,800
Expected investments	**27,174**	**27,375**	**26,119**	**23,206**

* Working capital consists of debtors/creditors/stock and capital grants received in advance. Working capital balances shown are as at the latest balance sheet date 31st March 2013; these may be higher mid year and change at subsequent balance sheet dates.

3.5 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

Actual and estimates of the ratio of financing costs to net revenue stream. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	**2013/2014 Estimate**	**2014/2015 Estimate**	**2015/2016 Estimate**	**2016/2017 Estimate**
General Fund	4.02	4.02	4.04	3.66

The estimates of financing costs include current commitments and the proposals in this budget report.

3.6 Estimates of the incremental impact of capital investment decisions on council tax

This indicator identifies the revenue costs associated with proposed changes to the capital programme 2013 – 2017 reported to Cabinet on the 5 February in this budget report compared to the Council's existing approved commitments and current plans. The assumptions are based on the budget, but will invariably include some estimates, such as the level of Government support.

Incremental impact of capital investment decisions on the band D council tax

	2013/2014 Estimate	2014/2015 Estimate	2015/2016 Estimate	2016/2017 Estimate
Council tax - band D	£(5.48)*	£(1.55)*	£(4.38)*	£(6.16)*

* The cost per Council tax - band D property is reduced against previous year's estimates due to changes in the calculation of MRP and the decrease in the CFR in future years.

4. **Treasury Management Strategy**

The capital expenditure plans set out in Section 3 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of approporiate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

4.1 Current Portfolio Position

The Council's treasury portfolio position at 31 March 2013, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	2013/2014	2014/2015	2015/2016	2016/2017
	Estimate	Estimate	Estimate	Estimate
	£000s	£000s	£000s	£000s
External Debt				
Debt at 1 April	17,814	20,614	20,414	20,214
Expected change in Debt	2,800	-200	-200	-200
Debt at 31 March	**20,614**	**20,414**	**20,214**	**20,014**
The Capital Financing Requirement	16,858	15,010	14,722	14,309
Under / (over) borrowing	**(3,756)**	**(5,404)**	**(5,492)**	**(5,705)**

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its total debt, net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2013/14 and the following two financial years (shown as net borrowing above). This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes. The Chief Financial Officer ensured that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

4.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary	**2013/2014 Estimate £000's**	**2014/2015 Estimate £000's**	**2015/2016 Estimate £000's**	**2016/2017 Estimate £000's**
Debt	25,000	25,000	20,000	20,000

In years 2013/14 and 2014/15, the operational limit has been increased to take account of the borrowing requirements in relation to the joint venture project (NORA).

The above limits do not include a provision for Phase 2 and 3 of the NORA joint Venture – a separate report will be required to Cabinet for approval before construction can proceed to phases 2 and 3.

The Authorised Limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. The Authorised Limit allows for any potential overdraft position.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

- The Council is asked to approve the following Authorised Limit:

Authorised limit	**2013/2014 Estimate £000's**	**2014/2015 Estimate £000's**	**2015/2016 Estimate £000's**	**2016/2017 Estimate £000's**
Debt	30,000	30,000	25,000	25,000

In years 2013/14 and 2014/15, the Authorised limit has been increased to take account of the borrowing which has be required in relation to the joint venture project (NORA). The cashflow forecast for the project recognises that the amount of borrowing will be dependant upon how quickly the houses will sell. If the houses do not sell as forecast, additional short term borrowing will be required to fund the project.

The above limits do not include a provision for Phase 2 and 3 of the NORA joint Venture – a separate report will be required to Cabinet for approval before construction can proceed to phases 2 and 3.

4.3 Current Treasury Position – January 2014

Before looking at future borrowing and investment strategies it is worth noting the Council's current treasury portfolio (31 January 2014):

		Principal	**Average Rate**
		£'000	**%**
Fixed Rate Funding	- PWLB	1,200	2.92
	- Market Loans	10,000	3.81
Variable Rate Funding	- Market Loans	5,000	0.35
Total Debt		**16,200**	**2.68**
Total Investments (detailed later in the report)		**32,494**	**0.76**

The current low level of debt follows from the effect of the current spending on the capital programme. £3million of the Variable Rate Funding debt is due for repayment in February 2014, with a further £2million due in April. The majority of which (£4million), was borrowed in respect of the Housing Joint Venture project. Any additional borrowing for the housing joint venture will be dependent upon how quickly the houses will sell.

4.4 Prospects for Interest Rates

The Council has appointed Capita Asset Services, Treasury Solutions, as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Appendix 1 draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Capita Asset Services, Treasury Solutions central view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.50	4.50
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.60	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.10	5.00	5.10
Jun 2016	0.75	3.20	5.10	5.20
Sep 2016	1.00	3.30	5.10	5.20
Dec 2016	1.00	3.40	5.10	5.20
Mar 2017	1.25	3.40	5.10	5.20

4.5 Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth has rebounded during 2013 to surpass all expectations, propelled by recovery in consumer spending and the housing market. Forward surveys are also currently very positive in indicating that growth prospects are strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. This is very encouraging as there does need to be a significant rebalancing of the economy away from consumer spending to construction, manufacturing, business investment and exporting in order for this start to recovery to become more firmly established. One drag on the economy is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. This therefore means that labour productivity must improve significantly for this situation to be corrected by the warranting of increases in pay rates. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

4.6 The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Eurozone, concerns have subsided considerably in 2013. However, sovereign debt difficulties have not gone away and major concerns could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP (Gross Domestic Product) ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2014/2015 and beyond;
- Borrowing interest rates have risen significantly during 2013 and are on a rising trend. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring even higher borrowing costs, which are now looming ever closer, where authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt, in the near future;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

5. Borrowing Strategy 2014/2017

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is relatively high.

Against this background and the risks within the economic forecast, caution will be adopted with the 2014/2015 treasury operations. The Council officers will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

The Council will only borrow if it is financially advantageous to do so.

The Council's borrowing strategy will give consideration to new borrowing in the following order of priority: -

- The cheapest borrowing will be internal borrowing by running down cash balances and foregoing interest earned at historically low rates. However, in view of the overall forecast for long term borrowing rates to increase over the next few years, consideration will also be given to weighing the short term advantage of internal borrowing against potential long term costs if the opportunity is missed for taking loans at long term rates which will be higher in future years
- Temporary borrowing from the money markets or other local authorities
- PWLB (Public Works Loan Board) variable rate loans for up to 10 years
- Short dated borrowing from non PWLB below sources
- Long term fixed rate market loans at rates significantly below PWLB rates for the equivalent maturity period (where available).
- PWLB borrowing for periods under 10 years where rates are expected to be significantly lower than rates for longer periods. This offers a range of options for new borrowing which will spread debt maturities away from a concentration in longer dated debt.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

5.1 Treasury Management Limits on Activity

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments.
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

	2014/2015 £000's	2015/2016 £000's	2016/2017 £000's
Interest rate Exposures			
	Upper	**Upper**	**Upper**
Limits on fixed interest rates based on net debt	30,000	25,000	25,000
Limits on variable interest rates based on net debt	25,000	20,000	20,000

Maturity Structure of fixed interest rate borrowing 2014/2015			
	Current Position £M	**Lower limit for portfolio**	**Upper limit for portfolio**
Under 12 months	5	0%	100%
12 months to 2 years	0	0%	100%
2 years to 5 years	0	0%	100%
5 years to 10 years	1.3	0%	100%
10 years and above	10*	0%	100%

**The term of these loans was originally for a seventy year period, 2007 - 2077 (with a lenders option at ten years)*

The lower and upper limits for this indicator have been set at 0% – 100% to maxmise the flexibility of borrowing options over different periods.

5.2 Policy on Borrowing in Advance of Need

The Council will not borrow more, than or in advance of its needs, purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

5.3 Debt Rescheduling

The Chief Financial Officer will continue to monitor the situation and take advantage of market conditions if they exist to produce revenue savings.

As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Cabinet at the earliest meeting following its action.

6. **Annual Investment Strategy**

Investment Policy

The Council's investment policy has regard to the CLG's (Communities and Local Government) Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agengy. Using the Capita Asset Services, Treasury Solutions ratings service banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors in producing its colour codings which show the varying degreees of creditworthiness.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable divesification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed in appendix 3 under the ‘Specified’ and ‘Non-Specified’ Investments categories. Counterparty limits will be as set through the Council’s Treasury Management Practices – Schedules.

6.1 Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services, Treasury Solutions. This service employs a sophisticated modelling approach utlilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS (credit default swaps) spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

Yellow	5 years *
Dark pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
Light pink	5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
Purple	2 years
Blue	1 year (only applies to nationalised or semi nationalised UK Banks)
Orange	1 year
Red	6 months
Green	100 days
No colour	not to be used

Counterparties	Colour (and long term rating where applicable)	Money per institution Limit	Time Limit
Banks *	**yellow**	**As per table 6.2**	**5yrs**
Banks	**purple**	**As per table 6.2**	**2 yrs**
Banks	**orange**	**As per table 6.2**	**1 yr**
Banks – UK part nationalised	**blue**	**£7m**	**1 yr**
Banks	**red**	**As per table 6.2**	**6 mths**
Banks	**green**	**As per table 6.2**	**100 days**
Banks	**No colour**	**Not to be used**	
The Council's transactional bank (The Co-operative Bank)	**No colour**	**<£200,000**	**1 day**
Other institutions limit (i.e. Building Societies)	**-**	**As per table 6.2**	**Dependent upon institution**
DMADF (Debt Management Account Deposit Facility)	**AAA**	**unlimited**	**6 months**
Local authorities	**n/a**	**unlimited**	**unlimited**
Money market funds	**AAA**	**As per table 6.2**	**liquid**
Enhanced money market funds with a credit score of 1.25	**Dark pink / AAA**	**As per table 6.2**	**liquid**
Enhanced money market funds with a credit score of 1.5	**Light pink / AAA**	**As per table 6.2**	**liquid**

The Capita Asset Services, Treasury solutions creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of Short Term rating F1, Long Term rating A-, Viability ratings of A-, and a Support rating of 1. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored daily. The Council is alerted to changes to ratings of all three agencies through its use of the Capita Asset Services, Treasury solutions creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

6.2 Diversification: this Borough Council will avoid concentrations of lending and borrowing by adopting a policy of diversification. It will therefore use the following: -

- Greater amounts of investments will be held with the higher credit rated counterparties as per the table below. Based on an estimated investment portfolio of £27.2m in 2014/2015

Credit Rating	**Maximum investment per institution (£M)**
AAA	8M
AA+	7M
AA/AA+	6M
A+/A	5M

- Group limits where a number of institutions are under one ownership – Investments for the whole group will not exceed the credit rating limit in the table above.

- However, where the intuition (or group) is a UK nationalised/semi-nationalised, the limit is to £7m

6.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA+ from Fitch. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 4.

This list will be added to or deducted from by officers should ratings change in accordance with this policy.

6.4 Investment Strategy

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

6.5 **Investment returns expectations.** Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 2 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2013/ 2014 0.50%
- 2014/ 2015 0.50%
- 2015/ 2016 0.50%
- 2016/ 2017 1.25%

There are upside risks to these forecasts (i.e. start of increases in Bank Rate occurs sooner) if economic growth remains strong and unemployment falls faster than expected. However, should the pace of growth fall back, there could be a downside risk, particularly if Bank of England inflation forecasts for the rate of fall of unemployment were to prove too optimistic.

6.6 The estimated budgeted investment returns on investments included in the Councils Financail Plan as approved by Cabinet on the 5 Febuary are as follows:

2013/2014	0.50%
2014/2015	0. 75%
2015/2016	1.00%
2016/2017	2.00%

6.7 **Investment treasury indicator and limit** - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
	2014/2015	**2015/2016**	**2016/2017**
Principal sums invested > 364 days	£m 2	£m 2	£m 2
With Local Authorities	10	10	10

Capita Asset Services, Treasury Solutions, the Council's treasury advisors, recommend that due to current market conditions, all investments should be made for periods less than 364 days, due to risk as detailed in 6.1, **unless they are placed with other Local Authorities.** The Council will continue to monitor creditworthiness on a daily basis.

If an investment became available with an institution with good credit quality and recommended duration was more than 364 days, Capita Asset Services, Treasury Solutions would be consulted before the investment was placed. A £2m limit has been set in case of this eventuality.

For its cash flow generated balances, the Council will seek to utilise its business reserve/instant access accounts, 15, 30 and 95 day notice accounts, money market funds and short-dated deposits in order to benefit from the compounding of interest.

In-house managed Investments held as at 31 January 2014 are as follows:

Institution	Long Term Rating	Expires:	Principal £000's	Rate of interest %
Wyre Forest DC	AAA	14 July 2014	2,000	0.75
Nationwide	A	20 June 2014	2,000	0.58
Natwest 95 day notice	A	21 February 2014	3,000	0.60
Barclays FIBCA	A		2,600	0.65
Barclays FIBCA	A		2,400	0.65
Natwest 95 day notice	A		1,500	0.60
Natwest 95 day notice	A		2,500	0.60
Bank of Scotland	A	11 April 2014	2,000	1.10
Bank of Scotland	A	1 December 2014	2,000	1.00
Bank of Scotland	A	3 December 2014	3,000	1.00
Roydon Parish Council	AAA		4	1.50
Glasgow City Council	AAA	12 November 2015	3,000	0.95
Cheshire West & Chester Council	AAA	20 January 2016	2,000	1.10
Svenska	AA		4,000	0.55
Handelsbanken			490	0.41
BNP Parabis	AAA			
Total Investments			**32,494**	**0.76**

6.8 Alternative options for investment will be considered where opportunities become available as an alternative to traditional investments. These will be assessed in conjunction with Capita Asset Services, Treasury solutions, our Treasury Management Advisors. Further reports will be brought to Cabinet if these types of investment are to be used.

7. End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

8 Treasury Management Practises (TMPs)

8.1 Good practise requires TMPs to be reviewed on an annual basis and any changes made to be reported to members. Changes that have been made include:

- revised country counterparties listing
- revised investment vehicles
- revised minimum lending criteria and credit worthiness policy
- revised authorised limit
- revised Business Disruption Insurance figure
- revised scheme of delegation due to the change of section 151 role from the Deputy Chief Executive, Executive Director Resources to Chief Financial Officer
- revised treasury advisor to reflect new title from Sector to Capita Asset Services, Treasury Solutions

8.2 TMPs are reviewed as risks and market conditions change. In particular credit risk is monitored using our Treasury advisors on a daily basis. A copy of the TMPs are available on the Councils website.

9. Financial Implications

The financial implications of the borrowing and investment strategy and MRP are reflected in the financing adjustment figure included in the Financial Plan 2013/2017 approved at Cabinet on 5 February 2014.

10. Risk Management Implications

There are elements of risk in dealing with the treasury management function although the production and monitoring of such controls as Prudential Indicators and Treasury Management Strategies help to reduce the exposure of the Council to the market. The costs and returns on borrowing and investment are in themselves a reflection of risk that is seen by the market forces. The action and controls outlined in the report will provide for sound financial and performance management procedures.

11. Policy Implications

There are no other changes in the Treasury Management policy at present, other than those outlined in this report.

12. Statutory Considerations

The Council must set Prudential Indicators and adopt a Treasury Management Strategy and Annual investment Strategy before 31 March 2014.

13. Access to information

Monthly Monitoring reports 2013/2014
Treasury Management Strategy and Annual investment Strategy 2013
The Financial Plan 2013/2017 – A Financial Plan
Capital Programme 2013/2017
Council Website – Treasury Management Practices

REPORT TO CABINET

<table>
<tr><td colspan="2">Open</td><td colspan="3" rowspan="2">Would any decisions proposed :

Be entirely within Cabinet's powers to decide YES
Need to be recommendations to Council NO

Is it a Key Decision NO</td></tr>
<tr><td>Any especially affected Wards</td><td>Discretionary /</td></tr>
<tr><td colspan="2" rowspan="2">Cabinet Lead Member: Cllr Alistair Beales
Other Lead members: Cllr Zipha Christopher Cllr. Tom de Winton</td><td colspan="3">Other Cabinet Members consulted: Cllr Mrs E Nockolds</td></tr>
<tr><td colspan="3">Other Members consulted:
Regeneration Member Task Group
Heritage Member Task Group</td></tr>
<tr><td colspan="2">Lead Officers:
Ostap Paparega
E-mail: ostap.paperega@west-norfolk.gov.uk
Direct Dial: 01553 616890
Stuart Ashworth
E-mail: stuart.ashworth@west-norfolk.gov.uk
Direct Dial:01553-616417</td><td colspan="3">Other Officers consulted:
Ray Harding, Chief Executive</td></tr>
<tr><td>Financial Implications
YES</td><td>Policy/Personnel Implications
YES</td><td>Statutory Implications
YES/NO</td><td>Equal Impact Assessment NO</td><td>Risk Management Implications
YES/NO</td></tr>
</table>

Date of meeting: 4 March 2014

2 REGENERATION AND ECONOMIC DEVELOPMENT MEMBER TASK GROUP AND HERITAGE TASK GROUP REPORT

Summary

In November 2012 the Cabinet approved the creation of the Regeneration and Economic Development Member Task Group. Its main purpose is to review key areas of the council's current regeneration and economic development policy and make a series of recommendations to Cabinet in terms of future priorities and interventions.

In January 2013, Cabinet approved the creation of a further task group to examine the Heritage Assets stream of work associated with the Regeneration and Economic Development Policy Task Group. The Heritage Task Group was asked to provide a series of recommendations to Cabinet on how to preserve and enhance the cultural and historical assets of the area.

Recommendations

That the Cabinet:

1. Receives the reports of the two Member Task Groups (Appendix A and B) and thanks both for their commitment and hard work.
2. Notes the common areas of priority identified by both groups and considers the issues raised within the content of the development of the Council's forward Corporate Business Plan:
    a. Waterfront regeneration, including the area from Outer Purfleet to Nar Loop - assess feasibility and financial viability of proposals that can maximise this area's potential

b. Improvements to main approaches / gateways to King's Lynn, including Southgates area
c. Marketing the borough to business investors and visitors, including targeted campaigns on NORA and promoting King's Lynn as a heritage tourism product
d. Working with key stakeholders in King's Lynn town centre to enhance the retail core area and historic built environment and attract businesses that will provide a wider range of higher quality shops

3. Endorses the proposal to focus on these areas and instructs officers to identify priorities to progress early action including:
   a. Delivery of NORA infrastructure to unlock 13 ha of employment land with the potential to generate c. 1,000 jobs
   b. Review of the council's commercial portfolio to identify opportunities to maximise its potential
   c. Delivery of a programme of environmental enhancements at key gateway routes into King's Lynn, particularly enhanced tree planting schemes along the Nar Ouse Way and in the Southgates area
   d. Provision of location maps at the train and bus stations, car parks and key places in King's Lynn showing not only tourist information but other key buildings

4. Considers the recommendation from both groups in relation to the Cabinet Marketing and Heritage areas within the Cabinet Portfolios.

Reason for Recommendation
To report the findings of the Regeneration and Economic Development Member Task Group and the Heritage Member Task Group to Cabinet

1 Background

1.1 In the past ten years, the borough council has adopted several policies and strategies that set out the strategic priorities and key interventions designed to make King's Lynn and West Norfolk an attractive place to live, work, invest and play.

1.2 These key documents are listed below:

- The Vision for King's Lynn 2000-2023 (published 2004)
- Nar Ouse Regeneration Area (NORA) Design Code 2002
- Nar Ouse Regeneration Area (NORA) Master plan 2005
- King's Lynn Urban Development Strategy 2006
- King's Lynn Marina Master plan 2007
- King's Lynn Town Centre Extension Development Framework 2008
- King's Lynn Area Transportation and Land Use Study Stage 1 (2009)
- Hunstanton Town Centre and Southern Seafront Master plan 2008

1.3 The Regeneration Member Task Group reviewed these strategies and plans and assessed their relevance in the context of existing economic, social, environmental and technological challenges. In addition:

- The Task Group went on a site visit in King's Lynn that included the Nar Ouse Regeneration Area (NORA), the Waterfront (including the marina site), Hardwick Industrial Estate and Morston Point.

- The Member Task Group reviewed existing marketing activity to promote the borough to:

    - Visitors - marketing literature, marketing campaigns, tourism products, official tourism website

    - Investors – investor development programme, aftercare programme, work with UK Trade & Investment, Hanse Business Network

- Received and debated a presentation by the Property Services Manager regarding the borough council's approach to marketing, selling and developing its land and the management of its commercial portfolio

- Received a presentation from Pigeon Investment Management Ltd – property investment company based in Bury St Edmunds, which operates across East of England – and discussed how property and land development and investment in the context of council's own property assets and land holdings

- Received a presentation from Robert Scott Moncrieff regarding the contact / call centre industry and its potential as an investment industry in the borough.

1.4 The Heritage Member Task Group met on eight separate occasions and amongst other things considered the following topics as agreed at the initial meeting:

- the historic Southgates area
- the waterfront
- Railway Road area
- specific heritage buildings within King's Lynn

1.5 The group focussed on King's Lynn as this was seen as realistic given the timescales proposed for the group and the scale of the historic areas across the Borough. It was also seen as the immediate priority when considering the Borough's heritage assets.

2 Summary

2.1 The Regeneration Task Group's key findings were established in the context of a comprehensive evidence base comprising of:

1. existing strategies and plans, as summarised in the section above
2. empirical socio-economic evidence provided in the report "An Inward Investment Guide to West Norfolk" (Local Futures, 2013)
3. existing current and fixed assets

2.2 The body of existing Borough Council strategies and plans is summarised in the section above.

2.3 The Municipal Journal commissioned economic consultancy Local Futures to prepare an Inward Investment Guide for England, which benchmarks all 325 English local authorities in terms of business attractiveness and inward investment potential.

This is based on the analysis and ranking of over 150 socio-economic key performance indicators to provide a comprehensive and robust assessment of local economies.

2.4 The Borough Council commissioned its own bespoke report for West Norfolk whose key findings were presented to and were debated by the Task Group. The debate led to the Member Task Group focussing on key weaknesses to be addressed and strengths to build on.

2.5 Weaknesses to be addressed:

- Business and Enterprise – how levels of business start-up and early stage growth.

- Skills and Qualifications – low skill levels in the working age population, high proportion of workforce with no qualifications, low proportion of the work force with higher level qualifications. Schools performing below national, regional and county levels.

- Connectivity – Poor transport links, inadequate high speed broadband availability.

- Town Centre Decline – King's Lynn town centre in particular declining yield on retail floor space, vacant shops, falling footfall.

2.6 Strengths to build on:

- Low cost base – wages relatively low, commercial workspace relatively cheap, land relatively cheap

- Inward investment and business expansion including
    - Quality of Life – Highly valued quality of natural environment, but difficult to attract people at a managerial and professional level and business to locate here.
    - Scale of commercial floor space – significant concentration of industrial and commercial floor space, particularly in King's Lynn but too many large, tired and vacant units, insufficient new, modern, units suitable for current and future needs.

2.7 The Heritage Task Group's detailed work can be split into the following 6 separate topics or areas.

a Southgates area
b Waterfront
c Railway Road
d Other gateway areas
e Tourism/marketing
f Other issues

3 EXTERNAL FUNDING CONTEXT (2014-2020)

3.1 The implementation of both Member Task Groups' reports requires additional financial resources. Below is a summary of the external funding programmes that will be available for 2014-2020.

3.2 UK funding

The Local Growth Fund (2015-2020)
3.3 The LGF will be the main source of government funding between 2015 and 2020. It will be distributed through Local Enterprise Partnerships (LEPs) on the basis of their Strategic Economic Plans. BCKLWN is a member of two LEPs: New Anglia LEP and Greater Cambridge Greater Peterborough. The combined LGF allocation for the two LEPs for 2015-2016 is estimated to around £90m.

Heritage Lottery Fund (2013-2018)
3.4 HLF is an important source of funding, especially for projects in the mediaeval town of King's Lynn. The HLF annual budget is £375m structured under 14 grant programmes.

3.5 In June 2013, HLF launched a new grant programme – Heritage Enterprise – that gives grants between £100,000 and £5,000,000 to projects that rescue neglected historic buildings and unlock their economic potential.

3.6 European funding (2014-2020)

3.7 The new seven year European Commission financial cycle starts on 1 January 2014. In the UK, EU Structural Funds, known as the Growth Programme, will be distributed by LEPs. In July 2013, UK Government agreed seven year allocations for all 39 LEPs. The combined annual allocation for our two LEPs is c. £22m.

3.8 Overall, the annual combined UK Local Growth Fund and EU Growth Programme budget for our two LEPs will be between £100m and £120m.

3.9 There are other funding programmes supporting local economic development such as the Growing Places Fund (mainly loans), Regional Growth Fund (primarily targeted at the private sector), EU Territorial Co-operation and Horizon 2020 (EU wide), which includes £20bn ring-fenced grants for innovation in SMEs and investment in key industrial technologies (such as recycling).

4 Conclusion

4.1 Given the breadth of both Member Groups' proposals and limited resources, the following course of action is proposed:

4.2 Officers develop a key strategic approach for each of the priority areas identified in the recommendations section and endorsed by Cabinet that will include key outcomes /outputs, delivery plans and budget estimates.

5 Policy Implications

5.1 The report's recommendations have potential implications in terms of council policy regarding its commercial asset base and industrial estates, the marina master plan / development and approach to marketing the borough to inward investors.

6 Financial Implications

6.1 The implementation of some of the report's recommendations requires the allocation of revenue and capital funding (to be quantified).

7 Personnel Implications

7.1 To implement the report's recommendations the Regeneration and Economic Development Service would need additional staff, as it currently operates at full capacity.

8 Statutory Considerations
None

9 Equality Impact Assessment (EIA)
N/A

10 Risk Management Implications
None

11 Declarations of Interest / Dispensations Granted
None

12 Background Papers
Reports of the Task Groups

APPENDIX: REGENERATION AND ECONOMIC DEVELOPMENT MEMBER TASK GROUP REPORT

Summary

In January 2013 the Cabinet approved the creation of the Regeneration and Economic Development Member Task Group. Its main purpose is to review the council's current regeneration and economic development policy and make a series of recommendations to Cabinet in terms of future priorities and interventions.

Recommendations

Cabinet:

The Task Group recommends that the Cabinet considers :

1. Increasing the focus on whole Borough marketing with the responsibility allocated to a specific portfolio holder. The cabinet would ideally consider the creation of a Portfolio Holder for Marketing to lead on marketing and branding the borough from tourism to business investors.
2. Increasing the level of financial resources allocated to the Regeneration and Economic Development Service to deliver a comprehensive package of whole Borough marketing activities.

Marina.

The Task Group Recommends that Cabinet:

3. Endorses the Task Group conclusion that the delivery of the Kings Lynn Marina master plan 2010 is commercially unviable in the short and medium term (to 2030) and therefore should cease to be a regeneration priority.
4. Releases assets currently allocated to the Marina project to meet other Council priorities.
5. Instructs officers to research options for the Boal Quay car park site and the landscaping of the Nar loop area.
6. Considers the merit of undertaking a study to facilitate an increase in boating tourism around the coast off West Norfolk as currently it is difficult to sail from Kings Lynn to Brancaster in one tide.

Industrial Estates

The Task Group recommends that the Cabinet

7. Explores opportunities to replace selected outdated, hard to let units, with smaller modern units which meet current and future demand patterns
8. Considers the merits of approaching development / investment partners to

explore the level of interest in joint arrangements with the borough council to redevelop industrial holdings.

9. Considers what role or roles the borough council might in future years perform in relation to industrial and commercial property– enabler, funder, provider or a combination of the three depending on individual opportunities.
10. Considers whether the council could take a more pro-active role in order to target some of the ageing and vacant premises not in council ownership with a view to encourage re-investment / renewal?

NORA

The Task Group recommends that the Cabinet considers

11. Enhancing the marketing of the employment land on NORA, particularly once the infrastructure and utilities have been installed in order to create marketable plots.
12. The role the borough council should perform – enabler, funder, provider or a combination of the three depending on individual opportunities.

Town Centre, Commercial/Shopping (King's Lynn)

The Task Group recommends that the Cabinet

13. Consider how it might most effectively work with the proposed Business Improvement District in order to attract businesses that will provide a wider range of higher quality shops and consequently attract more affluent visitors.
14. Considers how the Council might contribute towards enhancing the entrances to the shopping areas and town centre in order to make them more attractive and inviting to visitors
15. Through its partnership work, particularly the Townscape Heritage Initiative, consider how best residential uses could be mixed with commercial to create a more 'society' feel.
16. Considers targeting or encouraging certain businesses to locate in the town centre through incentives.
17. Considers offering children's play facilities near or within the town centre to encourage out of hours activity.

Waterfront regeneration

The Task Group recommends that the Cabinet

18. Develops an approach to the wider Waterfront which builds upon the installation of the pontoons which has brought activity to the waterfront including the development of a joined up attempt to increase boating tourism around our coast.
19. Considers how the Council could build on the pontoons presence and private sector investment in the Hanse House and Marriott's Warehouse to maximise the potential of Waterfront / South Quay including areas that have been in a derelict state and empty for a long period.
20. Considers how the Council can contribute to encouraging high-quality commercial and residential development along the waterfront

Inward Investment

The Task Group recommends that the Cabinet makes a firm commitment to

21. Enhancing and extending the existing inward investment activities and builds on current relationships with UK Trade & Investment and the two LEPs

Tourism

The Task Group recommends that the Cabinet makes a firm commitment to

22. Increase marketing activities to attract more visitors to West Norfolk and deliver targeted campaigns for the three key tourism products that the borough has to offer: coast, heritage and countryside -
    - Coast including Hunstanton – Make the most of your coast
    - Historic King's Lynn – "Jewel of the Wash"
    - Downham Market – "Gateway to West Norfolk"
23. Revisit support for businesses to assist them to improve the quality of products and services offered to visitors.
24. Review and seeks to raise the tourist offer by focusing on the promotion of specialist events.
25. Actively encourage "historic / culture tourism".
26. Investigate the feasibility of improving coastal walkways from Snettisham through to Hunstanton to offer better walking and cycling routes.
27. Continues to progress delivering key recommendations of Hunstanton's Southern Seafront Masterplan to enhance the southern seafront and seafront promenade.

Creating Business Opportunities

That Cabinet considers ways in which the Council can

28. Create engagement with business leaders who work, visit or are second home owners in West Norfolk.

Economic Environment.

The Task Group feels that this is the moment in time to reinvigorate West Norfolk's economy. The national economy is improving and we appear to be coming out of recession. We need to be riding the crest of the wave and not chasing behind it and missing opportunities.

The Member Task Group considered three choices:

1. Do Nothing
2. Do a little bit and not make much real difference
3. Go for it and make a difference to our peoples' lives

The Member Task Group agreed unanimously that Option 3 should be presented to Cabinet as the Task Group's recommended overall approach.

Reason for Recommendation

Background

In the past ten years, the borough council has adopted several policies and strategies that set out the strategic priorities and key interventions designed to make King's Lynn and West Norfolk an attractive place to live, work, invest and play.

These key documents are listed below:

- The Vision for King's Lynn 2000-2023 (published 2004)
- Nar Ouse Regeneration Area (NORA) Design Code 2002
- Nar Ouse Regeneration Area (NORA) Master plan 2005
- King's Lynn Urban Development Strategy 2006
- King's Lynn Marina Master plan 2007
- King's Lynn Town Centre Extension Development Framework 2008
- King's Lynn Area Transportation and Land Use Study Stage 1 (2009)
- Hunstanton Town Centre and Southern Seafront Master plan 2008

The Member Task Group reviewed these strategies and plans and assessed their relevance in the context of existing economic, social, environmental and technological challenges. In addition:

- The Task Group went on a site visit in King's Lynn that included the Nar Ouse Regeneration Area (NORA), the Waterfront (including the marina site), Hardwick Industrial Estate and Morston Point.

- The Member Task Group reviewed existing marketing activity to promote the borough to:

    - Visitors - marketing literature, marketing campaigns, tourism products, official tourism website

    - Investors – investor development programme, aftercare programme, work with UK Trade & Investment, Hanse Business Network

- Received and debated a presentation by the Property Services Manager regarding the borough council's approach to marketing, selling and developing its land and the management of its commercial portfolio

- Received a presentation from Pigeon Investment Management Ltd – property investment company based in Bury St Edmunds, which operates across East of England – and discussed how property and land development and investment in the context of council's own property assets and land holdings

- Received a presentation from Robert Scott Moncrieff regarding the contact / call centre industry and its potential as an investment industry in the borough.

Options Considered

All options were discussed in the context of a comprehensive evidence base comprising of:

1. existing strategies and plans, as summarised in section x above
2. empirical socio-economic evidence provided in the report "An Inward Investment Guide to West Norfolk" (Local Futures, 2013)
3. existing current and fixed assets

The body of existing borough council strategies and plans are summarised in section x above

The Municipal Journal commissioned economic consultancy Local Futures to prepare an Inward Investment Guide for England, which benchmarks all 325 English local authorities in terms of business attractiveness and inward investment potential. This is based on the analysis and ranking of over 150 socio-economic key performance indicators to provide a comprehensive and robust assessment of local economies.

The borough council commissioned its own bespoke report for West Norfolk whose key findings were presented to and were debated by the Task Group. The debate led to the Member Task Group focussing on key weaknesses to be addressed and strengths to build on.

Weaknesses to be addressed:

- Business and Enterprise – how levels of business start-up and early stage growth.

- Skills and Qualifications – low skill levels in the working age population, high proportion of workforce with no qualifications, low proportion of the work force with higher level qualifications. Schools performing below national, regional and county levels.

- Connectivity – Poor transport links, inadequate high speed broadband availability.

- Town Centre Decline – King's Lynn town centre in particular declining yield on retail floor space, vacant shops, falling footfall.

Strengths to build on:

- Low cost base – wages relatively low, commercial workspace relatively cheap, land relatively cheap

- Inward investment and business expansion including
    - Quality of Life – Highly valued quality of natural environment, but difficult to attract people at a managerial and professional level and business to locate here.
    - Scale of commercial floor space – significant concentration of industrial and commercial floor space, particularly in King's Lynn but too many large, tired and vacant units, insufficient new, modern, units suitable for current and future needs.

The Task Group has also explored investment / development opportunities involving the council's fixed and current assets.

EXTERNAL FUNDING CONTEXT (2014-2020)

UK funding

The Local Growth Fund (2015-2020)
The LGF will be the main source of government funding between 2015 and 2020. It will be distributed through Local Enterprise Partnerships (LEPs) on the basis of their Strategic Economic Plans. BCKLWN is a member of two LEPs: New Anglia LEP and Greater Cambridge Greater Peterborough. The combined LGF allocation for the two LEPs for 2015-2016 is estimated to around £90m.

Heritage Lottery Fund (2013-2018)

HLF is an important source of funding, especially for projects in the mediaeval town of King's Lynn. The HLF annual budget is £375m structured under 14 grant programmes.

In June 2013, HLF launched a new grant programme – Heritage Enterprise – that gives grants between £100,000 and £5,000,000 to projects that rescue neglected historic buildings and unlock their economic potential.

European funding (2014-2020)

The new seven year European Commission financial cycle starts on 1 January 2014. In the UK, EU Structural Funds, known as the Growth Programme, will be distributed by LEPs. In July 2013, UK Government agreed seven year allocations for all 39 LEPs. The combined annual allocation for our two LEPs is c. £22m.

Overall, the annual combined UK Local Growth Fund and EU Growth Programme budget for our two LEPs will be between £100m and £120m.

There are other funding programmes supporting local economic development such as the Growing Places Fund (mainly loans), Regional Growth Fund (primarily targeted at the private sector), EU Territorial Co-operation and Horizon 2020 (EU wide), which includes £20bn ring-fenced grants for innovation in SMEs and investment in key industrial technologies (such as recycling).

Policy Implications
The report's recommendations have potential implications in terms of council policy regarding its commercial asset base and industrial estates, the marina master plan / development and approach to marketing the borough to inward investors.

Financial Implications
The implementation of some of the report's recommendations requires the allocation of revenue and capital funding (to be quantified).

Personnel Implications

To implement the report’s recommendations the Regeneration and Economic Development Service would need additional staff, as it currently operates at full capacity.

Statutory Considerations

Equality Impact Assessment (EIA)
(Pre screening report template attached)

Risk Management Implications

Declarations of Interest / Dispensations Granted

Background Papers
(Definition: Unpublished work relied on to a material extent in preparing the report that discloses facts or matters on which the report or an important part of the report is based. A copy of all background papers must be supplied to Democratic Services with the report for publishing with the agenda)

APPENDIX : HERITAGE TASK GROUP REPORT

Summary

In January 2013, Cabinet approved the creation of a further task group to examine the Heritage Assets stream of work associated with the Regeneration and Economic Development Policy Task Group. The Heritage Task Group was asked to provide a series of recommendations to Cabinet on how to preserve and enhance the cultural and historical assets of the area.

Recommendation

That Cabinet consider the 16 recommendations of the Heritage Task Group, as set out in the main body of the report, and defers authority for the implementation of those it accepts to the portfolio holder for Regeneration in consultation with the Chief Executive.

Reason for Decision

To further enhance the heritage of King's Lynn as an asset, and to raise the quality of development in the historic environment.

1.0 Background

1.1 In January 2013, Cabinet approved the creation of a further task group to examine the Heritage Assets stream of work associated with the Regeneration and Economic Development Policy Task Group. The Task Group was asked to develop a series of recommendations that would preserve and enhance the cultural and historical assets of the area.

1.2 At the initial meeting of the Heritage Task group the following terms of reference were agreed by the group.

1. To consider and review the most effective ways of improving the built heritage of King's Lynn/the Borough.

2. To provide a forum to consider the views of key players in the local environment such as the Civic Society and other amenity groups with a view to working in partnership (where possible) to bring about improvements to the built heritage.

3. To consider the resource implications, possible sources of funding and priorities for action.

1.3 At that meeting specific topic and geographic areas were also agreed for consideration and discussion by the group. The group was also made aware of the various strategies and key documents relating to King's Lynn in particular.

The task group met on 8 separate occasions and amongst other things considered the following topics as agreed at the initial meeting:

- the historic Southgates area
- the waterfront
- Railway Road area
- specific heritage buildings within King's Lynn

1.4 The group focussed solely on King's Lynn as this was seen as realistic given the timescales proposed for the group and the scale of the historic areas across the Borough. It was also seen as the immediate priority when considering the Borough's heritage assets.

1.5 Following the detailed discussion about these topic areas and other heritage related issues raised during the course of the group's meetings, a set of recommendations to Cabinet has been produced. The recommendations are set out in detail in this report.

2.0 Options Considered

2.1 There are three main options open to Cabinet when considering what action/recommendations to make. These are:

a. disagree with the recommendations put forward, and continue to deal with heritage issues as before.

b. agree to some but not all of the recommendations put forward.

c. agree to all of the recommendations proposed by the group .

2.2 The Heritage task group recommends that Cabinet agree to all of the recommendations put forward (option c), and that sufficient resources and officer time be provided to secure their implementation.

2.3 The task group have made 16 recommendations which have been split into the following 6 separate topics or areas.

a Southgates area
b Waterfront

c Railway Road
d Other gateway areas
e Tourism/marketing
f Other issues

The recommendations and relevant comments are set out below.

2.4 a. Southgates area

Recommendation 1 - The Task Group supports the acquisition of high profile sites within this area, given their potential availability and importance as a gateway site into the town, and given the existing Council land already owned in the area.

2.4.1 The Council has other land holdings in the Southgates area and the group considered that there is potential to investigate the acquisition of other sites as they become available. There could be the opportunity to provide a good rental return in the short-medium term.

Recommendation 2 - Linked to 1 above, that the potential for re-routing the road around the Southgates be investigated, to help preserve it in the long-term.

2.4.2 There was concern that one of the premier historic buildings associated with the town was inaccessible because of its location at the centre of a busy road in and out of King’s Lynn. A longer term aspiration would be to enhance its setting by re-routing the road around the Southgates. Clearly funding would be an issue, and potential sources of grant funding would need to be investigated.

Recommendation 3 - That a programme of environmental enhancements, particularly tree planting, along the NORR and in the Southgates area be considered.

2.4.3 A relatively cost effective way of providing enhancements to one of the main approaches to the Southgates would be tree planting along the Nar Ouse Way. This would give a positive first impression for many visitors to the town. This should be investigated in the short-term.

2.5 b. Waterfront

Recommendation 4 - Improvements to the Millfleet should be pursued, to increase its attractiveness within the historic waterfront.

2.5.1 The Millfleet is a high profile water body within the historic waterfront. It is considered that its current appearance is detracting from the quality of the environment in that area. There is a question over ownership of the Millfleet but subject to achieving the right permissions, the water body could be cleared for a relatively small sum of money. The issue will be ongoing maintenance although it was considered that some initial clearance work would be beneficial to the historic environment.

Recommendation 5 - That the Council opens a dialogue with the owners of high profile properties that are available on the waterfront, to investigate the potential to acquire them. If necessary the Council should also consider using Compulsory Purchase powers to acquire and bring forward such high profile sites for development.

2.5.2 The waterfront is arguably the most high profile historic area in King’s Lynn. It has recently seen additional investment, particularly through the Marriotts Warehouse and the Hanse House developments. The Council has also invested in the pontoons and the area is picking up as a hub of activity. As such the Council should seriously consider any opportunities to acquire property on the waterfront to enhance the attractions on the waterfront, to facilitate high quality development, and to preserve the heritage assets of the waterfront.

Recommendation 6 - That the parking review of King’s Lynn takes the opportunity to provide a better environment along the South Quay, and to provide some environmental enhancements along the waterfront.

2.5.3 Norfolk County Council is currently undertaking a parking review of King’s Lynn. It was considered that was an ideal opportunity to achieve some environmental benefits for the waterfront, which is currently dominated by the line of free car parking spaces. This currently affects the quality of the environment of the waterfront, detracting from its ability to attract visitors. This would also benefit the businesses that have recently invested in this area, by providing an enhanced attraction for their potential customer base. Representations should therefore be made on the basis of providing a reduced number of parking spaces along the waterfront. Allied to this is that environmental enhancements could be made to the areas where car parking is removed. This could be in the form of planting tubs and other street furniture for example. A small capital sum could be set aside to pay for this.

Recommendation 7 - Improvements should be made to the Outer Purfleet, notably through the provision of a water feature, and potentially a better lighting scheme for the Custom House, to enhance this high profile area on the waterfront.

2.5.4 This high profile area could be further enhanced by a water feature within the Outer Purfleet. This has already been proposed as part of the Amiens Phase II project and this would fund a scheme in the event of a suitable scheme coming forward. If a suitable scheme does not come forward through the Amiens project then this could potentially be funded through the capital budget.

2.6 c. Railway Road

Recommendation 8 - That Cabinet set aside a small fund to facilitate and encourage cosmetic improvements along Railway Road, given its current appearance and importance as a gateway into town.

2.6.1 A small fund could be made available from the capital programme to help property owners carry out cosmetic improvements to their properties because this is such a high profile area within the town (and conservation area), and because it is looking particularly run down.

2.7 d. Other Gateway areas

Recommendation 9 - Further environmental improvements should occur on important gateway routes into King's Lynn, mainly enhanced planting schemes.

2.7.1 It is important that the gateway routes into King's Lynn are enhanced to provide a positive impression of the town. Edward Benefer Way in particular could benefit from further planting in key locations or screening as appropriate. There would be a relatively low cost to the provision and additional maintenance of such enhancements.

2.8 e. Tourism/Marketing

Recommendation 10 - That enhanced signage to direct people specifically into the historic core of King's Lynn be provided.

2.8.1 Norfolk attracts a substantial number of visitors each year. It is considered that there is currently a deficit of quality signage to attract tourists to the historic centre of King's Lynn. To better inform those using the A47 and A10/A148 it is proposed that enhanced signage informing and directing drivers to the historic core of the town should be provided.

Recommendation 11 - Ensure that the tourism strategy for the Council places particular weight on the historic quality of King's Lynn, and makes specific attempts to raise the national profile of King's Lynn's heritage, through campaigns at bus and railway stations, and in the national press.

2.8.2 It is felt that too many people are unaware of the historic quality of King's Lynn, and a campaign to raise the national profile of the historic heritage of King's Lynn should be undertaken as a particular priority.

Recommendation 12 - That tourist information about King's Lynn be specifically sent to our fellow Hanse towns.

2.8.3 Given the unique links King's Lynn has to the historic Hanse trading network this connection should be used to maximise its tourism potential.

Recommendation 13 - Location maps should be placed at exits of car parks and placed around the town showing not only tourist information but other key buildings. These could be paid for by sponsorship and businesses could pay to have their shop marked for example.

2.8.4 Although maps are already placed at the multi-storey car park there is potential for this to be rolled out to other car parks and key locations to help visitors to the town.

2.9 f. Other issues

Recommendation 14 - There should be a full exploration of heritage funding possibilities, particularly to enhance future development in historic areas.

2.9.1 The Borough Council has gained significantly from previous funding regimes and the current THI project illustrates this. Other heritage funding streams are potentially available and should be fully investigated.

Recommendation 15 - Boal Quay should be looked at for the potential to redevelop the site or to at least further enhance the car park if not.

2.9.2 The capacity to redevelop Boal Quay in the short-term should be properly investigated, and if it is not feasible or likely then the car park should be further enhanced to improve its appearance.

Recommendation 16 - Owners of unsightly properties in historic areas should be encouraged and if possible made to improve their properties.

2.9.3 Priority should be given to improving historic properties within King's Lynn given their importance as heritage assets and to improve the areas in which they are located.

Priorities

2.10 Clearly the recommendations will need to be put into a priority list, and also some will be constrained by lack of availability of funding, particularly in the short-term. The table below sets out the priority of the recommendations. The priorities can be classified as:

- Short term refers to a priority in the period 0 - 5 years
- Medium term refers to a priority in the period 5 -10 years
- Long term refers to a priority in the period 10 - 20 years

Recommendation	**Priority**
1	Short term
2	Long term
3	Short term
4	Medium term
5	Medium term
6	Short term
7	Short term
8	Short term
9	Short term
10	Short term
11	Short term
12	Short term
13	Short term

14	Short term
15	Medium term
16	Short term

Funding and resource implications

2.11 Sources of funding to implement the recommendations could be made available from qualifying S.106 monies, the capital programme, the Amiens project, and potentially through the Heritage Lottery Fund.

2.12 Further resources will be required to implement the recommendations. It is understood that extra resources would likely be required within Regeneration to push these projects forward.

3.0 Policy Implications

3.1 The improvement and enhancement of King's Lynn's historic environment is in accordance with the Council's corporate priorities. It is also in accordance with policies set out within the Local Development Framework, and other policy statements and strategies covering the area.

4.0 Financial Implications

4.1 There will be financial implications, some significant, if all or potentially the most expensive of the recommendations put forward are adopted. There is also likely to be additional officer time required to complete the recommendations, and additional resources are likely to be needed in Regeneration.

5.0 Personnel Implications

5.1 If extra resources, in particular staff time is made available, there will be personnel implications.

6.0 Statutory Considerations

6.1 Should the Council exercise its statutory powers, such as Compulsory Purchase, there are statutory processes and guidelines to follow. There will also be statutory processes (such as needing planning permission etc.) to follow in pursuing some of the physical works proposed.

7.0 Equality Impact Assessment (EIA)

7.1 A full EIA is not required. A pre-screening report is attached.

8.0 Risk Management Implications

8.1 These would relate to the Council being committed to some of the recommendations/projects requiring high levels of funding.

9.0 Declarations of Interest / Dispensations Granted

9.1 There are none.

10.0 Background Papers

Conservation Area Maps 2013
Conservation Area Character Statements
National Planning Policy Framework (NPPF)
Other national heritage guidance documents
Local Development Framework Core Strategy 2011
King's Lynn Urban Development Strategy 2006
King's Lynn Marina Master plan 2007
King's Lynn Town Centre Extension Development Framework 2008

REPORT TO CABINET

<table>
<tr><td colspan="2">Open</td><td colspan="3" rowspan="2">Would any decisions proposed :

(a) Be entirely within cabinet's powers to decide NO

(b) Need to be recommendations to Council YES

(c) Be partly for recommendations to Council NO
and partly within Cabinets powers –</td></tr>
<tr><td colspan="2">Any especially affected Wards</td></tr>
<tr><td colspan="3" rowspan="2">Lead Member: Cllr Alistair Beales
E-mail: cllr.alistair.beales@west-norfolk.gov.uk</td><td colspan="2">Other Cabinet Members consulted:</td></tr>
<tr><td colspan="2">Other Members consulted:</td></tr>
<tr><td colspan="3">Lead Officers:
Ostap Paparega
E-mail: Ostap.paparega@west-norfolk.gov.uk</td><td colspan="2">Other Officers consulted:
Ray Harding, Chief Executive
Dave Thomason, Deputy Chief Executive & Executive Director Finance</td></tr>
<tr><td>Financial Implications YES</td><td>Policy/Personnel Implications NO</td><td>Statutory Implications (incl S.17) NO</td><td>Equal Opportunities Implications NO</td><td>Risk Management Implications YES</td></tr>
</table>

Date of meeting: 4 March 2014

3 LOCAL ENTERPRISE PARTNERSHIPS' STRATEGIC ECONOMIC PLANS

Summary
This report outlines:

1. The aims, priorities and intervention packages of New Anglia Local Enterprise Partnership's Draft Strategic Economic Plan (2014-2026)
2. The aims, priorities and intervention packages of West Norfolk Strategic Economic and Infrastructure Investment Plan (2014-2020)
3. New Anglia and Greater Cambridge Greater Peterborough Local Enterprise Partnerships' investment priorities and funding allocations under the EU Growth Programme (2014-2020)

Recommendations

1. That Cabinet endorses New Anglia LEP's Draft Strategic Economic Plan
2. That Cabinet approves West Norfolk Strategic Economic and Infrastructure Investment Plan.

Reason for Decision
The endorsement of New Anglia Local Enterprise Partnership's Draft Strategic Economic Plan shows local authority commitment to local economic development and collaboration with Local Enterprise Partnerships, which are key government requirements.

The West Norfolk Strategic Economic and Infrastructure Investment Plan aligns local economic growth priorities with LEP wider priorities and acts as the conduit for levering in funding from the Local Growth Fund and EU Growth Programme.

1. BACKGROUND

1.1 Growth Deals

1.2 In July 2013 the Government published the Growth Deals, which are partnerships between the Government and Local Enterprise Partnerships (LEPs) where the Government responds to the offers made by the LEPs in pursuit of the shared objective of growth[1].

1.3 The Government and LEPs negotiate Growth Deals on the basis of Strategic Economic Plans. The Growth Deals include[2]:

a. Greater influence over key levers affecting local growth, freedoms and flexibilities.

b. A share of the Local Growth Fund for LEPs to spend on delivery of their Strategic Economic Plans.

c. Commitments from LEPs, local authorities and the private sector on their resources and levers for delivery of Strategic Economic Plans, including through:

   - Better use of local authority assets to unlock resources to be reinvested in growth
   - Commitments to pro-growth reforms, for example a co-ordinated approach to the development of local plans by local planning authorities across the relevant economic geography
   - Commitment to collective decision making involving all local authorities within a Local Enterprise Partnership

1.4 The Government expects the local authority members of Local Economic Partnerships to take up the challenge of putting economic development at the heart of all they do and work collaboratively across the LEP area[3].

1.5 The Borough Council of King's Lynn and West Norfolk is a member of two Local Enterprise Partnerships – Greater Cambridge Greater Peterborough and New Anglia – and has had input in the development of both LEPs' Strategic Economic Plans.

1.6 This report focuses on New Anglia Local Enterprise Partnership's Strategic Plan, as the Greater Cambridge Greater Peterborough Strategic Economic Plan was not available for public distribution at the time of writing this report. It is envisaged that the Greater Cambridge Greater Peterborough Local Enterprise Partnership's Strategic Economic Plan will be presented at a future Cabinet meeting.

2 SUMMARY

2.1 New Anglia Local Enterprise Partnership's Draft Strategic Economic Plan (SEP)

2.2 A copy of the latest draft is available to view on the website at http://www.west-norfolk.gov.uk/default.aspx?page=22305.

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[1] Growth Deals – initial guidance for Local Enterprise Partnerships (July 2013), https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224776/13-1056-growth-deals-initial-guidance-for-local-enterprise-partnerships.pdf

[2] Ibidem.

[3] Ibidem.

2.3 The goal of New Anglia Local Enterprise Partnership's SEP is to create 80,000 new jobs and 10,000 new enterprises by 2025.

2.4 The key priorities for intervention are:

a. Enterprise and innovation
b. Green Pathfinder Economy
c. Growth locations
d. Infrastructure
e. Enabling housing growth
f. Building a 21st century workforce
    i. Creating a skills system that meets our future economic needs
    ii. Growing talent in our priority sectors and supporting businesses
    iii. Helping people get into work

2.5 Intervention Packages – funding required from the Local Growth Fund for 2015/16 and the five years 2016/17 to 2020/21:

Description	**Amount**
Six-year transport programme	£265m
Capital Skills Investment	£72m
Enterprise and innovation offer	£46.5m
EU Structural and Investment Strategy	£30m
TOTAL	**£413.5m**

2.6 West Norfolk Strategic Economic and Infrastructure Investment plan

2.7 A copy of the final draft is available for Members to view on the website at http://www.west-norfolk.gov.uk/default.aspx?page=22305.

2.8 The plan is a statement of intent focusing on the opportunities and priorities that will be pursued to deliver growth and realise the economic potential of the Borough.

2.9 There are four strategic investment priorities identified, as follows:

a. Strengthening key employment locations
b. Supporting business growth and investment
c. Developing a workforce with the skills required by a growing economy
d. Infrastructure improvements to unlock housing and employment growth

2.10 The Plan includes delivery priorities for the 2014-2020 period. The delivery priorities for 2014-16 are as follows:

2.11 Priority One – Locations:

- Nar Ouse Regeneration Area (NORA) – infrastructure works to unlock 12ha of employment land.
- King's Lynn Town Centre improvements - £1m scheme to improve the bus station and the pedestrian link to the train station.

- King's Lynn Townscape Heritage Initiative (THI) – a £2m (£1m Borough Council and £1m Heritage Lottery Fund) heritage-led regeneration programme to tackle 24 priority buildings with a further 68 properties in reserve. HLF Board will make its final decision on whether to fund the scheme at its June 2014 Board.
- Identify interventions that strengthen Hunstanton's position as a centre for water sports on the South-East Coast.

2.12 Priority Two – Businesses

- Construction of King's Lynn Enterprise and Innovation Centre (KLIC) - £4m, 2,500sqm business incubation space.
- Delivery of Enterprise Norfolk (year 2) – free training, support and mentoring for start-up businesses. In year one (2013), the programme was attended by 150 participants, of which 22 have started a business as a result.
- Launch of Invest West Norfolk – a dedicated inward investment website for the Borough.
- Delivery of a pre-incubator programme – working with start-up businesses with high growth potential with a view to move them into KLIC.
- Delivery of a targeted marketing programme to promote King's Lynn and West Norfolk to visitors:
    - 90,000 copies of *West Norfolk Holiday Guide*, of which 50,000 are sent directly to people requesting them
    - 200,000 copies of *Where to go and what to do in West Norfolk* distributed to around 2,730 outlets in Norfolk, Cambridgeshire, Lincolnshire and Suffolk
    - 110,000 copies of *Discover King's Lynn* distributed to over 700 locations within Norfolk, Cambridgeshire and Lincolnshire
    - 25,000 copies of *Hunstanton Mini Guide* and 12,000 copies of *Downham Market Mini Guide* distributed locally
    - www.visitwestnorfolk.com – official tourism website, which promotes over 100 paid accommodation businesses, 40 paid attraction venues and a much wider range of facilities, venues and activities. In 2013, over 2,300 events were published on the website, many with a heritage theme.

2.13 Priority Three – Skills

- Delivery of West Anglia University Centre - £6.5m, 3,500 sqm university building in King's Lynn.
- Local Skills Team Pilot - £350,000 two-year tri-local authority programme aimed at addressing the imbalance between skills provision and business requirements.
- Aerospace Skills Feasibility Study – assessment of the demand and supply of jobs and skills related to the aerospace sector.

2.14 Priority Four – Infrastructure

- Delivery of an access road at Marsh Lane – Lynnsport in King's Lynn - £3.5m infrastructure project to unlock residential land for c. 600 units.
- Coastal protection (Snettisham – Hunstanton) – set-up a Charitable Trust / Community Interest Company.

3 EU GROWTH PROGRAMME 2014-2020

3.1 The EU Growth Programme 2014-2020 includes the following funding programmes: European Regional Development Fund (ERDF), European Social Fund (ESF) and a proportion of the European Agricultural Fund for Rural Development (EAFRD).

3.2 In the UK, the EU Growth Programme funds have been allocated to the 39 Local Enterprise Partnerships (LEPs) on a seven-year notional basis. The UK Government has asked all Local Enterprise Partnerships to develop European Structural and Investment Funds Strategies, which detail LEPs' investment priorities and the proposed allocations per thematic objective.

3.3 Strategic Economic Plans (SEPs) and European Structural and Investment Funds Strategies (ESIFS)

3.4 The LEP's Strategic Economic Plan and European Structural and Investment Funds Strategy are complementary documents. The financial instrument underpinning the former is the Local Growth Fund while the latter is supported by the EU Growth Programme. The tables below illustrate the proposed allocations of EU Growth Programme funding for each LEP over the 2014-2020 budgetary cycle.

3.5 New Anglia LEP proposed allocations (2014-2020)

Thematic Objective		**ERDF**	**ESF**	**% spend**	**£ spend (m)**
TO1	Innovation	✓		27.5%	11.13
TO3	SME competitiveness	✓		40%	16.18
TO4	Low carbon economy	✓		20%	8.09
TO5	Climate change	✓		5%	2.02
TO8	Employment and labour mobility		✓	19.5%	7.89
TO9	Social inclusion		✓	23%	9.30
TO10	Education, skills		✓	50%	20.23
CLLD	Community Led Local Development	✓	✓	7.5%	6.0
TOTAL					**80.84**

3.6 In addition, the New Anglia LEP has been allocated £13m from the European Agricultural Fund for Rural Development (EAFRD).

3.7 Greater Cambridge Greater Peterborough LEP proposed allocations (2014-2020)

Thematic Objective		ERDF	ESF	% spend	£ spend (m)
TO1	Innovation	✓		40%	12.9
TO2	ICT	✓		10%	3.2
TO3	SME competitiveness	✓		25%	8.1
TO4	Low carbon economy	✓		25%	81
TO8	Employment and labour mobility		✓	40%	12.9
TO9	Social inclusion		✓	20%	6.4
TO10	Education, skills		✓	40%	12.9
TOTAL					**64.5**

3.8 In addition, the Greater Cambridge Greater Peterborough LEP has been allocated £7.39m from the European Agricultural Fund for Rural Development (EAFRD).

3.9 The combined amount of EU Growth Programme funding between the two LEPs over the 2014-2020 budgetary cycle is £155.73m.

4 Options Considered

4.1 Both LEPs have undertaken a comprehensive engagement process with key stakeholders including businesses and local authorities. The Borough Council has senior officer representation on the Greater Cambridge Greater Peterborough LEP's Local Strategy Management Group, which developed the GCGP SEP and ESIFS and on the Norfolk Growth Group, which provided a Norfolk-wide input into the New Anglia SEP.

4.2 The Borough Council's input has been co-ordinated by the Economic Development & Regeneration service with contributions from officers in Planning (LDF team & transport), Housing and Policy & Partnerships.

5 Policy Implications

5.1 The Strategic Economic Plan, which sets-out the LEP's economic growth priorities to 2025, is the main policy document underpinning the Growth Deal with government and requires local authority endorsement, active engagement and a commitment to put economic development at the centre of everything that local authorities do.

5.2 The Borough Council's own Strategic Economic and Infrastructure Investment Plan (Appendix B) responds to these requirements and its priorities and proposed interventions are aligned with the New Anglia Local Enterprise Partnership's Strategic Economic Plan.

6 Financial Implications

6.1 The two key financial instruments supporting the Growth Deal are the Local Growth Fund and the EU Growth Programme.

6.2 Any applications for funding under the EU Growth Programme will require an element of match funding. This is estimated to be 50% of total project costs (i.e. a 50/50 split between EU funding and match funding).

6.3 The Local Growth Fund does not include a requirement for match funding at this point in time, although the ability to contribute to the total project costs may carry additional weight.

7 Personnel Implications

7.1 There are no personnel implications arising from this report.

8 Statutory Considerations

8.1 There are no statutory considerations arising from this report.

9 Equality Impact Assessment (EIA)

9.1 There are no impacts on equality arising from this report.

10 Risk Management Implications

10.1 Lack of endorsement of LEPs' Strategic Economic Plans may disqualify the Borough Council from applying to funding from the Local Growth Fund and the EU Growth Programme

11 Declarations of Interest / Dispensations Granted

11.1 None

12 Background Papers

12.1 Growth Deals – initial guidance for Local Enterprise Partnerships (July, 2013), *https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/224776/13-1056-growth-deals-initial-guidance-for-local-enterprise-partnerships.pdf*

ABBREVIATIONS

BCKLWN – Borough Council of King's Lynn and West Norfolk
ESIFS – European Structural and Investment Funds Strategy
LEP – Local Enterprise Partnership
SEP – Strategic Economic Plan