

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

CABINET SCRUTINY COMMITTEE

**Minutes of a Meeting of the Cabinet Scrutiny Committee
held on Wednesday 18 February 2009 at 6.00pm
in the Committee Suite, King's Court, Chapel Street, King's Lynn.**

PRESENT:

Councillors D Collis (Chairman),
P Burall, I Mack (Vice Chairman), R Payn, D Pope
C Sampson, J M Tilbury and A Tyler

Present by invitation: Mr R Turff, Secretary of Harding's Pits Community Association (CSC67(a)(i))

CSC59: **COMMITTEE MEMBERSHIP**

The Chairman welcomed Councillor Sampson who had rejoined the Committee, to replace Councillor De Winton, who had stood down. The Committee recorded their thanks to Councillor De Winton for his past service and contribution to the work of the Committee.

CSC60: **MINUTES**

The minutes of the meeting held on Tuesday 20 January 2009 were agreed as a correct record and signed by the Chairman.

CSC61: **URGENT BUSINESS**

There was none.

CSC62: **DECLARATIONS OF INTEREST**

Councillor Burall declared a personal interest in CSC67(a)(i) Waterfront Regeneration Project Appraisal, as he was a Board Member of the East of England Development Agency.

CSC63: **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There was none.

CSC64: **CHAIRMAN'S CORRESPONDENCE**

There was none.

CSC65: **RESPONSE TO PREVIOUS COMMITTEE RECOMMENDATIONS**

There was none.

CSC66: **MATTERS CALLED-IN PURSUANT TO STANDING ORDER 12**

There was none.

CSC67: **SCRUTINY OF CABINET/PORTFOLIO HOLDERS' DECISIONS**

(a) Cabinet Decisions – 3 February 2009

The decisions/recommendations from the Cabinet meeting held on Tuesday 3 February 2009 were received.

(i) Waterfront Regeneration Project Appraisal

The Chairman made reference to the excellent and worthwhile presentation which had been given on this project at the recent Regeneration and Environment Panel meeting, which many Members had attended. For the benefit of those members of the public who were present, he explained that the role of the Committee was to make a constructive contribution to the proceedings of the Council and was entitled to look at the recommendations of Cabinet before these were made to Council.

The Chairman stated that this was a major project which the Borough Council was undertaking on behalf of the community. When completed the scheme would provide housing, business premises and leisure activities, as well as the benefit of a marina. Of particular interest in this proposal was the re-routing of the River Nar, which would impact on the Harding's Pits area. He stated it would be useful to have an understanding of the views of local people to help in the Committee's deliberations. He made reference to the report which stated that the proposal was the preferred solution to the development concept and asked whether there was an alternative, and what would be lost if the proposal was followed through?

At the invitation of the Chairman, the Leader addressed the Committee. He stated that advice had been sought from a range of experts throughout the development of the proposals and reminded the Committee that its role was to challenge the decisions of Cabinet. The Leader advised that this was the top priority regeneration project for the Council. It had been a long-held ambition to regenerate the waterfront and it was the Administration's view that best use should be made of this great asset. He welcomed the proposals which he considered would provide a quality development and public space, which could be enjoyed by residents and visitors, as well as creating jobs and a

bright future for King's Lynn. He looked forward to making progress on this ambitious scheme.

The Regeneration Programme Manager was invited to outline the issues leading to the changes which had been presented. He explained that the original proposals had envisaged a link between the River Nar and the marina basin itself. However, in order to achieve a navigable depth, the operating level of the River Nar would have to be increased throughout its length, causing a greater increase in flood risk upstream, which was unacceptable to both the Environment Agency (EA) and the Internal Drainage Board (IDB). In addition, to enable the development of Boal Quay, a receptor would be required for surface water, which created a further flood risk. It was considered that only solution to the problem was to break the link between the River Nar and the marina basin. This would allow the marina basin to be a receptor for surface water and act as an attenuation pond. Based on this information further modelling work was undertaken by the IDB engineer. Four options were considered and the design has been produced based on the advice received, that this is the only deliverable, acceptable model, which would provide a means to carry the amount of water without increasing the flood risk, based on the 100 year model.

At the invitation of the Chairman, Roger Turff, Secretary of the Harding's Pits Community Association, addressed the Committee to explain the effect of these proposals on Harding's Pits. Mr Turff stated that Harding's Pits would be obliterated. The river would cross the centre of the site of Harding's Pits and the Doorstep Green. Housing would also occupy a large part of the site. The Doorstep Green was well used by the community and he would not want to see it sacrificed without good reason. The Community Association had been drawn into the discussions on the marina because of the current proposals, and it was his feeling, and that of others, that the project was too great and too expensive. Alternative proposals should have been sought. The risks of flooding were primarily due to the proposed development, a simpler alternative would reduce flooding risk. He considered that the proposals should be looked at again. He felt that if the project went ahead it would send a message to the community that even if it takes part in discussions, the Council brushes their views aside. He hoped this would not happen.

The Chairman invited comments and questions from the Committee which are summarised below.

Clarification was sought in respect of a potential link to the inland waterways as originally envisaged. The Regeneration Programme Manager advised that an option to create a link using the River Great Ouse and creating a lock at the tail sluice with the Flood Relief Channel was currently being pursued. Following initial

investigations and feasibility study by EA, it was believed that this would provide a deliverable solution. Further work was being undertaken by EA, at their expense, and once viability had been established, a decision would need to be made as to when it might be possible to undertake this development. This could be included in the next phase of the project, funded by income generated from the earlier phase of development. It was acknowledged that this element had not been made clear in the report to Cabinet.

Members expressed concerns about the safety of those entering the River Great Ouse, under this proposal. The Regeneration Programme Manager acknowledged that this route would be challenging, however, he stated that EA would not open the lock if conditions were not considered to be suitable.

With regard to why the link via the River Great Ouse could not be used rather than through the Relief Channel, the Regeneration Programme Manager explained that advice received indicated that, although it would be possible for experienced sailors to navigate, but not be advisable for inexperienced day boat users, due to the level of silting.

A question was asked about whether an option had been considered for the provision of boat moorings by means of pontoons in the river. In response, the Leader advised that this option had been the subject of previous discussions and in 2006 the Council had voted for a marina over a riverside pontoon.

Reference was made to the Cabinet recommendation relating to the submission of an outline planning application. The benefits of a high quality build were emphasised and concerns were expressed about the potential pressure from developers to 'down grade' designs in order to reduce costs. Particular reference was made to the need for a strong design brief for the former grain silos site.

In response, the Portfolio Holder for Regeneration stated that the Council wanted to ensure that everything was in place for the future development when the economic climate was right. The purpose of submitting the outline planning application was to establish the principle. The detailed design would come later.

The Regeneration Programme Manager advised that the outline consent would have a detailed design brief, and only a very high quality development would be acceptable. The Borough Council would retain ownership of the site, with the land being disposed of on a development licence. Ownership would not be transferred unless the development was to the satisfaction of the Council.

In response to a question about ongoing costs, the Finance and Resources Manager explained that further work was being

undertaken. He explained that the Council would be responsible for building the marina basin and lock. The eventual operator would be responsible for fitting it out with the required facilities at no cost to the Council. During the early years of operation, additional support would need to be provided, options for which were set out in the Cabinet report. This could take the form of a stepped rental from the marina operator. After that time, an income stream would be received.

The Finance and Resources Manager advised that the proposals would deliver improved sea defences providing greater protection for the residents of King's Lynn. With regard to future maintenance of the new areas of open space, it was explained that the increased revenue from council tax generated by the development would contribute towards these costs.

Further clarification was sought with regard to the improved flood defences. The Executive Director, Regeneration, explained that, if this development did not proceed, the cost of future improvements to the flood defences on this stretch of the river would be the responsibility of EA, although the improvements would not be required at this time. He advised that flood defences were being considered as part of the Shoreline Management Plan for the area and the funding issue would be the subject of ongoing discussions with EA.

Councillor Mack expressed concern about a number of issues, including the amount of assessment work which had yet to be undertaken and the pace at which this project was being progressed. He highlighted that this report had been issued at short notice, which he felt gave insufficient time for Members to properly consider the report prior to the meeting of the Regeneration and Environment Panel. He referred to risks identified in the report, warning of pressures on the revenue budget and the need to use VAT shelter revenue. He also expressed concern that with all the capital resources committed, there was no money available for any other project, for example the Heritage Review which would be coming forward shortly. He made reference to Appendix 3a to the report and sought assurances about the use of the likely case scenario, and why this was almost identical to the best case, and consequence of worst case scenario.

With regard to capital resources, the Leader commented that the Council was committed to progressing this project. The Heritage Review had been commissioned and the results of that review were still being considered. He reminded the Committee that this was not part of the decision which was before them for scrutiny.

The Finance and Resources Manager advised that the best and likely case scenarios were similar due to the amount of work which

had been undertaken, based on the most up to date information available. He explained that the worst case scenario included an element for those aspects which might subsequently occur, but which had not been foreseen eg additional contamination not previously identified. With regard to financing the scheme, the Finance and Resources Manager advised that the report explained how this could be done without using additional capital receipts. One option was to use the VAT shelter, which had not yet been allocated. It was emphasised that this was the biggest scheme that the Council had undertaken and there were risks involved. These risks had been reviewed and were identified in the report.

The Executive Director, Regeneration, drew the Committee's attention to Recommendation 6 in the Cabinet report. He advised that a property specialist consultant had now been engaged and their expertise would be used to ensure the officers' assessment of the position was as thorough as it could be, before reporting back to Cabinet on a development and funding strategy for the implementation of the whole scheme. The Executive Director, Regeneration, commented that this was a complex project which would continue to evolve over a period of time and officers preferred to keep Members involved and advised at every stage.

Councillor Mack welcomed the involvement of experts at this stage and before the Council made a further commitment. He suggested that in the current changing climate, the Administration may wish to consider reviewing its Manifesto commitment on this issue.

With regard to the timing of the distribution of the report, the Chief Executive explained that the report was issued as soon as it was available. The Regeneration and Environment Panel meeting had been well attended and an extensive and thorough presentation on the project had been given, which it was hoped went some way to compensate for the late receipt of the report. The timing of the Panel meetings was to enable their comments to feed into the Cabinet decision making process.

Councillor Tilbury advised that he wished to propose that the Cabinet Scrutiny Committee ask for Recommendation 5, as shown in the Cabinet report, to be withdrawn. He considered that this element would benefit from the input from the property specialist consultant and it would do no harm to delay this decision until after Recommendation 6 had been completed and considered by Cabinet. The proposal was not seconded.

In response to questions about Harding's Pits, the habitat and the compensatory open space provision. The Regeneration Programme Manager indicated the areas involved using the plans which were displayed and explained that some areas were not in the Council's ownership. The Harding's Pits site covered an area of

approximately 5 acres and the proposal was to provide a continuous riverside walkway of an equivalent size, which would link to the Millennium Community area in the south and the marina. The land would be remediated and landscaped, the detailed designs for which had yet to be prepared. It was explained that marginal planting would be introduced to encourage biodiversity along the riverside. Ecological surveying would be undertaken on Harding's Pits during the next 12 months to establish what was present on the site. Discussions would be held with Natural England and Harding's Pits Community Association on the detail of the proposals. It was explained that a planning application for the River Nar diversion and open space would include the detailed design for the landscaping, which would enable the landscaping to be created as quickly as possible.

The Leader confirmed that one meeting had already taken place with Harding's Pits Community Association, when the proposals had been presented and an invitation had been issued to participate in ongoing discussions. He acknowledged the obvious commitment of the Association and the importance of involving all interested parties. He gave a commitment that there would be no barriers to these meetings taking place.

The Executive Director, Regeneration, commented that an initial discussion had taken place with Natural England and further discussions were being arranged, however, the recommendation had not yet been agreed by Council. He outlined the amount of work which would be required to support the submission of the planning applications, which included detailed environmental assessments.

Councillor Mack reiterated that he did not consider that Members had been given sufficient time to consider the report. He highlighted the amount of work which was ongoing, including environmental, drainage and flooding issues. He made reference to the appointment of the specialist property consultant and aspects of the proposals which could benefit from this expertise. He also reiterated his concerns about the pace of the project and stated that the nature of the application may be subject to change, as a result of information which may subsequently come forward.

Councillor Mack proposed that Recommendation 2 be deleted and an additional recommendation be included, as follows:

"That the outstanding assessment work on finance, environmental issues, flood risk and surface water be completed prior to the outline planning application being submitted."

The Executive Director, Regeneration, advised that this work would be undertaken in any case, as it was requirement of the planning

application. In response to a question, he stated that it was expected that the outline planning application for the whole development would not be submitted until the end of 2009/early 2010, due to the amount of supporting information and studies which had to be completed. It was envisaged that a detailed planning application for the River Nar diversion and open space would be submitted in the late spring/summer. This would also include a supporting environmental assessment. A third planning application for the public transport route through the site, as part of the Community Infrastructure Fund (CIF) transportation proposals, would also be submitted as a contingency, because if the CIF bid was successful it would need to be implemented within two years. A process for obtaining other consents would also need to be completed. As previously indicated, a report would be brought back to Council for approval before committing to any further expenditure, and the project would be the subject of regular reporting to Cabinet, in respect of budget fluctuations.

Following a further debate, Councillor Mack's proposal was seconded by Councillor Burall, and on being put to the vote the proposal was agreed.

RECOMMENDED: (1) That Recommendation 2 be deleted;

(2) That the outstanding assessment work on finance, environmental issues, flood risk and surface water be completed prior to the outline planning application being submitted.

(ii) The Financial Plan 2008/2012

The Chairman introduced this item and highlighted that it was necessary for Members to consider the projected budget deficit and the level of reserves to be used to meet the shortfall in the short term.

The Chairman invited comments and questions from the Committee, which are summarised below.

Reference was made to the additional Cabinet recommendation that there should be no increase in car parking charges, which the Panels had not had the opportunity to consider fully when reaching their decision to recommend a 2.5% increase in council tax for 2009/2010.

In response to questions on the impact of implementing this recommendation, the Leader acknowledged that this would reduce the level of projected income and add to the budget deficit, which would need to be met from reserves. The decision to make the recommendation had been based on consultation with local businesses and, in the current economic climate, it was judged that

an increase in charges would be inappropriate at this time. He advised that it was envisaged that the zero increase in charges would apply for part of the year. The Chairman commented that if it was applied for less than a year, it would be difficult to find the right time to impose an increase.

The Deputy Chief Executive gave an explanation of how the council tax base was calculated. He advised that if more than 97% of council tax was collected, the surplus was held in the Collection Fund Account, which was held on behalf of all precepting bodies. The balance of the fund was distributed proportionately to those bodies each year. It was confirmed that any shortfall in council tax collection was made up from this Account, although it was highlighted that a collection rate of 99% had been achieved by the Council in 2008/2009.

Reference was made to the Cabinet recommendation that members' allowances should not be increased for 2009/2010. In response to a question, the Deputy Chief Executive advised that this would achieve a saving of £12,000.

With regard to the introduction of charges for pest control services, reference was made to reservations expressed by the Community and Culture Panel. The Deputy Chief Executive advised that reservations had been expressed, but the Panel had made no recommendation to Council on this issue. Concern was expressed about the potential impact this may have, based on evidence from elsewhere in the country where charges had been introduced.

In response to a question, the Deputy Chief Executive explained that the budget had been produced using the November 2008 inflation rate as the basis for projections, which was the method used across local government. He advised that the situation would be monitored over the period and, where appropriate, the budget would be amended.

Concern was expressed about the level of subsidies required for some services, including leisure and entertainment, which were increasing, and about whether the commercialisation approach, which was intended to reduce running costs and increase income, was working. Reference was made to the proposed service reviews and the need for these to be considered and implemented at the earliest opportunity.

In response, the Deputy Chief Executive explained that the projected subsidies might have been higher without the effects of the commercialisation initiatives which had been introduced. However, some operating costs, such as energy bills, had risen significantly.

With regard to service reviews, the Chief Executive acknowledged the importance of addressing the issue promptly and explained that Management Team was actively working on drawing up a programme of reviews, which would be the subject of a report to Cabinet, and which would be progressed as soon as possible. He advised that some of the outcomes from the service reviews would require a decision to be made by Cabinet.

The Leader stated that the Administration had demonstrated its willingness to make difficult decisions in the past and would do so again. He gave his assurance that the reviews were happening and ongoing and the urgency of this work was acknowledged.

Councillor Mack commented that the Council had to present a balanced budget. There were some difficult decisions to be made and it may be necessary to consider a greater increase in council tax.

The Chief Executive responded that the challenge for officers was to deliver as high quality services as possible and to minimise the cost to the Council. It would be for Members to take a view on whether the level of subsidies was justified and make decisions about whether services should continue.

(b) Portfolio Holders' Decisions made under Delegated Powers.

Councillor Tyler advised that he had raised queries with the Portfolio Holder in respect of the decisions relating to King's Lynn Festival and Hunstanton Methodist Church, but was still awaiting a response.

In response to a request from Councillor Pope, The Deputy Chief Executive undertook to provide information about the level of grants which were given each year to all parish councils and the Gaywood and Fairstead communities.

RESOLVED: That the list of Portfolio Holders' Decisions made under Delegated Powers be noted.

CSC68: DATE OF NEXT MEETING

The Committee noted the next meeting was scheduled to be held on **Wednesday 18 March 2009** at 6.00 pm.

Meeting closed at 8.20 pm