

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

CABINET SCRUTINY COMMITTEE

**Minutes of a Meeting of the Cabinet Scrutiny Committee
held on Monday 21 February 2011 at 6.00pm
in the Committee Suite, King's Court, Chapel Street, King's Lynn.**

PRESENT:

Councillors A Tyler (Chairman),
I Mack (Vice-Chairman), D Collis, C Crofts,
D Johnson (substitute for M Pitcher), D J Pope and G Sandell

Other Members Present:

Councillor N Daubney, Leader and Portfolio Holder - Resources
Councillor R Searle, Portfolio Holder - Regeneration

Apologies for absence were received from Councillors Mrs E Nockolds, M Pitcher and J M Tilbury

CSC57: **MINUTES**

The minutes of the meeting held on 18 November 2010 were agreed as a correct record and signed by the Chairman, subject to the amendment of CSC43 and CSC49 in relation to Declarations of Interest – delete Councillor C Sampson and replace with Councillor I Mack.

CSC58: **URGENT BUSINESS UNDER STANDING ORDER 7**

There was none.

CSC59: **DECLARATIONS OF INTEREST**

There was none.

CSC60: **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There was none.

CSC61: **CHAIRMAN'S CORRESPONDENCE**

There was none.

CSC62: **RESPONSE TO PREVIOUS COMMITTEE RECOMMENDATIONS**

The Committee noted the response made by Council at its meeting held on 25 November 2010 to the recommendations made by the Cabinet

Scrutiny Committee at its meeting held on 18 November 2010, in respect of the following:

- (a) Mini Service Review – Parish Council Elections
- (b) Standing Orders – Update
- (c) Revenues and Customer Services – Service Review

CSC63: MATTERS CALLED-IN PURSUANT TO STANDING ORDER 12

There was none.

CSC64: THE FINANCIAL PLAN 2010/2014

In introducing this item, the Chairman stated that it was important to have the opportunity to identify items for scrutiny which had not already been scrutinised by the Panels or on those areas where additional scrutiny may be required. Questions were invited.

The Vice-Chairman made reference to the changes in the way support services were now reported in the Financial Plan making comparison of summary costs difficult. He asked whether Cabinet had found it difficult to compare costs and whether it would present challenges in monitoring budget savings.

The Leader stated that as service reviews began to take effect it was necessary to have a clearer understanding of the administrative and back office costs, as well as the impact on the “back office” as front line services were reduced. The way in which support services were now presented would make this simpler. However, the full cost of services, including support services, had to be shown in the year end accounts.

With regard to the costs of the Corporate Management Team, the Vice-Chairman made reference to the report presented to the Resources and Performance Panel, which showed the projected costs for 2012/2013 and 2013/2014 as increasing. He asked what consideration had been given to this budget line when setting the budget.

The Leader stated he was unable to respond to a question which related to a report which had not been part of the papers considered by Cabinet in making its decision. He added that the size of the Senior Management Team would be reducing therefore the costs would reduce.

The Deputy Chief Executive reminded Members that Management Team would be reducing by two officers and reduced hours for a further post, which would bring a significant reduction in future costs. However, he was uncertain of the full details in the budget and undertook to check what was included and respond direct to Members.

The Vice-Chairman made reference to the General Fund balance and the decision to transfer large sums from this fund to meet the costs of service

reviews and restructuring. He asked whether Cabinet had given any consideration to capitalisation and using capital balances to support the costs as an alternative to using revenue.

In response, the Leader stated that all options and aspects had been discussed. The balances had been deliberately enhanced to enable the review process to be undertaken and the way forward properly assessed. The Council faced a difficult financial situation and a prudent way had to be found to deliver the performance levels required. The aim was to keep balances at a minimum level and not to hold them without good reason for doing so.

The Deputy Chief Executive commented that, in his view, the Council would not be permitted by the Secretary of State to use capitalisation for this purpose, as it had sufficient levels of reserves.

Referring to paragraph 3.48 of the report, the Vice-Chairman highlighted the assurance given by Mr Pickles that councils would face a reduction of no more than 8.9% in 'revenue spending power' in the level of Government grant it received. He stated that subsequent sections of the report appeared to demonstrate that the impact was greater and asked what action this Council would take to challenge the statement if there had been an error. Reference was also made to paragraph 3.50 and the impact of parish precepts over which the Council had no control.

The Leader stated that there had been no error and he was not prepared to enter into dialogue on an issue which was outside the remit of the Committee. The Council had taken action to address the serious financial situation being faced, which was the subject of the report on which the Cabinet had made its decision.

The Chief Executive added that during the consultation process, representations had been made by the Council that parish precepts should not be included for the purpose of calculating the grant, but this had not been taken on board. It was highlighted that if parish precepts had been excluded, then the Council would have been entitled to receive transitional relief.

With regard to special expenses, the Vice-Chairman asked whether Cabinet had considered the impact of the council tax freeze in the current year, the legacy for future years and whether this would mean higher costs in subsequent years.

The Leader stated that services had to be delivered and this reduction would impact on the budget for future years. The Chief Executive added that it was considered financially beneficial to absorb around £10,000 of costs, which could not be recovered through special expenses, in order to receive additional Government grant of £159,000 for the next four years, as a result of the council tax freeze for 2011/2012. However, Members would have to decide whether to charge the full cost in

subsequent years or try and reduce expenditure further for these services.

The Vice-Chairman highlighted paragraph 6.6 in the report, which set out a number of alternative ways of reviewing and delivering services, which were being proposed. He asked whether Cabinet had given consideration to whether a new strategy should be developed, which would be more open and transparent and which could be properly reviewed and scrutinised.

The Chief Executive advised that this section of the report set out a number of methods which were being considered as a way forward to achieve further cost reductions and income generation once the current round of service reviews had been completed. He stated that a detailed report on this matter would be presented to Cabinet, probably in April.

The Vice-Chairman made reference to the high levels of subsidies given to some services, such as sport and leisure activities. He asked whether consideration had been given to a strategy for reducing these ongoing deficits in the budget.

The Leader stated that there was a public perception about the services they expected to receive and it was important to consider service users. Some imaginative thinking would be required to find effective ways of delivering services while ensuring that public expectation could be met, which would take time to develop.

The Chief Executive added that funding had been awarded to the Council to investigate new initiatives for service delivery in the context of Lynnsport, which was the largest Council leisure facility. An initial scoping meeting had taken place and details would be also included in the report to Cabinet in April, as previous mentioned.

CSC65: PONTOONS AT SOUTH QUAY

The Chairman invited questions on this item.

Councillor Crofts made reference to recent visit to Wisbech where he had observed around 24 visiting craft and asked how many vessels the pontoons would be able to accommodate in King's Lynn. He asked whether Cabinet had considered what would happen if more vessels came than could be accommodated and whether there would be any money raising opportunities.

The Portfolio Holder for Regeneration stated that it was hoped the pontoons would attract a high number of visiting craft. He advised that between six and twelve vessels could be accommodated, depending on their size, which could attract £16,000 - £25,000 per annum in mooring fees. However, the greatest financial benefit would be up to £145,000 into the local economy. He added that most craft radio ahead to check

availability and pre-book their mooring. If the moorings were full, then these vessels would be likely to go to other facilities around The Wash.

In response to a further question from Councillor Crofts, it was explained that there were several interested parties with a commercial interest in the waterfront who would be prepared to manage the facility.

Councillor Collis asked if the pontoons proved to be successful whether any consideration had been given to extending the facility, ie if additional pontoons could be hired.

The Portfolio Holder for Regeneration explained that the pontoons had to be fixed in order to be safe, so would need to be purchased and hiring was probably not an option.

The Leader added that this option had not been part of the Cabinet decision, which was about placing the pontoons which the Council already owned.

The Vice-Chairman stated that he considered the Cabinet report to be thin on detail relating to business opportunities and what information had been taken into account about the money making potential. He asked whether Cabinet had considered the ongoing revenue running costs and whether it would be better to offer the facility as a commercial operation to a third party rather than running the operation itself?

In response, it was explained that the main reason for the proposal was to test the market to assess whether there would be a demand for such a facility. A greater reason was to get King's Lynn back to facing the river by increasing the footfall and supporting existing businesses. By creating an east – west movement in the town, it would provide a better visitor experience.

The Vice-Chairman sought clarification on whether Cabinet envisaged a direct financial return for the Council. The Portfolio Holder for Regeneration explained the proposal was pilot scheme which was viable due to the availability of the pontoons and which would bring a financial input into the overall economy of King's Lynn.

Councillor Pope stated that he felt the river had never been used properly and more ideas should be explored to make better use of it. He sought clarification with regard to ongoing costs and whether there had been consultation with other similar facilities about such costs and the benefits to the local economy.

The Portfolio Holder for Regeneration advised that there had been close consultation with Wisbech and Wells, as well as other marinas around the country, all of which reported financial benefits to the local communities. It was not considered that the ongoing maintenance costs

would be high, especially where those involved in collecting the fees did so on virtually a voluntary basis.

CSC66: **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED: “That under Section 100(a)(4) of the Local Government Act, 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it may involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.”

CSC67: **KING’S LYNN ARTS CENTRE - GALLERIES**

The Chairman asked whether the consequences for the future of the Town Hall complex had been taken into consideration by Cabinet when making its decision, or whether this was a separate issue.

In response, the Leader stated that the Cabinet report referred to the activities of the Arts Centre and the Town Hall was not part of that. However, the buildings were interrelated and relocation of the Galleries had formed part of the strategy for proposals to promote greater use and public access to the Town Hall, so the impact had been considered.

The Vice-Chairman asked whether Cabinet had reflected on the process which led to the proposal to develop a Trust to take over the operation of the Arts Centre Galleries and how it could be ensured that a positive relationship could be maintained.

The Leader commented that, in terms of the Cabinet decision, the question was not relevant, but he considered that the process had been extremely constructive, which had led to a good decision being made. As a regional centre it was important the King’s Lynn was able to offer this type of facility.

In response to further questions from the Chairman and Vice-Chairman about the viability of small Trusts, the Leader acknowledged that in previous discussions he had considered that small trusts may not be viable. However, with regard to this particular proposal he was satisfied that it would be viable. He acknowledged it had not been a simple process and had taken a lot of work by all involved to achieve this proposal.

Councillor Collis expressed concern about outstanding issues and made reference to the terms of the lease and Service Level Agreement, with the proposal that delegated authority be given to officers in consultation with the Portfolio Holder. He considered it might be advantageous for this to go back to the Community and Culture Panel.

The Leader stated that the proposal had received a high level of local support and the essential issues had been debated and agreed. He

considered that it was appropriate that minor issues should be finalised under delegated authority.

Councillor Collis responded that he did not accept that the outstanding issues were minor. When asked by the Leader to detail his specific concerns Councillor Collis indicated that he would put his concerns in writing to the Leader.

RETURN TO OPEN SESSION

CSC68: **PORTFOLIO HOLDERS' DECISIONS MADE UNDER DELEGATED POWERS**

The list of Portfolio Holders' Decisions made under Delegated Powers was noted.

CSC69: **DATE OF NEXT MEETING**

It was noted that the next meeting of the Committee was scheduled to be held on Wednesday 23 March 2011 at 6pm.

Meeting closed at 7.05 pm