

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

CABINET SCRUTINY COMMITTEE

**Minutes of a Meeting of the Cabinet Scrutiny Committee
held on Thursday 19th July 2012 at 6pm
in the Committee Suite, King's Court, Chapel Street, King's Lynn.**

PRESENT:

Councillors C Joyce (Chairman)
B Ayres, J Collop, M Langwade (substitute for T Manley) A Lovett,
I Mack (Vice Chairman), M Tilbury, A Tyler and T Wright (substitute for G Sandell)

Other Members Present:

Councillor A Beales, Portfolio Holder for Regeneration
Councillor D Pope, Portfolio Holder for Assets

Apologies for absence were received from Councillor Daubney, Councillor Manley and Councillor Sandell.

CSC21: MINUTES

The minutes of the meeting held on 20th June 2012 were agreed as a correct record and signed by the Chairman.

CSC22 URGENT BUSINESS UNDER STANDING ORDER 7

There was no urgent business to report.

CSC23: DECLARATIONS OF INTEREST

There were no declarations of interest.

CSC24: MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

There were no Members present under Standing Order 34.

CSC25: CHAIRMAN'S CORRESPONDENCE

The Chairman had no correspondence to report.

CSC26 RESPONSE TO PREVIOUS COMMITTEE RECOMMENDATIONS

There were no previous Committee recommendations.

CSC27: MATTERS CALLED-IN PURSUANT TO STANDING ORDER 12

There were no matters called-in pursuant to Standing Order 12.

CSC28: ANNUAL TREASURY REPORT 2011/2012

Councillor J Collop questioned whether in light of the constant changes in the current economic climate, Cabinet had given consideration to reporting on a more regular basis, any variances in investments and cashflow to all Members of the Council. In response, Councillor Beales, explained that the majority of the Council's investments were subject to fixed rate terms and any additional investments, such as that proposed for Plaxtole House, were subject to recommendations that were considered by Full Council. He stated that if at any time, Members had any specific questions or concerns, they could refer them to the relevant officers. Lorraine Gore, Chief Accountant explained that a monthly budgetary monitoring control report was issued to all Members which highlighted any variances from the revised budgets for revenue as contained in the Financial Plan 2011 – 2015. The report also included the Capital budget which had been revised as part of the Capital Outturn. She also stated that meetings were held on a regular basis with the Council's treasury advisor, Sector Treasury Services Ltd. Mid-term reports were also submitted to the Audit Committee and Cabinet and any changes in the Council's strategy would result in a report for approval by Cabinet and Full Council.

Councillor J Collop stated that it was important that Members were kept up to date on any changes, which potentially could occur rapidly, in relation to the Council's cashflow position and perceived income. In response, Councillor Beales reiterated that the monthly budgetary monitoring control report did highlight any such variances and Members also had the opportunity to raise any issues directly with the relevant officers on an ad hoc basis. He stated that he felt four weekly reporting was adequate and reasonable.

CSC29: LYNNSPORT FITNESS/COLLEGE OF WEST ANGLIA

Councillor A Tyler explained that he supported the proposals contained within the report, however, he questioned what process the Cabinet had undertaken when coming to their decision and whether Cabinet had considered the impact on service users with the transfer of Pulse 8 from the College of West Anglia (COWA) to Lynnsport. He had been contacted by a number of residents who had raised concerns particularly with regard to the consultation process and the speed in which the decision had been taken.

In response Councillor Pope explained that he not received any correspondence from students in relation to the proposals and the decision had been made on an economic basis. The COWA had approached the Council to inform them that they were intending to close Pulse 8 and had requested whether Lynnsport could accommodate this element of their leisure courses. He explained that just under a year ago, COWA had moved its leisure studies course to the Lynnsport complex which had proved to be very successful and it was a natural progression to transfer Pulse 8.

Simon McKenna explained that consultation had taken place with the Bowls Club who totally supported the proposals. The tight timescales involved were in order that the works to divide the space could be completed during August and early September ready for the start of the Bowls season.

Councillor Joyce referred to the Cabinet report that had indicated that the results of the consultation exercise would be reported at the Cabinet meeting, however the minutes of the meeting merely reflected that consultation had been carried out but offered no details. Simon McKenna explained that consultation had been held with members of the Bowls Club and a letter had been received confirming their acceptance and support for the proposals. Consultation had also been carried out with general users and fitness customers.

Councillor Tyler stated that many residents used the fitness facilities because of location and transferring them to Lynnsport raised a number of issues. He also referred to the lack of information available about the methods and results of the consultation in the report. Councillor Pope explained that the results of the consultation were reported to Cabinet and the timescales involved were in order for the works to be completed in time for the new Bowls season. Constructive and open discussions had been held with members of the Bowls Club who had acknowledged that insufficient income was currently being generated. Councillor Beales also gave assurance that Cabinet did consider all aspects of the proposals, including the results of the consultation. The financial elements and logistics of the proposals were also compelling.

In response to a query raised by Councillor Joyce, it was confirmed that the guidance from Sport England for bowls lanes was one rink per 14-17,000 of the total population. The issues of double counting, and the locality of all the bowls rinks included in the Cabinet report was always raised by Councillor Joyce. It was clarified that there was seven rinks at Lynnsport, four at Hunstanton Oasis. There was a further six located at Pentney Bowls Club and a further four rinks, just outside the Borough at Fakenham. There were also six rinks in Wisbech which were also very close to the Borough but to the West rather than the North and East. Simon McKenna also explained that the West Norfolk Facilities Strategy in 2011 highlighted the need for a larger fitness facility in the King's Lynn area providing in excess of 100 stations and this development would increase capacity to approximately 100 to 120 stations.

Councillor Pope stated that consideration would be given to extending the facilities at Downham Market and St James Swimming Pool.

In response to a further query raised by Councillor Joyce, the Deputy Chief Executive confirmed that if the Leisure Trust proposals went ahead before the capital costs of £325,000 had been recuperated, the outstanding debt would also transfer and would not leave the Council in a position to pay it off.

CSC30: **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 involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act”.

CSC31: **HUNSTANTON – PROPOSED LAND DISPOSAL – UP DATE REPORT**

Councillor Tilbury questioned why Cabinet had agreed to vary the acquisition terms for the sale of the site from those previously agreed and questioned the process of negotiation. In response, Councillor Beales explained that the purchaser of the site had undertaken ground investigations, pre-planning application enquiries and further site layout and construction design work. This work had revealed additions in the development of the site, as result of which the purchaser was seeking to vary the original terms.

In response to a question from Councillor Mack in relation to the market evidence detailed in the report and why it not had been equated to a price per acre, Councillor Beales explained that each site was considered on its own merits and it was a subjective judgement. The Property Services Manager, with the aid of a few powerpoint slides, presented plans of the proposed development and explained it had been identified in the Hunstanton Regeneration Masterplan the need to stimulate the economy in Hunstanton.

In response to a question raised by Councillor J Collop, Councillor Beales confirmed that the capital receipt from the sale of the site would contribute to the Council’s capital programme. He also stated that the access road would be upgraded which would help facilitate any future development on the remainder of the site if such development was considered appropriate in the future. The access road would remain the property of the Borough Council.

In response to a further question from Councillor J Collop, the Property Services Manager explained that the site had not been openly marketed, but had been identified as part of the master planning exercise for the proposed regeneration of Hunstanton.

In response to a question from the Councillor Joyce, Councillor Beales and the Property Services Manager both confirmed that the local Ward Councillors were familiar and had been kept up to date with progress on the sale of the site.

CSC32: **PURCHASE OF LAND AND PROPERTY – PLAXTOLE HOUSE**

In response to a question raised by Councillor Tilbury, Councillor Beales confirmed that the Council were confident in Freebridge Community

Housing Association's (FCH) financial stability. He also referred to Section 6.1 of the report which outlined an exit strategy. In response to a question from Councillor J Collop, Councillor Beales explained that the purchase price included an element allocated for repairs to the building.

In response to a question raised by Councillor J Collop as to the rent that would be payable by FCH, the Deputy Chief Executive explained that the the rent levied was being set at a rate of return (2.5% about base rate) as opposed to a market rent. He also explained that the proposals were the most tax efficient way of securing the purchase and carrying out repairs to the property.

Councillor Mack questioned, given the age, condition and suitability of the property, whether consideration had been given to a new build, particularly in light of requirements under the Disability Discrimination Act. In response Councillor Beales explained that there was a pressing need for such a facility in the Borough and through good partnership working, it would enable a self funding scheme to be created. The timescale was critical in order for the facility to remain open.

In response to a further question from Councillor Mack as to whether the proposals were based on a short-term fix but may potentially have long term consequences for the Council, Councillor Beales explained that the financial terms of the arrangements offered a very good return for the Council as well social benefits. Detailed discussions had been held at a high level and FCH had a proven track record in delivering projects of this nature. He acknowledged that there was an element of complexity with the proposals, however he reiterated that they would also deliver social benefits.

The Chief Executive explained that the proposals had been prepared in a short time scale in order that the facilities could remain open in readiness for the new term. FCH were also committed to upgrading the accommodation and amending the layout to make better use of the property. He acknowledged that although it was slightly unusual for the Council to purchase property, it was likely that the Council's investment strategy would be reviewed which may see further selective purchases.

Councillor Langwade commended the proposals which would allow the service to continue and also offered considerable social benefits, but highlighted that his only concern was why COWA had not chosen to continue with the service. Councillor Beales clarified that FCH's objective was to continue with the service in the long term.

Councillor J Collop suggested that the report lacked financial details and questioned what the current market rent was and whether monies would be better retained in investments. The Property Services Manager undertook to inform Members of the Committee what the current open market rent was. The Chief Accountant explained that investments were maturing all the time and the Council did not incur any penalties. She outlined the current investment rates available to the Council.

In response to a question from Councillor Mack, Councillor Beales explained that the cost of repairs were capped and thereafter any additional repair costs were the responsibility of FCH with the Council having no further liability for the remaining term of the lease.

RETURN TO OPEN SESSION

CSC33 **PORTFOLIO HOLDERS' DECISIONS MADE UNDER DELEGATED POWERS**

There were no Portfolio Decisions to consider.

CSC34: **DATE OF NEXT MEETING**

It was noted that the next meeting of the Cabinet Scrutiny Committee was scheduled to be held on Wednesday 22nd August 2012 at 6pm.

Meeting closed at 7.10pm