

BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK

CABINET

**Minutes from the Meeting of the Cabinet held on
Tuesday, 30 October 2012 at 5.30pm in the Assembly Room, Town Hall,
Saturday Market Place, King's Lynn**

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

An apology for absence was received from Councillor Lord Howard

CAB108: **MINUTES**

RESOLVED: The Minutes of the Meeting held on 2 October 2012 were approved as a correct record and signed by the Chairman.

CAB109: **URGENT BUSINESS**

There was no urgent business.

CAB110: **DECLARATIONS OF INTEREST**

None

CAB111: **CHAIRMAN'S CORRESPONDENCE**

None.

CAB112: **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

Councillor T Manley addressed the Cabinet for item CAB126.

CAB113: **CALLED IN MATTERS**

None

CAB114: **FORWARD DECISIONS LIST**

The new format of the forward decision list was noted.

CAB115: **MATTERS REFERRED TO CABINET FROM COUNCIL BODIES**

i) **Resources and Performance Panel: Audit Committee: 23 October 2012**

The Committee made the following recommendation to Cabinet, which were dealt with when Cabinet considered the report on the agenda:

ARC56: Cabinet Report: Mid-Year Treasury Report 2012/2013
RESOLVED: That Cabinet be informed that the Resources and Performance Panel – Audit and Risk Committee supports the recommendation as set out in the report to Cabinet as follows:

Cabinet is asked to note the report and the treasury activity.

ii) Resources and Performance Panel: 23 October 2012

The Panel made the following recommendations to Cabinet, which were dealt with when Cabinet considered the reports on the agenda:

RP69: Cabinet Report: Outsourced Payroll Contract

RESOLVED: That Cabinet be informed that the Resources and Performance Panel supports the recommendation as set out in the report to Cabinet as follows:

That Cabinet approve the awarding of the outsourced payroll contract to Bedford Borough Council.

RP70: Cabinet Report: Corporate Apprenticeship Scheme

RESOLVED: That Cabinet be informed that the Resources and Performance Panel supports the recommendation as set out in the report to Cabinet as follows:

1) That six apprentices to be employed on 18 month Fixed Term Contracts which are supernumerary to the Fixed Term Establishment List.

2) That these posts be funded corporately and that the cost of the apprentices (either £13,484 or £14,795 per annum (including oncosts) depending on their age) be met from budget savings made to date in the 2012/13 year.

iii) Regeneration, Community and Environment Panel – 24 October 2012

The Panel made the following recommendations to Cabinet, which were dealt with when Cabinet considered the reports on the agenda:

REC82: Museum Square Project

RECOMMENDATION: That the Panel supported the recommendations to Cabinet as set out the report.

REC83: Black Sack Waste Recycling Contract

RECOMMENDATION: That the Panel supported the recommendations to Cabinet as set out the report.

REC85: Gambling Act 2005 – Statement of Principles

RECOMMENDATION: That the Panel supports the recommendation to Council as set out in the report to adopt the Statement of Principles in accordance with the requirements of the Gambling Act 2005.

REC86: Proposal for a Large Scale Housing Development on some of the Council's Land Holdings

RECOMMENDATION: That the Panel supported the recommendations to Cabinet as set out the report:

That Cabinet

- (1) Approves a budget of £30,000 to take the project through to the procurement stage.
- (2) Requires a further report which updates members on progress made and how the procurement is to be evaluated prior to it being advertised in the European Journal.

CAB116: **MID YEAR REVIEW TREASURY REPORT 2012/2013**

The Chief Accountant presented a report which explained that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (2011) and remained fully compliant with its requirements.

One of the primary requirements of the Code was:

Receipt by Council of an annual strategy report (including the annual investment strategy report) for the year ahead, a mid year review report and an annual review report of the previous year.

The Mid Year Review Report had been prepared in compliance with CIPFA's Code of Practice, and covered the following:

- An economic update for the first six months of 2012/2013
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy 2012/2013
- The Council's capital expenditure (prudential indicators)
- A review of the Council's investment portfolio for 2012/2013
- A review of the Council's borrowing strategy for 2012/2013
- A review of any debt rescheduling undertaken during 2012/2012
- A review of compliance with Treasury and Prudential Limits for 2012/2013

In response from a question from Councillor Beales, the Chief Accountant explained that the capital financing requirements had been

re-phased due to the level of capital receipts expected. She also explained that the Council could borrow for Capital purposes, that borrowing could be made in advance in order to obtain the best interest rates.

Councillor Beales also asked for clarification on the projected performance figures of £300,000, to which it was explained that when the estimates were originally drawn up the projected interest rates levels were higher than the actual rates.

The Resources and Performance Panel - Audit Committee had considered the matter and supported the recommendation.

RESOLVED: That the Mid Year Review Treasury Report 2012/2013 and the treasury activity be noted.

CAB117: **TOWN HALL**

Councillor Mrs Nockolds presented a report which detailed the revised proposals for the Town Hall to be submitted to the HLF (Heritage Lottery Fund) by 28 November. The total cost of the scheme was estimated at £2,361,218 of which £500,000 would be funded by the Council. In presenting the report she explained that there had been a number of consultation events held with groups and families.

Councillor Beales, in supporting the recommendations, asked whether the proposal still included the link with the High Street through the yard area, and whether the staffing costs referred to in the appendix would be funded. Councillor Mrs Nockolds confirmed that the proposals were aimed at improving all that area, and explained that there were two levels of submission, if the first was accepted, then support and advice would be given.

In recommending the report to Cabinet, the Chairman expressed the hope that this proposal would bring the Town Hall into much greater use as it should be.

RESOLVED: That the submission of a grant application to the HLF for the Town Hall be agreed.

CAB118: **GAMBLING ACT 2005 – STATEMENT OF PRINCIPLES**

Councillor Lawrence introduced a report which explained that the Gambling Act 2005 required every local authority to agree a Statement of Principles (previously referred to as 'Statement of Licensing Policy') in accordance with the Statutory Guidance issued under the Act. The policy had been drawn up in accordance with the guidelines issued by the Gambling Commission and had been subject to consultation. The only change recommended in the overall policy was to cease the requirement for a CRB check for small lottery promoters, and change to self-certifying. The requirement had placed hardship on some small

lotteries and there had not been any incidences since they were a requirement.

The Regeneration, Community and Environment Panel had considered the matter and supported the recommendation.

RECOMMENDED: That Council be invited to adopt the Statement of Principles in accordance with the requirements of the Gambling Act 2005

CAB119: **CONTRACT STANDING ORDERS**

Councillor Daubney presented a report which explained that since the current version of Contract Standing Orders was approved by Council on 29 September 2011 there had been two major external influences on procurement policy. These were the Government initiative to remove the use of Pre-Qualification Questionnaires for contracts under £100,000 and the introduction of the Public Services (Social Value) Act 2012. Contract Standing Orders had been reviewed and amendments were proposed that addressed these issues and a few other, more minor, updates. Details of the main changes were provided in the body of the report.

Councillor Daubney welcomed the proposals which would assist businesses, but at the same time safeguarding public money.

RECOMMENDED: That the new version of Contract Standing Orders, as set out in the report, be adopted.

CAB120: **PERMANENT CONTRACTS FOR CARE AND REPAIR STAFF**

Councillor Lawrence presented a report which explained that the majority of staff in Care and Repair were employed on fixed term contracts (14 employees out of 25). Many of these contracts had run on beyond two years. This position had reflected the prevailing external funding arrangements that were only confirmed for fixed periods of time, commonly year to year. There had been negative operational consequences of fixed term staff contracts including difficulties with recruitment and retention of staff. The report explained that the length of time the contracts had been in place meant that the staff would have the same rights as those on a permanent contract. The report therefore recommended that the staff be given permanent contracts.

Councillor Long expressed his support for the proposals.

RECOMMENDED: That the following be approved:

- 1) To replace those fixed term contracts which have run for in excess of two years with permanent contracts of employment.

2) These positions (14 posts, 12.50 FTE) to be shown as an addition to the Council's agreed number of permanent posts, to clearly illustrate that these positions are linked to external funding.

3) To delegate authority for decisions on future staffing levels (both increases and decreases) to the Executive Director Environmental Health and Housing in conjunction with the Portfolio Holder Community and the Executive Director Central Services in conjunction with the Leader. Any future changes to staffing levels to be clearly linked to the provision of services on behalf of other Council's and associated changes in service arrangements or new business opportunities.

CAB121: **CORPORATE APPRENTICESHIP SCHEME**

Councillor Daubney presented a report which explained that as part of Central Services Directorate Plan for 2012/2013 it was agreed that Personnel would investigate the potential benefits and costs of introducing an Apprenticeship Scheme in the Council. The initiative would respond to a number of comments from employers that young people needed employability, the Council had a responsibility to work with the education establishment and businesses on the ground to help deliver that.

The Personnel Services Manager explained that research had been undertaken on the potential apprenticeships available in order to match them with the services run by the Council. The report invited Cabinet to give consideration to engaging six apprentices under the Government initiative in the following areas which would be able to provide good structured positions with learning opportunities:

- Two Business Administration
- Front of Office at Downham Market Leisure Centre
- Accountancy
- Horticulture
- Exercise and Fitness at Downham Market.

The Resources and Performance Panel had considered the matter and supported the recommendations.

Councillors Beales and Mrs Nockolds expressed their support for the proposal which would be leading by example.

RECOMMENDED: That the following be approved:

1) That six apprentices be employed on 18 month Fixed Term Contracts which are supernumerary to the Fixed Term Establishment List.

2) That these posts be funded corporately and that the cost of the apprentices (either £13,484 or £14,795 per annum (including oncosts)

depending on their age) be met from budget savings made to date in the 2012/13 year.

CAB122: OUTSOURCED PAYROLL CONTRACT

The Personnel Services Manager presented a report which reminded Members that in September 2012 Cabinet had considered a report outlining the tendering process being undertaken to award the contract for outsourced payroll provision from 1 April 2013. The tendering exercise had now been completed and the assessment process had been undertaken to identify the successful contractor. The results of the process had produced Bedford Borough Council as the preferred supplier. Cabinet was invited to confirm that appointment.

RESOLVED: That the award of the outsourced payroll contract to Bedford Borough Council be approved.

CAB123: PROPOSAL FOR A LARGE SCALE HOUSING DEVELOPMENT ON SOME OF THE COUNCIL'S LAND HOLDINGS

Dale Gagen, Project Officer presented a report which showed how a significant housing development could be progressed on the Council's housing land under arrangements that would see the Council retaining an equity investment in a development rather than simply disposing of the assets. The report set the current market scene shown from the Housing, Property, Regeneration and Planning perspective and then considered the reasons why such a scheme would be good for the local economy as well as the Council, whilst demonstrating how any risks to the Council could be mitigated.

Councillor Beales, in proposing the report and recommendations reminded Members that at this stage it was requesting funding to take the proposal through to procurement stage, and a further report would be submitted before final approval. He commented that if the proposal were to progress it would be good news for King's Lynn and the local economy, and things such as infrastructure would have to be taken into account. He drew attention to the considerable discussion which had taken place on the matter at the Regeneration, Community and Environment where they had supported the recommendations.

RESOLVED: 1) That a budget of £30,000 to take the project through to the procurement stage be approved.

2) That a further report which updates members on progress made and how the procurement is to be evaluated be presented to Cabinet prior to it being advertised in the European Journal.

CAB124: **MILLENNIUM COMMUNITIES AGREEMENT: PROCESS FOR AGREEING VARIATIONS**

Councillor Beales presented a report which explained that the Council had entered into the Millennium Communities Agreement (MCA) in 2006 with English Partnerships (now the Homes and Communities Agency), East of England Development Agency (EEDA) and Morston Assets. The agreement set out the obligations, outputs and funding contributions from each of the partners to facilitate the construction of the Nar Ouse Regeneration Area (NORA). In light of the changing economic and policy environment, some variations to the outputs and obligations of all the partners were required in order to facilitate viable developments on the NORA site. The report recommended a procedure to be put in place to manage the request for variations between the partners in a timely manner in order to progress development of the NORA site.

RESOLVED: 1) That delegated authority be granted to the Chief Executive in consultation with the Portfolio Holder for Regeneration and Commercial Services to authorise requests to vary the terms of the MCA with the NORA partners.

2) That requests for variations from the NORA partners are dealt with by completion of a variation request form (document template in appendix 1 to the report).

CAB125: **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 items of business on the grounds that they involved the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act.

CAB126: **BLACK SACK WASTE RECYCLING CONTRACT**

Cabinet considered a report which detailed the outcome of a direct negotiation process for a Framework Agreement and Contract to recycle waste that was currently landfilled, following a procurement exercise authorised by Cabinet that formally failed. It was proposed that the Council entered into a conditional contract under a Framework Agreement with Material Works and that provision be made within the Framework Agreement for other Waste Collection Authorities within Norfolk to contract with Material Works for the service within a 4 year period from commencement of the service provided to this Council under its contract.

Councillor Daubney thanked Dale Gagen, Project Officer, Barry Brandford, Waste and Recycling Manager and Councillor Long for the considerable amount of work that they had carried out for the project, and also into the public consultation exercises recently undertaken.

Councillor Daubney, in supporting the recommendations set out in the report, further proposed that the Chief Executive, in consultation with the Leader, be delegated authority to engage consultants to carry out an independent verification of the process.

Under Standing Order 34, Councillor T Manley addressed the Cabinet on the report. He asked whether the County Council could require Districts to use their facility; could they hold up any planning application; did the Borough have to give notice to the County that it would not be sending its rubbish to them; was there sufficient capacity within the proposal for any other districts to join if they wished; would the public then think that they didn't have to sort their recycling from other waste; and whether animal or human waste in the form of nappies etc would still be able to be put into the black bins.

Councillor Long explained that the County role was as waste disposal authority, the waste hierarchy being set in legislation. With regard to other districts entering into the contract, the siting of any other operations would depend on the proximity principle. He explained that investigations were under way into the new contract for green bin recycling which would mean that a higher level of waste would be able to be recycled. With regard to the human and animal waste referred to, this would not cause any difficulties.

The Refuse and Recycling Manager explained that any non-determination of a Planning application would lead to an appeal process with the Planning Inspectorate. The contractor had indicated that they would hope to have the operation running by 2014.

The Chief Executive made reference to the results of the survey carried out on behalf of the Council which had given clear results that the majority of those filling in the questionnaires or responding to the structured telephone survey carried out by MEL supported the proposals.

Councillor Beales re-iterated the praise for Officers and Members in the preparation of the case. He welcomed the additional recommendation seeking the independent verification of the processes. He sought confirmation on the due diligence carried out on the process and contractor. The Project Officer gave detail of the due diligence carried out and undertook to provide members with that information. He also raised the risk of recycling credit levels being reduced. The Project Manager explained that there was no indication of this taking place, and the costs of the proposal per tonne were now level with the County Council cost for the incineration of waste per tonne.

The Regeneration, Community and Environment Panel had considered the matter and supported the recommendations.

RECOMMENDED: 1) That Officers be authorised to enter into a Framework Agreement and a conditional contract with Material Works for waste recycling services to commence in April 2014. The conditional terms shall be;

- i Planning consent
- ii Environmental Permit
- iii Commercial scale demonstrator
- iv End of Waste Certification
- v Recycling Credits
- vi Positive endorsement from the independent verification of the viability of the process.

2) That the contract be for a period of 16 years.

3) That the Framework Agreement allow Waste Collection Authorities in Norfolk and those Waste Collection Authorities who have a border with Norfolk, to enter into 'call-off' contracts with Material Works within 4 years from the commencement of the service to this Council.

4) That the Chief Executive is instructed to serve 'Notice' on Norfolk County Council of the intention to withhold waste collected in black bins for the purposes of recycling by this Council.

5) That, notwithstanding recommendations 1-4 above, the Chief Executive in consultation with the Leader be delegated to engage consultants to carry out an independent verification of the process.

CAB127: **MUSEUM SQUARE PROJECT (MSP)**

Councillor Beales presented a report which outlined the rationale and delivery mechanism for King's Lynn town centre extension (The Museum Square Project) through a collaborative relationship with the Lotus Group Ltd (formerly Murdock Property Group), who were the owners of Vancouver Quarter.

The Regeneration, Community and Environment Panel had considered the matter and supported the recommendations.

RESOLVED: 1) That a collaborative relationship with the project developers, Lotus Group Ltd be entered into.

2) That a Memorandum of Understanding (MoU), which states the key principles of this collaborative relationship with the Lotus Group be signed.

5) That delegated authority be granted to the Chief Executive in consultation with the Cabinet Member for Regeneration to negotiate the terms and conditions of a Master Development Agreement (MDA), which will set out the development details in terms of plans, drawings, land assembly, funding, timetable & phasing, type & quantum of use classes and partners' rights, responsibilities and obligations

6) That a report be brought to the Cabinet Meeting at a future date setting out the final Master Development Agreement (MDA)

The Meeting closed at 7.00 pm