

BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK

CABINET

Minutes from the Meeting of the Cabinet held on Tuesday, 28th July, 2015 at 5.30 pm in the Committee Suite, King's Court, Chapel Street, King's Lynn

PRESENT: Councillor N Daubney (Chairman)
Councillors P Beal, 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

CAB26 **MINUTES**

RESOLVED: That the Minutes of the Meeting held on 10 June 2015 be signed as a correct record.

CAB27 **URGENT BUSINESS**

None.

CAB28 **DECLARATIONS OF INTEREST**

None.

CAB29 **CHAIRMAN'S CORRESPONDENCE**

None.

CAB30 **MEMBERS PRESENT UNDER STANDING ORDER 34**

None.

CAB31 **CALLED IN MATTERS**

There were no called in matters.

CAB32 **FORWARD DECISIONS**

The Forward Decisions List was noted.

CAB33 **MATTERS REFERRED TO CABINET FROM OTHER COUNCIL BODIES**

i) **Audit Committee: 21 July 2015**

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

AR35: Cabinet Report: Annual Treasury Report 2014/2015

RESOLVED: The Committee supported the recommendation to Cabinet as follows:

Cabinet is asked to approve the actual 2014/2015 prudential and treasury indicators in the report, and to note the report.

AR36: Cabinet Report: Review and Update of Contract Standing Orders

RESOLVED: The Committee supported the recommendation to Cabinet as follows:

Details of the main changes are provided in the body of the report. It is recommended that Cabinet accept the new version of Contract Standing Orders and that they recommend acceptance by full Council.

ii) **Joint meeting of the Regeneration and Development Panel and Environment and Community Panel – 22 July 2015**

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

RD&EC37: Cabinet Report - Hunstanton Heritage Gardens - Heritage Lottery Fund Parks for People Application

RESOLVED: That the Regeneration & Development and Environment & Community Panel supported the recommendations to Cabinet as set out below.

That Cabinet is recommended to:

- a) Note the State 1 project approval from the HLF.
- b) Delegate authority to the Chief Executive in consultation with the relevant Portfolio Holder to develop the proposals to a Stage 2 submission.
- c) Approve the Council's contribution of £164,145 to the project if the stage 2 application is successful as detailed in Section 4 of the report.
- d) Request a further report to Cabinet in February 2016 prior to submission of the Stage 2 scheme

CAB34 **ANNUAL TREASURY REPORT 2014/15**

The Principal Accountant presented a report which explained that the Council had formally adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management (2009) and remained fully compliant with its requirements.

The primary requirements of the Code included:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- 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 Annual Treasury Report looked backwards at 2014/2015 and covered:

- the Council's overall borrowing need
- the Council's treasury position/performance;
- the strategy for 2014/2015;
- the economy in 2014/2015;
- borrowing rates in 2014/2015;
- the borrowing outturn for 2014/2015;
- compliance with treasury limits and Prudential Indicators;
- investment rates for 2014/2015;
- investment outturn for 2014/2015;
- debt rescheduling;

The report showed that during the year the Council maintained a cautious approach to investment and management of debt. Investments returned a percentage of 0.93% exceeding the 7 day LIBID benchmark rate of 0.35%. Interest on debt averaged 3.38% in 2014/2015.

Councillor Pope asked the following questions of the Principal Accountant:

- Whether the Council still received an annual report from its investment advisors, to which he was informed that the investments were now carried out in house rather than by Fund Managers.
- Whether the Council's Capital Financing Requirement would come down, and whether it would do so as the Council became smaller. It was explained that it related to the Capital expenditure rather than the size of the Council, and the borrowing was higher than normal at the moment due to the

major projects underway. It would begin to reduce when properties were sold off and show improvements year on year.

- Page 11, 2.6 of the report – whether the Investment line should show as a debit entry – it was confirmed that it should.
- Where the in-house investment was showing to have reduced from £31.3m to £26.63 where had that money been spend. It was explained that the figure was the end of day Cashflow figure.
- He requested some information on the borrowing of £2.5m from Suffolk County Council. The Regeneration and Economic Development Manager explained that the loan was for the NWES Enterprise Centre, and was held by the Council and released as key points were reached in the build. The full amount would be re-paid by NWES at the end of the build.

Councillor Beales also explained that the draw down on the funding was subject to a Quantity Surveyor confirmation, and that NWES had to be able to demonstrate that they had this funding available to be able to progress with the scheme.

Councillor Mrs Nockolds asked if the Treasury Benchmarking Group consisted of just County Councils. It was explained that it consisted of both District and County Members in the Eastern Region.

Councillor Long asked what the situation was with the European banks such as the BNP which had an AAA rating. It was confirmed that Accountancy were taking advice on a day to day basis as the European situation was developing, but the BNP transactions tended to be overnight deposits only.

Councillor Beales drew attention to the fact that the Major Housing Scheme would show a significant Capital return on the borrowing, as would the NORA scheme. He also drew attention to the terms of some of the longer term borrowings and asked if a robust approach was taken in challenging the terms. It was explained that the long term loans referred to dated from 2007, and the rates for that were quite good, however as the banks were trying to reduce their balance sheets Barclays had approached the Council to discuss the loan, but it wasn't in the Council's interest to repay the loan unless favourable terms were offered.

Councillor Beales asked how Local Authority credit ratings were assessed as some authorities financial situations were different from others. The Principal Accountant informed Members that the information was supplied by Capita, but that most local authorities didn't have a credit rating, but there was an automatic assumption that as an authority was able to raise taxes, it should be AAA. However as there were some that were struggling it was recommended that the Council's lending to local authorities should be capped. They were dealt with on an authority by authority basis.

Councillor Daubney drew attention to the discussion which had taken place at the Audit Committee where they had supported the recommendations.

RESOLVED: That the Actual 2014/2015 Prudential and Treasury Indicators in the report and the content of the report be noted.

CAB35 **UPDATE TO CONTRACT STANDING ORDERS**

The Principal Accountant presented a report which explained that since the current version of Contract Standing Orders was approved by Council on 29 November 2012 there had been several changes in procurement policy. These changes included the publication of the new Local Government National Procurement Strategy in July 2014, the EU Procurement Directive in 2014 and the transposition of this into the Public Contracts Regulations 2015. These regulations also included UK Government measures to support SMEs that had been referred to as the "Lord Young reforms". Contract Standing Orders had been reviewed and amendments were proposed that included measures to take account of the changes mentioned above.

With regard to the removal of the ability for the authority to use PQQs, Councillor Daubney asked if this applied to all tenders, to which it was explained that the requirement for tenders up to EU thresholds had been removed, but they were still in place for the higher level tenders.

Councillor Daubney drew attention to the debated held at the Audit Committee on the subject, and the fact that they supported the changes.

RECOMMENDED: That the new version of Contract Standing Orders be approved.

CAB36 **CONSTITUTIONAL MATTERS - UPDATE TO MEMBER / OFFICER PROTOCOL**

The Chief Executive presented a report which recommended amendments to the Member/Officer Protocol in order to update it and to reflect current best practice, and some minor changes to the Constitution in Standing Order 11.2 (b) to permit the questioning of Chairmen of all bodies at Council.

Councillor Daubney drew attention to the need to ensure the Protocol was kept up to date for Members best interests.

Councillor Beales commented favourably on the changes to ensure that Chairmen of all bodies could be questioned at Council.

RECOMMENDED: That the changes in the Member Officer Protocol and Standing Order 11.2 (b) be adopted.

CAB37 **HUNSTANTON HERITAGE GARDENS - HERITAGE LOTTERY FUND PARKS FOR PEOPLE APPLICATION**

Councillor Beal presented a report which detailed the Stage 1 approval from the Heritage Lottery Fund Parks for People funding programme for the Seafront gardens and associated open spaces of The Green in Hunstanton. He congratulated the team for receiving this support.

He explained that it included areas such as the open green areas and Heritage Gardens including the Butterfly shelters. The Stage 1 approval provided development funding of £28,800 from the HLF towards the £36,000 total development costs with the Borough Council funding the difference (£7,200).

The basis of the scheme submitted was a total cost of £826,745 with 80% funded by the HLF (£656,600) and 20% by the Council (£164,145). These estimated figures would be the basis for developing the scheme to Stage 2.

Councillor Beal drew attention to the fact that at the Joint Panels meeting comments had been made about it being a lot of money to commit to the town, but he drew attention to the fact that Hunstanton relied on Tourism, and the areas mentioned were in real need of update and repair. The proposals had received considerable support from most Members and in the Town.

Councillor Daubney commented that it was extremely good news for Hunstanton, and he congratulated all involved on the work that had gone into the bid.

Councillor Long commented that the Borough was fortunate that Hunstanton had a lot of positive points, and things such as the butterfly shelters were as much a part of what made the resort and enabled it to attract the funding.

Councillor Beales in supporting the comments made stated that the areas bid for were in need of updating in what otherwise was a well looked after area, and had been agreed through the Hunstanton Regeneration Partnership. In bidding for the funding he reminded Members that it was important to run the Council effectively, but at the same time continue to do things such as this and the Tuesday and Saturday Market Places and Town Hall, with the help of Lottery funding.

Councillor Daubney asked if the award of Stage 2 funding was a technicality. The Regeneration and Economic Development Manager

reported that there was an element of competitiveness in terms of quality of bid, and they had spent time with an HLF mentor to discuss the Stage 2 bid where they had indicated they were supportive of the bid, but that a quality bid would have to be submitted.

The Regeneration Project Officer confirmed that it was a 2 stage process, and if successful, work would commence out of season to be completed before the commencement of the new season.

Attention was drawn to the support for the recommendations from the Joint Panels meeting.

- RESOLVED:**
- 1) That the Stage 1 project approval from the HLF be noted.
 - 2) That delegated authority be granted to the Chief Executive in consultation with the relevant Portfolio Holder to develop the proposals to a Stage 2 submission.
 - 3) That the Council's contribution of £164,145 to the project if the stage 2 application is successful as detailed in Section 4 of the report be approved.
 - 4) That a further report be brought to Cabinet in February 2016 prior to submission of the Stage 2 scheme.

The meeting closed at 6.10 pm