

COUNCIL

Minutes of the proceedings of a Meeting of the Scarborough Borough Council held in the Town Hall, Scarborough on Monday, 8th September, 2014 pursuant to Summons.

Present:-

The Mayor (Councillor Mrs Patricia Marsburg) in the Chair;
Councillors J S Blackburn, A Abbott, G W Allanson, J Armsby, G A Backhouse, S Bairstow, D J Bastiman, Mrs L Bastiman, D L Billing, C R Challen, D A Chance, W Chatt, Mrs D Clegg, Mrs D V Cluer, M J Cockerill, G Coulson, S Cross, Ms T Davy, Ms M Donohue-Moncrieff, J G Flinton, T W Fox, S B Green, C Haddington, D C Jeffels, Mrs J Jefferson, A Jenkinson, Mrs J M Kenyon-Miller, Mrs H F Mallory, Miss R K Murphy, N K Murphy, Ms H Phillips, J Plant, P G Popple, Mr T Randerson, J Ritchie, Mrs A Robinson, S Sharma, S Siddons, B Simpson, M Smith, W H Tindall, M H Ward, B F Watson and J Zegstroo

Apologies

Councillors Mrs S Backhouse, E Broadbent, Mrs M Harland, Mrs P Marsden and Mrs J E Mortimer

MAYOR'S OPENING REMARKS

Mr Eric Cooke

The Mayor invited all those present to stand in silence as a mark of respect following the death of the former councillor and Deputy Mayor, Mr Eric Cooke.

1. DECLARATIONS OF INTERESTS.

No declarations of interest were received.

2. APOLOGIES FOR ABSENCE.

Apologies for absence were received from Councillors Mrs Backhouse, Broadbent, Mrs Harland, Mrs Marsden, and Mrs Mortimer.

3. MINUTES OF THE MEETING OF THE COUNCIL HELD ON 7 JULY 2014 TO BE READ OR TAKEN AS READ AS THE CASE MAY BE.

RESOLVED that the minutes of the meeting held on 7 July 2014 be taken as read and signed by the Chairman as a correct record.

4. TO CONSIDER ANY COMMUNICATIONS RECEIVED BY THE CHIEF EXECUTIVE.

The Chief Executive advised that no communications had been received.

5. QUESTIONS (IF ANY) OF WHICH NOTICE SHALL HAVE BEEN GIVEN.

The Chief Executive advised that no questions had been received.

6. TO CONSIDER AND PASS RESOLUTIONS ON THE FOLLOWING 'A' ITEMS:-

(i) Finance and Treasury Outturn Report 2013/14 (14/241)

The recommendations in the extract minutes from the Cabinet were proposed by Councillor Fox and duly seconded. Several Members then commented on the report and asked questions. Councillor Challen noted the Council's £20k contribution towards an A64 Feasibility Study, but the Local Enterprise Partnership's unsuccessful £50m bid to the Government which included improvements to the A64, and wondered when any physical improvements would actually be implemented. Councillor Sharma asked about the delivery of the North Bay Play Areas and Councillor Ward requested a breakdown of the £230k costs incurred by the Council in litigation in respect of alleged damage to properties in the vicinity of Whitby Harbour whilst undertaking emergency sheet piling replacement works in 2009. In response, Councillor Fox acknowledged the length of the time the A64 improvement works had been on the agenda, but because of the costs involved had not yet come to fruition. However, through the concerted efforts of the Local Enterprise Partnership and local councils, including support for the feasibility study, these improvements came closer to realization. In respect of the North Bay Play Areas, the Council continued to work with the developer to identify alternative opportunities to provide these facilities. With regard to the legal costs referred to above, Councillor Fox commented that this was a complex matter of which aspects were still private and confidential. He would ask the Director of Business Support to provide a written reply to Councillor Ward. Councillor Siddons put the following questions to which Councillors Mrs Kenyon-Miller and Councillor Cockerill replied:

(i) Given that one of the highlighted risks in the Finance and Treasury Outturn report is that the Council 'overcommits its revenue and capital resources' and, at the same time, has seen fit to run down investment balances, and capital receipts have fallen significantly short of expectation with the Council receiving only £569k of the target of £2.121m (26%), when can we look forward to an increased rate of return on investments above the 0.44% currently being received?

The simple answer is that investment returns will improve when the economic conditions are right for the Bank Rate to be increased. The issue is around the timing of that first rate increase, and not locking investments in too early.

In addition to this, the political and economic situation in the world is still fragile which continues to impact upon both Governments and individual banks credit ratings.

The face value of the council's investment return is 0.44%. Whilst this may appear low, it outperforms the appropriate benchmark, and only tells half of the story.

As those Members that attended training are aware the Treasury Management function is an important and integral part of the running of the Council. Not only does it safeguard Council investments, it enables borrowing

to fund major projects, and provide day to day cash management to support service delivery.

Members have made it perfectly clear over the years that preservation of capital is more important than pure investment return. This Council does not wish to find itself in the same position as those that invested in Icelandic Banks.

Therefore the treasury strategy, which was approved by Members, was based on borrowing costs exceeding investment returns, thus internal borrowing (use of cash reserves) was applied to fund capital expenditure rather than take external borrowing. Officers have opted to run down investment balances rather than take out additional borrowing to save the council money. This has saved the Council approximately £350,000 per year.

This treasury management strategy has served this Council well in recent years and it is constantly reviewed by Officers and Members of the Audit Committee.

(ii) What safeguards will the administration put in place to ensure there is no repeat of the poor performance of the management of the Council's assets with regard to achieving capital receipts targets?

The report before Council today explains that the shortfall within the capital receipts was as a consequence of the situation with Stakesby Depot.

The Council has implemented an ambitious scheme where the Stakesby Depot and Holly Tree Court facilities, which were beyond their economic life, were closed with the Services transferring to a new modern facility in partnership with North Yorkshire County Council (NYCC).

The surplus Council assets were jointly marketed with the adjacent NYCC owned land, with a vision of delivering new affordable homes for Whitby. Although a preferred purchaser was selected, the sale did not complete due to the purchaser withdrawing from the transaction.

Officers subsequently re-marketed the site, again in partnership with NYCC, and a new purchaser has been selected and the due diligence aspects of the sale are progressing.

The withdrawal of the initial purchaser has resulted in the anticipated capital receipt not being realised during the 2013/2014 financial year. However, this situation is not due to the poor performance management of the Council's assets; it is purely due to the fact that the purchaser withdrew from the sales transaction.

Members of the Corporate Finance and Strategy Group, only last week, reviewed and discussed the property portfolio schemes currently on-going, and those for the future, which will help to achieve capital receipts as well as deliver the wider Council objectives.

RESOLVED that the Council approve:

(i) That the following essential costs be funded from the year end revenue underspend:

- £934k in respect of Scarborough Depot relocation costs
- £230k in respect of costs of legal proceedings

(ii) That funding of £185k be provided for the following priority bids:

- £105,000 for the Cinder Track; and
- £80,000 for Endeavour Wharf Pier repairs

£152k of the required funding will be made available from the residual year end revenue underspend and the remaining £33k will be funded from uncommitted earmarked reserves.

(iii) The revised Prudential Indicators for Capital Expenditure and the Capital Financing Requirement.

Reasons

- (i) To utilise the year end surplus to ensure that priority projects are progressed whilst maintaining financial stability for the Authority.
- (ii) To comply with the CIPFA Code of Practice of Treasury Management in Local Authorities by informing Cabinet of the Council's treasury management activities before 30 September following the end of the financial year that the report relates.
- (iii) To keep Members informed of Treasury Management activities and performance.

(ii) Corporate Debt Recover Policy (14/242)

The recommendations in the extract minutes from the Cabinet were proposed by Councillor Fox and duly seconded.

RESOLVED that the Draft Corporate Debt Recovery Policy be approved and adopted.

Reasons

To allow the Council to adopt a comprehensive Debt Management Policy covering all Council debts.

7. TO RECEIVE A STATEMENT BY THE LEADER AND DEAL WITH ANY QUESTIONS ARISING FROM THAT STATEMENT.

The Leader provided updates on the Leisure Village and the Sands Development. In respect of the Leisure Village, Councillor Fox commented that he understood people's frustration with the progress of this project which was of a very complex technical, legal and financial nature, but he wished to give reassurance that the Council remained fully committed to the project and had an internal team working hard to get through all the work that needed to be completed. Reports at this point had to be private and confidential

because they are dealing with the land sales for the enabling sites – which would fund the Leisure Village – and this contractual work was commercially very sensitive. To give further reassurance Sport England and the Football Federation were still fully supportive of the project and working with the Council's internal team. This meant the £2.3million funding was still available to support the development subject to achieving the final checks and balances such as securing planning permission for all the sites. Prospective purchasers and Wrenbridge were currently taking pre-planning advice and the next stage would be to formally submit planning applications for all sites which would of course be subject to public consultation.

In respect of the Sands Development, the Council was now entering the final stages of negotiation before the commencement of the construction of the Water Park. An update on the outstanding issues were:

Newts

The Council had authorised all requisite approvals to allow Benchmark on site to commence the trapping of newts, which he understood was to commence that day.

Construction Costs and Staged Payments

The Council had now received the cost profile and cash flow for the construction of the Water Park. These figures would be audited and scrutinised before seeking delegated approval from the Directors to commit Council funding to the project. The anticipated start date for construction was November 2014.

Premises Licence

Alpamare UK Ltd had submitted an application for a premises licence which would be heard by the Licensing Committee on 8 October 2014. The application was currently going through a period of consultation.

Members then asked questions. Following his motion approved by the Council at its meeting on 7 July and the Council response to the DfT consultation on the Transpennine Express and Northern Rail franchises, Councillor Challen urged more action by the local authority and its partners to safeguard the future of the Scarborough to York line. The Portfolio Holder for Strategic Planning and Regeneration, Councillor Bastiman replied that there was already support for the line from the Local Enterprise Partnership and local councils, and he had approached City of York Council and Ryedale District Council with a view to arranging a meeting to take the matter forward.

8. TO RECEIVE STATEMENTS FROM EACH OF THE CABINET MEMBERS AND DEAL WITH ANY QUESTIONS ARISING FROM THOSE STATEMENTS.

Councillor Bastiman presented his statement as Portfolio Holder for Strategic Planning and Regeneration. Members then asked questions about the renovation of Scarborough town centre precinct, the need to provide a zebra crossing at the junction of York Place and Westborough, the future of the Hull

University campus in Scarborough, and the Middle Deepdale Construction Industry Training Centre. In reply, Members were informed that works to resurface and renovate the precinct would commence in January for a four month period. Any disruption would be kept to a minimum. The Council continued to work closely with Hull University on the development of higher education in the town for which there were ambitious plans. Due to commercial sensitivity he could not expand further, but was expecting to have information to share with Members very soon. Safety improvements to York Place such as a new zebra crossing would form part of the wider public consultation undertaken by the County Council. Councillor Bastiman could not give a firm figure to the number of jobs which would be created by the new Construction Industry Training Centre in Eastfield – this would be determined by employers and take up of the new facility.

Councillor Chance presented his statement as Portfolio Holder for Tourism and Culture and commended the contribution of Council staff to making the recent Barrowcliff School First World War commemoration event such a success. This praise was echoed by Councillor Chatt. Members then asked questions about the refurbishment of the waterfall in Peasholm Park, the performance of the Open Air Theatre and Seafest, and the marketing of the Borough in China. Councillor Chance responded that he would provide a full report on the Open Air Theatre to the Cabinet later in the year, but he could confirm that this summer there had been more concerts than ever before, the highest attendances, and a reduction in the Council's financial support. He was more confident now that as the Council's in house expertise continued to develop, the venue was on track to break even in 2016. As previously indicated to the Cabinet, a report evaluating Seafest would be presented to the Health and Wellbeing Scrutiny Committee in the coming months. As outlined in his open email to Councillors Norman Murphy and Popple, the waterfall in Peasholm Park had been renovated due to a significant void within the structure. The newly applied concrete may currently seem out of keeping in a parkland setting, but would quickly weather and mellow by the promotion of early lichen and moss growth. A specialist contractor would be visiting the site the following day to examine the pump at the bottom of the waterfall which unfortunately had ceased operating. The failure of the pump was unrelated to the concrete contractors who had carried out the works to the specification given. The promotion of the Borough to the overseas market, including China, had been undertaken by Welcome to Yorkshire.

Councillor Chatt presented his statement as Portfolio Holder for Public Health and Housing, adding that in response to recent concerns voiced by councillors and the public, the Director of Service Delivery had commissioned a survey of local gull populations by an ornithologist and would be bringing a report to the Environment and Economy Scrutiny Committee proposing a review of this issue. Members then commented on the different nuisance issues caused by gulls. In respect of LED upgrades to lighting, Councillor Chatt encouraged members to contact the Energy Manager, Jeremy Carter if they had any further locations to suggest.

Councillor Cockerill presented his statement as Portfolio Holder for Harbours, Assets, Coast and Flood Protection. He confirmed that a public consultation event on proposed new business activity on Endeavour Wharf had been arranged next month at Sneaton Castle Centre, Whitby. Members then asked questions about lobbying the Government to address the significant shortfall in public funding for the Whitby Harbour Coast Protection Scheme; legal proceedings in respect of works at Aefleda Terrace; attracting local businesses to bid for Council construction projects; and an update on the development of the new Town Hall. In reply, Members were advised that the local MP was involved in lobbying the Government in respect of the Whitby Harbour Coast Protection Scheme, and was brokering a meeting with the Secretary of State for Environment, Food and Rural Affairs. Councillor Cockerill was not in a position to give any assurances about the outcome of legal proceedings in respect of works at Aefleda Terrace, nor about whether the Council would incur any costs. Yes, he would bring an update on the Town Hall redevelopment to the Council. Contractors for the Whitby Fish Quay and other Council projects were taken from a local framework agreement, and local businesses with sufficient capacity were encouraged to join the framework. Councillor Chatt had given prior notification of a request to Councillor Cockerill to provide updates on (i) the Scarborough Spa Project Appraisal Report and (ii) the Risk Management Plan. Councillor Cockerill replied thus: (i) the revised PAR to provide a phased solution for the works required to the Spa area had been received in draft from the consultants. Officers had reviewed the report and costs and had issued a number of queries to the contractor for which a response was awaited. These queries were to ensure that the costs presented were at the same level that the contractor would expect to enter into a contract with the Council. Officers were also meeting with officers from the County Council to discuss their financial contribution to the project as a beneficiary of the works. He hoped to be able to bring a report to the next Cabinet for approval together with an update on funding discussions. (ii) the draft Risk Management Plan was currently being reviewed by officers. As part of this review consultation was taking place with other agencies including the Environment Agency.

Councillor Ms Donohue-Moncrieff presented her statement as Portfolio Holder for Democracy, Neighbourhoods, Stronger and Safer Communities, and answered Members' questions. In respect of the introduction of Individual Electoral Registration, the Portfolio Holder was aware of the glitches in the Government's IT software which had led to some residents receiving multiple copies of the same form. She understood this was being addressed and would keep Members informed of progress. In respect of the question of what constituted councillor attendance at a meeting – for the duration?, or if partial, for how long?- Councillor Ms Donohue-Moncrieff undertook to take advice and report back.

Councillor Mrs Kenyon-Miller presented her statement as Portfolio Holder for Finance, Procurement and Legal. There were no Members' questions.

In the absence of the Portfolio Holder for Human Resources, Performance, Transport and ICT, the Leader, Councillor Fox introduced Councillor Mrs

Marsden's statement. Members then asked questions about the implications of the recent hacking of iCloud for the Council's virtual storage of information; the difficulties some councillors had in receiving feedback on queries they had made through Customer First; and reasons for the increase in off-street car parking revenue in 2013/14. In reply, Councillor Fox commented that in the case of the recent iCloud hacking, this had been a breach of the individual's username and password, not the system, and therefore reminded Members of the importance of employing strong passwords, and never disclosing log in information. Councillor Fox understood that the increase in car parking revenue could be attributed to increased usage and the creation of additional spaces through reconfiguration of some car parks. Information on individual car parks was available from Parking Services. In response to the question about Customer First, Councillor Ms Donohue-Moncrieff advised that the new CRM model being introduced would enable greater accountability and facilitate feedback to queries and requests through individual registration. She advised councillors to continue using Customer First to request information or to email relevant officers. If councillors had an enquiry which had not been dealt with, then she advised them to refer the issue to her or to the relevant Portfolio Holder.

9. TO RECEIVE MINUTES OF THE COUNCIL'S EXECUTIVE AND COMMITTEES PUBLISHED SINCE COUNCIL LAST MET AND APPENDED HERETO.

RESOLVED that the minutes be received.

10. EXCLUSION OF THE PUBLIC

RESOLVED that in accordance with Section 100A(4) of the Local Government Act 1972 (and subject to consideration of the public interest under Paragraph 10 of Part 2 of Schedule 12A of the Act) the 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 Part 1 of Schedule 12A of the Act), namely information;

- (a) relating to any individual;
- (b) which is likely to reveal the identity of an individual; and/or
- (c) relating to the financial or business affairs of any particular person (including the authority holding that information).

11. RESTRICTED MINUTE - 7 JULY 2014

RESOLVED that the restricted Minute of the meeting held on 7 July 2014 be taken as read and signed by the Chairman as a correct record.

Chairman