

## **WEST LINDSEY DISTRICT COUNCIL**

MINUTES of the Meeting of the Policy and Resources Committee held in the Council Chamber at the Guildhall, Gainsborough on 24 July 2014 commencing at 6.30 pm.

**Present:** Councillor Tom Regis (Chairman)  
Councillor Ian Fleetwood (Vice Chairman)

Councillor Owen Bierley  
Councillor Nigel Bowler  
The Rev. Councillor David Cotton  
Councillor Chris Darcel  
Councillor David Dobbie  
Councillor Giles McNeill  
Councillor Jeff Summers  
Councillor Anne Welburn

**In Attendance:**

Ian Knowles	Director of Resources
Penny Sharp	Commercial Director
Tracey Bircumshaw	Group Accountant
Nick Ethelstone	Team Manager Area Development
Dinah Lilley	Governance and Civic Officer

**Apologies:** Councillor Ken Bridger  
Councillor Reg Shore

**Membership:** Councillor Dobbie substituted for Councillor Bridger

### **16 PUBLIC PARTICIPATION**

There was no public participation.

### **17 MINUTES**

- i) **RESOLVED** that the Minutes of the Meeting of the Policy and Resources Committee held on 12 Jun 2014 be confirmed and signed as a correct record.

### **18 MEMBERS' DECLARATIONS OF INTEREST**

Councillors McNeill, Bierley, Fleetwood and Cotton declared that they were Members of the Planning Committee and asked that this be noted in terms of report PR.12 14/15.

## **19 MATTERS ARISING SCHEDULE SETTING OUT CURRENT POSITION OF PREVIOUSLY AGREED ACTIONS AS AT 15 JULY 2014 (PR.09 14/15).**

Members gave consideration to the Matters Arising Schedule which set out the current position of all previously agreed actions as at 15 July 2014. The Governance and Civic Officer updated the Committee on the Assessment of free parking initiative, in that the matter had been entered into the Forward Plan for consideration by the Committee in November.

**RESOLVED** that progress on the Matters Arising Schedule as set out in report PR.09 14/15 be noted.

## **20 ANNUAL REPORT ON THE TREASURY MANAGEMENT SERVICE AND ACTUAL PRUDENTIAL AND TREASURY INDICATORS (PR.10 14/15)**

The Group Accountant presented the report to the Committee. The Treasury Management Annual Report reflected the Council's performance against both Treasury and Prudential Indicators. All reporting requirements had been complied with and no indicators had been breached.

£2.251m had been spent on capital investment and the issuing of capital grants which was fully financed without the need for borrowing. The Council continued to be debt free, however there were leasing commitments outstanding of £683k on operational vehicles. The Capital Financing Requirement which represented the underlying borrowing need had reduced by £97k reflecting the reduction in outstanding lease commitments and remain in an under borrowed position.

With regard to investments, £15.292m was held as at 31 March 2014, which achieved a rate of return of 0.77% excluding Icelandic Investments and 1.45% including them. The benchmark was the 7 day London Inter Bank Bid rate of 0.35%.

The Treasury Management Strategy ensured security of investment as the primary consideration, investing mainly in MMFs providing cash liquidity and fixed term deposits of less than 1 year. The investment level was comparable to the core cash resources of £17.308m, with the difference being made up of cash and bank balances and internal investments. General Fund reserves remained robust at around £14.453m.

Investments in Icelandic Banks were no longer held, having received a final dividend from Heritable, and having sold the investment in Landsbanki. Of the £7m original investment £6.661m (95.16%) had been recovered.

Members asked questions on specific details, seeking clarifying on the situation with the Icelandic banks, and the value of A – AAA rating classifications.

Councillor Darcel raised three matters which he felt should be included in the report:-

- the loan to Quickline – which was not included in the accounts for 2013-14;
- Pension liabilities – which were not relevant to Treasury Management; and
- the Council's commitment of Community Infrastructure Levy to LCC for the Lincoln bypass – which was to be determined by the Central Lincolnshire Joint Planning Unit and was not relevant to Treasury Management.

**RESOLVED** that the Annual Treasury Management Report for 2013/14 be noted and recommended to Council for the approval of the actual 2013/14 Prudential and Treasury Indicators contained therein.

## **21 COMMITTEE WORK PLAN (PR.11 14/15)**

The Governance and Civic Officer presented the Committee Work Plan which set out those items for future Committee consideration.

**RESOLVED** that the Work Plan be noted.

## **22 EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED** that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

## **23 DEVELOPMENT OF COUNCIL LAND ON CORRINGHAM ROAD, GAINSBOROUGH (PR.12 14/15)**

Clarification was given at this point that those Councillors who were also members of the Planning Committee would not be compromised as the decision required on this report was merely seeking approval of the principle of development of the site and not specific details.

The Special Projects Programme Manager showed a short presentation setting out the context to developing the site, and describing proposals to retain the footpath and public access. The SCAPE framework was explained, which was a pre-procured single supplier framework that removed the requirement for a full procurement process. Various options were set out and the risks for each considered.

The Commercial Director explained the rationale for seeking to include an alternative recommendation which gave the Council options in the event of the housing market being weak once properties had been constructed.

It was moved and seconded that the inclusion of a further option in the resolution to give more flexibility in the event of poor market conditions, be included.

On being voted upon it was **RESOLVED** that the words “both options 4a and 5 be fully explored prior to build completion” be included in the recommendation.

Councillors discussed the merits of whether the land should be sold or retained, developed or undeveloped, and considered the potential risks and benefits of each. Discussion ensued as to whether the Council was merely seeking to undertake a profitable commercial transaction or whether the social benefits of the development were to be considered, along with the physical improvements to that area of Gainsborough.

**RESOLVED** that:-

- a) the Council continue to develop the site by GF Tomlinson, procured through the SCAPE Regional Procurement Framework, optimising local employment and sourcing of materials, and that both options 4a and 5 be fully explored prior to build completion; and
- b) final approval of the contract with GF Tomlinson be delegated to the Section 151 Officer, in consultation with Leader and the Commercial Director.

**Note** Councillor Darcel wished it to be recorded that he had voted against the recommendation.

The meeting concluded at 7.39 pm.

Chairman