

**BOROUGH COUNCIL OF KING'S LYNN AND WEST NORFOLK**

**CABINET**

**Minutes from the Meeting of the Cabinet held on  
Tuesday 3<sup>rd</sup> April 2012 at 5.30pm in the Committee Suite, King's Court,  
Chapel Street, King's Lynn**

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

CAB169: **MINUTES**

**RESOLVED:** That the Minutes of the Meeting held on 6 March 2012 be approved as a correct record and signed by the Chairman.

CAB170: **URGENT BUSINESS**

There was no urgent business.

CAB171: **DECLARATIONS OF INTEREST**

There were no Declarations of Interest.

CAB172: **CHAIRMAN'S CORRESPONDENCE**

There was no Chairman's Correspondence.

CAB173: **CALLED IN MATTERS**

No matters had been called-in.

CAB174: **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

No Members were present pursuant to Standing Order 34.

CAB175: **FORWARD DECISIONS LIST**

The forward decision list was noted.

CAB176: **MATTERS REFERRED TO CABINET FROM COUNCIL BODIES**

i) **Resources and Performance Panel: 27 March 2012**

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

RP130: Treasury Management Strategy

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

Cabinet is asked to recommend to Council:

(1) The Treasury Management Strategy Statement 2012/2013, including treasury indicators for 2012/2015.

(2) The Investment Strategy 2012/2013.

(3) The Minimum Revenue Provision Policy 2012/2013.

(4) Adopt the revised Treasury Management Practices (TMPs).

RP131: Business Rates: Small Business Rate Relief and Mandatory Rural Rate Relief

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

Members agree to the Discretionary Rural Rate Relief from October 2010 to March 2013 to rural businesses adversely affected by the anomaly in the legislation.

**ii) Regeneration, Environment and Community Panel Meeting: 28 March 2012**

The Panel had made the following recommendations to Cabinet, which was dealt with when Cabinet considered the report on the agenda

REC87: Update on the Nora Housing Joint Venture and the Role of Norfolk County Council in the Project

RESOLVED: That Cabinet be informed that the Regeneration, Environment and Community Panel support the recommendations to Cabinet, as follows:

Recommendation 1

That the Chief Executive, in consultation with the Portfolio Holder for Regeneration & Commercial Services, be authorised to finalise the legal agreement with Norfolk County Council for the Joint Venture.

Recommendation 2

That a further report be brought to update the project plan for phase 1a, before a contract is let to build the first 19 housing units.

CAB177: **TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2012/2013**

Toby Cowper, Principal Accountant presented the report and explained that the Council were required to receive and approve a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy which covered:

- Capital plans, including prudential indicators
- A minimum Revenue Provision (MRP) Policy
- The Treasury Management Strategy
- An Investment Strategy

He referred to Section 3.1 of the report in relation to Capital Expenditure and explained that the revised budget for 2012/2013 was £10.2 million of which £8.6 million was fully financed leaving a net financing need for the year of approximately £1.6 million.

Toby Cowper referred to the Minimum Revenue Provision (MRP) and explained that the Council would follow the new practice of using the 'asset life' method outlined in the CLG regulations which provided for an reduction in the borrowing needed each year, previously this had been calculated using a reduction of 4% per annum. He explained that the Council did not currently operate a Local Authority Mortgage Scheme (LAMS), but it was anticipated that a report would be presented to a future meeting of the Cabinet to support lending to first time buyers and add a stimulus to the local housing market and therefore it had been advised to include it as part of the MRP Policy Statement.

Section 3.4 of the report outlined the year end resource with expected investments for 2012/2013 estimated at £19.3 million. It was highlighted that this reflected the position at a certain point in time and would be subject to change during the year.

Section 4.2 of the report outlined the limit for borrowing activity (the operational boundary) that the Council's external debt would not normally exceed and this was estimated to be £20 million up to and including the year 2014/15. However, this was the statutory limit determined under Section 3 (1) of the Local Government Act 2003 and the Council were being asked to approve an authorised debt limit of £25 million. This reflected the level of external debt which, while not desired, could be afforded in the short term, but was not sustainable in the longer term.

Toby Cowper outlined the Council's current Treasury Portfolio (Section 4.3 of the report) as at 29 February 2012 which showed a total debt of £11.87 million and total investments of £25.7 million. The prospects for interest rates were outlined under Section 4.4 of the report which reflected a bank rate currently at 0.50% and this was not expected to

start increasing until Quarter 3 of 2013. This reflected the view of the Council's treasury advisor, Sector.

Section 5.2 of the report stipulated that the Council would not borrow more, than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Section 6 of the report outlined the Council's Investment Policy, including its creditworthiness policy, a service also provided by Sector using colour coded bands to indicate the relative creditworthiness of counterparties.

Toby Cowper referred to Section 6.5 of the report which outlined suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year. The rate estimated for 2012/2013 was 0.70%. Section 6.6 outlined where the in-house managed investments were currently held as at 29 February 2012.

In response to a question from Councillor Beales, Toby Cowper undertook to confirm in more detail why the total investments were estimated to decrease from £27 million in 2011/2012 to £23.5 million by 2014/2015. Councillor Beales also requested confirmation that the Council did have the authority to access any ring fenced funding should the decision be made to invest in infrastructure. The Chief Executive confirmed that a further report would be presented to Cabinet for consideration outlining in more detail the Council's Investment Strategy. Toby Cowper also confirmed that £20 million represented the limit that the Council's external debt would not normally exceed.

Cabinet noted that the Resources and Performance Panel had given consideration to the item and had supported the recommendations.

**RECOMMENDED:** 1) That the Treasury Management Strategy Statement 2012/2012, including treasury indicators for 2012/2015 be approved.

2) That the Investment Strategy 2012/2013 be approved.

3) That the Minimum Revenue Provision Policy 2012/2013 be approved.

4) That the revised Treasury Management Practices (TMPs) be approved.

**CAB178: BUSINESS RATES: SMALL BUSINESS RATE RELIEF/ MANDATORY RURAL RATE RELIEF**

The Chief Executive explained that the report sought to address the anomaly between the business rates reductions for Small Business Rate Relief and Mandatory Rural Rate Relief that was affecting some small rural businesses. The ratepayers for these businesses would pay less business rates if they could receive the higher level of Small

Business Rate Relief rather than Mandatory Rural Rate Relief, however legislation prevented this. The Council had sought advice from Communities and Local Government (CLG) who had acknowledged the issue, but were not proposing to amend any legislation but had advised that the Council could issue discretionary rate relief when making decisions.

The Chief Executive explained that since its introduction in 2005, the Council had actively encouraged small businesses to claim the small business rate relief. The Council estimated that there were around 300 businesses that may qualify for small business rate relief that had not yet claimed. Businesses were previously required to complete an on line application form to apply, but as from 1<sup>st</sup> April 2012, this would be automatically calculated using the small business multiplier. Section 3.2 of the report outlined two types of businesses which were currently affected by the legislation.

The total cost per year to award Discretionary Rate Relief was approximately £22,000 of which central government would meet 75 per cent of the cost totalling £16,500 and the Council would have to fund the remaining £5,500. However if the Council granted discretionary relief and back dated the claims then the additional cost over the period would be £13,750 which could be met from the discretionary reserve fund.

The Leader welcomed the proposals to assist small businesses. The Chief Executive clarified that the recommendation was to back date the award of discretionary rural rate relief from October 2010.

Cabinet noted that the Resources and Performance Panel had given consideration to the item and had supported the recommendations.

**RESOLVED:** That Discretionary Rural Rate Relief be awarded from October 2010 to March 2013 to rural businesses adversely affected by the anomaly in the legislation.

CAB179:     **DATA QUALITY POLICY STATEMENT AND STRATEGY**

The Chief Executive presented a report as a result of reviewing and refreshing the Council's current Data Quality Policy Statement. The Strategy covered aspects of data quality that were already in place but reaffirmed the requirements and highlighted the standards which underpin good quality data.

**RECOMMENDED:** That the attached Data Quality Policy Statement and Strategy be adopted.

CAB180: **UPDATE ON NORA HOUSING JOINT VENTURE AND THE ROLE OF NORFOLK COUNTY COUNCIL IN THE PROJECT**

Dale Gagen, Corporate Project Officer explained that following Norfolk County Council's decision to suspend their commitment to the NORA Joint Venture, they had since reviewed their capital commitments and the report sought permission to re-engage with them, with the intention to enter into the Joint Venture Agreement.

Councillor Beales stated that it was the right decision both on a business and political level and highlighted that prior to any contract being let, a further report would be presented for consideration by Cabinet to update the project plan for phase 1a.

Cabinet noted that the Regeneration, Environment and Community Panel had given consideration to the item and had supported the recommendations.

**RESOLVED:** 1) That the Chief Executive in consultation with the Portfolio Holder for Regeneration and Commercial Services be authorised to finalise the legal agreement with Norfolk County Council for the Joint Venture.

2) That a further report be brought to update the project plan for phase 1a, before a contract is let to build the first 19 housing units.

CAB181: **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."

CAB182: **CONTRACT FOR CARELINE ALARM MONITORING**

Councillor Long presented a report that outlined proposals to complete a new alarm monitoring contract which currently expired on 30 April 2012. Because of the value of the contract, a Contract Notice had been published in the Official Journal of the European Union and had resulted in five tenders being received. The recommendation was that a new contract be completed with Invicta Telecare Ltd, the Council's current suppliers.

**RESOLVED:** That the completion of a new contract with Invicta Telecare Ltd be approved.

**The Meeting closed at 6pm**