

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

**CABINET**

**Minutes of the Meeting of the Cabinet held on  
Tuesday, 3 July 2012 at 5.30pm in the Committee Suite, King's Court,  
Chapel Street, King's Lynn**

**PRESENT:** Councillor B Long (Vice-Chairman in the Chair)  
Councillors A Beales, D Pope and Mrs V Spikings.

Apologies for absence were received from Councillors N J Daubney  
(Chairman), Lord Howard, A Lawrence and Mrs E Nockolds.

CAB31. **MINUTES**

**RESOLVED:** The Minutes of the Meeting held on 6 June 2012  
were approved as a correct record and signed by the Chairman.

CAB32. **URGENT BUSINESS**

There was no urgent business.

CAB33. **DECLARATIONS OF INTEREST**

None

CAB34. **CHAIRMAN'S CORRESPONDENCE**

None.

CAB35. **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

Councillor D Collis attended for item CAB40, 42 and 43  
Councillor P Foster attended for item CAB42

CAB36. **CALLED IN MATTERS**

None

CAB37. **FORWARD DECISIONS LIST**

The forward decision list was noted.

CAB38. **MATTERS REFERRED TO CABINET FROM COUNCIL  
BODIES**

i) **Resources and Performance Panel: 26 June 2012**  
The Panel made the following recommendations to Cabinet, which  
were taken into account when Cabinet considered the reports on the  
agenda:

RP20: Housing And Council Tax Benefit: Risk Based Verification Of New Claims

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

RP21: Hunstanton – Proposed Land Disposal – Update Report

RESOLVED: That Cabinet be informed that the Resources and Performance Panel supports the recommendations as set out in the Cabinet Report.

ii) **Audit and Risk Committee Meeting held on 26 June 2012**

The Committee made the following recommendations to Cabinet, which were taken into account when Cabinet considered the reports on the agenda:

ARC29: Cabinet Report – Annual Treasury Report 2011/2012

RESOLVED: That Cabinet be informed that the Resources and Performance – Audit and Risk Committee support the recommendations as set out in the Cabinet Report.

iii) **Regeneration, Environment and Community Panel Meeting: 27 June 2012**

The Panel made the following recommendations to Cabinet, which were taken into account when Cabinet considered the reports on the agenda:

REC27: Lynnsport Fitness/College Of West Anglia

RESOLVED: That the report be noted and that Cabinet be informed that the Regeneration, Environment and Community Panel support the Recommendations outlined in the report, as follows:

Recommendation 1

Approve the Lynnsport building change to create a new fitness suite and five lane bowls hall.

Recommendation 2

Amend Capital Programme to include a budget of £325,000 for the cost of works at Lynnsport to be met from unsupported borrowing charges through increased revenue.

Recommendation 3

The Council give consent to the College of West Anglia reference the 2003 agreement to convert the sports facilities to education use on a permanent basis.

CAB39. **ANNUAL TREASURY REPORT 2011/2012**

Cabinet considered 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 were:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council would seek to achieve those policies and objectives.
- 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.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named individual which is the Deputy Chief Executive, Executive Director for Finance and Resources.

The Annual Treasury Report looked backwards at 2011/2012 and covered:

- the Council's overall borrowing need
- the Council's treasury position/performance;
- the strategy for 2011/2012;
- the economy in 2011/2012;
- borrowing rates in 2011/2012;
- the borrowing outturn for 2011/2012;
- compliance with treasury limits and Prudential Indicators;
- investment rates for 2011/2012;
- investment outturn for 2011/2012;
- debt rescheduling;

During the year the Council maintained a cautious approach to investment and management of debt. Investments returned a percentage of between 0.81% and 1.95% exceeding the 7 day LIBID benchmark rate of 0.48%. Interest on debt averaged 2.54% in 2011/2012.

Councillor Beales, asked a number of questions for clarification purposes summarised as follows:

- what was the use for the capital financing requirement (CFR) as set out in the report, to which it was explained that the CFR recorded spending when an item was for replacement or complete refurbishment rather than for ongoing maintenance.
- What was the net rate of return relating to the range of investment income. It was explained that the total investment rate of return was 1.43%, and page 22 of the report explained the rates of the individual assessments.
- Whether the ratio of financing costs to net revenue stream was just the interest. In response it was explained that it did refer to interest only but the return on investment was less than that paid on borrowing.

Councillor Pope asked whether the information recently in the public domain regarding the fixing of interest rates between banks would have affected the Borough's investments or borrowing. It was confirmed that this would be investigated.

**RESOLVED:** That the report be noted

CAB40: **LYNNSPORT FITNESS/COLLEGE OF WEST ANGLIA**

Councillor Pope presented a report which considered the use and income generated from fitness facilities at Lynnsport and the partnership working with the College of West Anglia (COWA) for leisure courses. The report proposed that the Lynnsport facilities be re-organised to divide the current seven lane Bowls Hall into a Fitness Suite of 438m<sup>2</sup> (current area 290m<sup>2</sup>) while retaining a five lane Bowls Hall.

The capital cost of the works were estimated at £325,000 to be funded from prudential borrowing as an Invest to Save scheme.

Consultation had taken place with relevant organisations and groups. The majority of the members of the Bowls Club had been supportive of the scheme, and the users of the fitness suite surveyed had indicated support for the extension.

An outcome of the proposal was the long-term commitment of COWA to the Lynnsport site. The College would then close the sports facilities on their site and convert them for other educational use. The College needed the Council's approval for this action which was being reported to the College/Council Liaison Board for discussion.

Councillor Pope sought clarification on the reasoning behind the borrowing being taken over a 25 year period. The Deputy Chief Executive explained that there was better revenue gain if the borrowing

was taken out over the longer period, and the borrowing period was shorter there would not be the £80-100,000 saving on revenue.

Under Standing Order 34 Councillor Collis welcomed local Councillors being consulted on the proposals. He suggested that the future proofing of the service should potentially have involved the reduction in the number of lanes in the Bowls Hall to 4 in order to free up further space for the fitness suite. He questioned whether that the capital cost quoted was sufficient as he felt it would cost more in the region of £400,000. He also expressed the hope that sufficient sound proofing would be provided between the 2 operations.

In response the Executive Director Leisure and Public Space explained that the first tender exercise had come in below budget, and he was happy that the figures set out in the report were sufficient. The walls and doors were to be soundproofed, and the amount of space to be taken was agreed following consultation with the Bowls Club. It provided sufficient space to be able to provide a free weights area which would bring in additional income.

**RESOLVED:** 1) That the Lynnsport building change to create a new Fitness Suite and five lane Bowls Hall be approved.

2) That the Capital Programme be amended to include a budget of £325,000 for the cost of works at Lynnsport to be met from unsupported borrowing charges through increased revenue.

3) That the Council give consent to the College of West Anglia reference the 2003 agreement to convert the sports facilities to education use on a permanent basis.

CAB41: **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 involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Act."

CAB42: **HOUSING AND COUNCIL TAX BENEFIT: RISK BASED VERIFICATION OF NEW CLAIMS**

The Deputy Chief Executive presented a report which explained that local authorities administered Housing Benefit and Council Tax Benefit (HB/CTB) claims on behalf of the Department of Work and Pensions (DWP). Stringent checks were required to ensure the right money was paid to the right people at the right time and the local authority could request whatever evidence it felt was reasonable to support a claim for HB/CTB.

From April 2012 the DWP had permitted local authorities to use a Risk Based approach to the verification of new applications for HB/CTB once they had a Risk Based Verification Policy approved by Members. The Risk Based approach provided a risk score based on the circumstances of the claim and allowed more intense verification activity to be focused on claims more prone to fraud and error.

Under Standing Order 34, Councillor Foster drew attention to the fact that there should be a minimum level of claims to be checked in the policy. The Deputy Chief Executive explained that all claims would be checked, but was happy to include a level in the policy. He also commented that he would also include what the reporting and monitoring arrangements for the policy were.

Under Standing Order 34 Councillor Collis asked when it was likely that North Norfolk District Council would adopt the policy. It was explained that they would give it consideration once they had capacity to do so as they were currently in the middle of their conversion.

Councillor Beales commented that he felt that the percentages and risks were an estimate and wouldn't be known until it was up and running. Any anomalies would be national in nature rather than the local policy.

**RECOMMENDED:** 1) That the use of the Risk Based approach to the verification of new claims for HB/CTB and the Risk Based Verification Policy as shown at Appendix A to the report be approved, with the addition of a threshold figure to the number of claims to be checked and a note of reporting arrangements.

2) That the performance of the policy be monitored through the Resources and Performance Panel.

CAB43: **HUNSTANTON – PROPOSED LAND DISPOSAL – UP-DATE REPORT**

Councillor Beales presented a report which provided an up-date for Cabinet in respect of a previous report submitted to Cabinet in November 2010. Since the decision to progress the land disposal for development, the purchaser of the site had undertaken ground investigations, pre-planning application enquiries and further site layout and construction design work. This work had revealed additional costs in the development of this site, and the purchaser was seeking to vary the acquisition terms previously agreed.

The Property Services Manager presented plans of the proposed development.

Under Standing Order 34 Councillor Collis urged Cabinet to approve the recommendations.

**RESOLVED:** 1) That the disposal of this land asset is progressed along the revised terms set out within the report.

2) That delegated authority is given to the Property Services Manager to finalise the terms of the proposed disposals set out within this report.

3) That authority is granted to the Legal Services Manager to progress the necessary transfer, or any other associated, documentation through to completion.

CAB44: **BUSINESS RATES – APPLICATION FOR DISCRETIONARY RELIEF**

Cabinet considered a request for business rates relief from a not for profit organisation occupying a unit in the town centre to display advertisements for the forthcoming Festival. This gave rise to a business rates liability and under the current discretionary relief policy 100% relief could be considered for not for profit organisations.

**RESOLVED:** That 100 % Discretionary Relief is awarded for the duration of the occupation of the retail unit

**The Meeting closed at 6.10 pm**