

Borough Council of
**King's Lynn &
West Norfolk**



CABINET

Agenda

**TUESDAY, 5 NOVEMBER 2013
at 5.30pm**

in the

**Committee Suite
King's Court
Chapel Street
King's Lynn
PE30 1EX**



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Borough Council of
**King's Lynn &
West Norfolk**



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CABINET AGENDA

DATE: CABINET – TUESDAY, 5 NOVEMBER 2013

VENUE: COMMITTEE SUITE, KING'S COURT, CHAPEL STREET, KING'S LYNN

TIME: 5.30 pm

There are no items to be considered in private as required by Regulations 5 (4) and (5) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

1. MINUTES

To approve the Minutes of the Meeting held on 1 October 2013.

2. APOLOGIES

To receive apologies for absence.

3. URGENT BUSINESS

To consider any business, which by reason of special circumstances, the Chairman proposes to accept, under Section 100(b)(4)(b) of the Local Government Act 1972.

4. DECLARATION OF INTEREST

Please indicate if there are any interests which should be declared. A declaration of an interest should indicate the nature of the interest (if not already declared on the Register of Interests) and the agenda item to which it relates. If a

disclosable pecuniary interest is declared, the member should withdraw from the room whilst the matter is discussed.

These declarations apply to all Members present, whether the Member is part of the meeting, attending to speak as a local Member on an item or simply observing the meeting from the public seating area.

5. CHAIRMAN'S CORRESPONDENCE

To receive any Chairman's correspondence.

6. MEMBERS PRESENT PURSUANT TO STANDING ORDER 34

To note the names of any Councillors who wish to address the meeting under Standing Order 34.

7. CALLED IN MATTERS

To report on any Cabinet decisions called in.

8. FORWARD DECISIONS LIST

A copy of the Forward Decisions List is attached (Page 6)

9. MATTERS REFERRED TO CABINET FROM OTHER COUNCIL BODIES

To receive any comments and recommendations from other Council bodies some of which meet after the dispatch of this agenda. Copies of any comments made will be circulated as soon as they are available.

- Resources and Performance Panel and Audit Committee – 29 October 2013
- Regeneration, Environment and Community Panel – 26 October 2013

10. REPORTS

1) Business Improvement District (Page 9)

The report considers the formation of a Business Improvement District (BID) for King's Lynn. As part of the process to agree a BID the Council has to approve the Business Plan, arrange the ballot and is responsible for the billing and collection of the levy. The proposal is led by local businesses and will create a fund of circa £300,000 per year that the BID will allocate to bring investment to the town, enhance the environment and attract more shoppers, visitors and businesses to King's Lynn.

2) Non Domestic Rates – Discretionary Empty Property Exemption (page 34)

Central Government have introduced a new discretionary power for billing authorities to extend the exemption from payment of rates for newly completed, empty non-domestic properties for up to 18 months.

The purpose of the extended exemption is to encourage construction and reduce the risk to developers of having to pay non-domestic rates on empty properties if they are not occupied straight away.

The exemption extends the current statutory exemption period for empty properties of three months (six months for industrial properties) to up to 18 months. The extended exemption applies to all new, empty properties completed between 1.10.2013 and 30.9.2016. Central Government will fully fund the cost of the relief.

3) Mid Year Review Treasury Report (Page 37)

The Council has formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (2011) and remains fully compliant with its requirements.

One of the primary requirements of the Code is:

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 Mid Year Review Report has been prepared in compliance with CIPFA's Code of Practice.

4) Cost Reduction Programme (page 55)

The Council set out a Financial Plan 2012/2016 in February 2013 that presented a 'balanced budget' through to March 2016 based on the use of general fund balances over the period. Over the past few weeks the Government has made announcements on future funding which have a significant impact on the longer term plans of the Council.

The report sets out a number of changes to the Financial Plan that are currently underway that will produce significant levels of net savings although there will remain a need to continue with a cost reduction programme. An outline of future programmes is set out for members to consider

5) Council Information Centre – Opening Hours (page 63)

In recent years, technology has progressed and more customers choose to access council services electronically. The Government is committed to its 'Digital by Default' strategy and council websites are becoming more transactional to enable customers to access information and to submit service requests online 24/7. This, in turn, should reduce the requirement for more expensive methods of contact such as telephone or face to face enquiries. This advancement gives the CIC opportunity to reduce costs by decreasing the opening hours of the Contact Centre in line with other departments based in King's Court. The proposal will provide on-going savings of £20,517 per annum, contributing to the overall efficiency savings programme.

6) Materials Recycling Contract (Page 67)

The Borough Council, as part of a consortium of Norfolk District Councils has a contract with Norfolk Environmental Waste Services (NEWS), a wholly owned subsidiary of Norse Commercial Services Ltd for the separation and onward sale of co-mingled dry recyclable materials.

The existing contract expires at the end of March 2014, the Borough Council has conducted an EU compliant procurement exercise for a new enhanced service which was won by Norse Commercial Services Ltd and Members agreed to award this contract at Cabinet on 30 July. As the final negotiations have progressed it has become clear that the contractor will not be in a position to commence the new enhanced service until 1 October 2014. This is in part a consequence of the extended length of the procurement process and in part due to the lead times required to extend the building and procure the new equipment.

Following completion of negotiations with Norse Commercial Services it has been provisionally agreed that the most straight forward way to proceed is to extend the existing contract by six months on the existing terms and conditions and to commence the new 10 year contract from 1 October 2014.

To: Members of the Cabinet

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

Cabinet Scrutiny Committee

For further information, please contact:

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FORWARD DECISIONS LIST

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
5 November 2013	Business Improvement District	Consideration of proposals for the formation of a Business Improvement District in King's Lynn	Key	Council	Resources Deputy Chief Executive		Public
	Non Domestic Rates – Discretionary Empty Property Exemption	Report setting out new discretionary powers	Non	Council	Resources Deputy Chief Executive		Public
	Cost Reduction programme		Key	Council	Resources Deputy Chief Executive		Public
	Mid Year Review Treasury Report 2013/2014	Report outlining Mid Year Review of the Council's Treasury operation as part of the CIPFA Code of Practice	Non	Cabinet	Leader Deputy Chief Executive		Public
	Council Information Centre – Review of Opening Hours	Report to consider a reduction in the CIC opening hours	Non	Cabinet	Leader Exec Director – D Gates		Public
	Temporary extension of recycling contract	Temporary extension of contract to facilitate	Non	Cabinet	Environment Chief Executive		Public

		readiness for new contract					
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Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
4 December 2013 (changed from 3 rd Dec)	Corporate Strategy Update	Update of the Council's Corporate Strategy	Non	Council	Leader Exec Director – D Gates		Public
	Council Tax 2014/15: <ul style="list-style-type: none"> • Council Tax Support Scheme for 2014/15 • Council Tax Discounts for Second Homes and Empty Properties Overall Council Tax Base	Report setting out results of consultation on the Council Tax Support scheme and recommendations for the 2014/15 scheme, recommendations for the Council Tax Discounts for Second Homes and Empty Properties for 2014/15, and the final Council Tax Base for 2014/15	Key	Council	Leader Deputy Chief Executive		Public
	Update to Freedom of Information and Data Protection Policies	Update of the Council's Freedom of Information and	Non	Council	Leader Deputy Chief Executive		Public

		Data Protection Policies					
	Award of Cremator Contract	Following procurement exercise, approval of award of new cremator contract	Key	Cabinet	Community Deputy Chief Executive		Public
	Town Heritage Initiative		Key	Council	Regeneration Chief Executive		Public
	Strategic and Economic Infrastructure Plan		Non	Council	Regeneration & Community Chief Executive		Public
	Asset Management: Residential Property Investment Vehicle	Consideration of the use of the Council's assets to invest in residential property.	Key	Council	Resources Deputy Chief Executive		Public
	Corporate Business Plan		Non	Cabinet	Exec Dir – D Gates		Public
	Calendar of meetings 2014/15		Non	Cabinet	Exec Dir - D Gates		Public

Date of meeting	Report title	Description of report	Key or Non Key Decision	Decision Maker	Cabinet Member and Lead Officer	List of Background Papers	Public or Private Meeting
14 January 2014	HLF Town Hall development bid		Key	Cabinet	Health and Well Being Exec Director – C Bamfield		Public
	Saturday Market Place		Key	Council	Regeneration Exec Director – C Bamfield		Public
	Destination Management Plan		Non	Cabinet	Assets Chief Executive		Public

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Discretionary	Be entirely within Cabinet's powers to decide	NO	
		Need to be recommendations to Council	YES	
		Is it a Key Decision	YES	
Lead Member: Cllr Nick Daubney, Cllr Alistair Beales E-mail: cllr.nick.daubney@west-norfolk.gov.uk cllr.alistair.beales@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Chris Bamfield E-mail: chris.bamfield@west-norfolk.gov.uk Direct Dial: 01553 616648		Other Officers consulted: David Thomason, Ray Harding, Alistair Cox, Mary Colangelo, Ostap Paparega, Jo Stanton		
Financial Implications YES	Policy/Personnel Implications YES	Statutory Implications YES	Equal Impact Assessment NO	Risk Management Implications NO

Date of meeting: 5 November 2013

1 BUSINESS IMPROVEMENT DISTRICT (BID)

Summary

The report considers the formation of a Business Improvement District (BID) for King's Lynn. As part of the process to agree a BID the Council has to approve the Business Plan, arrange the ballot and is responsible for the billing and collection of the levy. The proposal is led by local businesses and will create a fund of circa £300,000 per year that the BID will allocate to bring investment to the town, enhance the environment and attract more shoppers, visitors and businesses to King's Lynn.

Recommendation

Council is recommended to approve the Business Plan submitted by the BID, carry out the work required to complete the ballot and manage the billing arrangements.

Reason for Decision

To allow the BID to be implemented subject to a successful vote.

1. Background

- 1.1 The King's Lynn Town Centre Partnership has been working to establish a BID for King's Lynn over the last two years. A BID is a business level initiative. It is an arrangement whereby businesses within a location can come together as a group to agree what additional improvements they want to see happen in their area in order to stimulate business growth, how they are going to manage and deliver those improvements; and what it will cost them. All of this information is captured in a Business Plan and a ballot held to gain business support with all businesses within the BID area voting to fund improvements specified in the Business Plan by introducing a 1.5% levy on the rateable value for the businesses in the BID area.
- 1.2 A BID can last for a maximum of five years and must be able to demonstrate how it has benefited businesses who have funded it. The Council would be responsible for raising and collecting the additional business rate BID levy and the costs of administration and collection can be recovered from the BID receipts.
- 1.3 The BID would provide an opportunity for businesses and agencies to work together to bring investment to the town, enhance the environment and ultimately attract more shoppers, visitors and businesses to King's Lynn.
- 1.4 At its meeting on 26 June 2013, the Regeneration, Environment and Community Panel received a report on the development of the BID, and the progress with the draft Business Plan from Darren Taylor, Vice Chair of the BID Steering Group and Alistair Cox, the Town Centres Manager. The Panel supported the draft proposals.
- 1.5 The final plan has additional detail with regard to the proposed BID projects at Section 6 which allocate the anticipated funding for the first five years across five key areas;
 - Marketing, promotion and event - 5 year budget - £640K
 - Improve town centre access and movement - 5 year budget - £135K
 - Improving the quality of the BID area - 5 year budget - £140K
 - Increasing profitability - 5 year budget - £225K
 - Speak up for businesses - 5 year budget - £25K
- 1.6 The Council is asked to approve the Business Plan in order for it to then go through the Statutory process for implementation.
- 1.7 The proposed area of the BID is set out in Appendix 1.
- 1.8 Business Improvement Districts already operate throughout the country with some 150 locations.

1.9 The BID has set a provisional 1.5% levy based on business rateable values which will be charged to each qualifying ratepayer using the 2010 NNDR rateable values to calculate the amount payable. It is expected to raise to circa £300,000 per year.

1.10 As part of the BID process, the Council will be expected to establish baselines of service delivery to ensure that the BID only delivers services above that which is currently provided. These will include confirming the current level of street cleaning for example and events including GEAR and the Christmas Lights switch on.

1.11 The Council role includes:

- Providing data for the baseline agreement and assisting with other aspects of legal agreements, such as the operating agreement and complementary services agreements
- Approval of the BID proposal
- Managing and carrying out all aspects of the ballot
- Billing and Collection of the Levy

2. Timescales

2.1 Timescales are now progressing for BID and the aim is for a vote to take place in March/April 2014. In order to proceed the vote needs to be satisfied on two counts; a majority of those voting by number and a majority of those voting by rateable value of the premises they occupy or are entitled to occupy. The BID would be expected to come into operation in early summer. There are statutory timescales which must be met as part of the process.

2.2 Arrangements for the vote are being made with the Council's Electoral Services.

2.3 After Council has agreed the Business Plan, the BID will need to give notice to hold a ballot to the Secretary of State. This notice must be 84 days before ballot papers can be issued. After this time, the ballot papers can be issued and the ballot is over a period of 42 days.

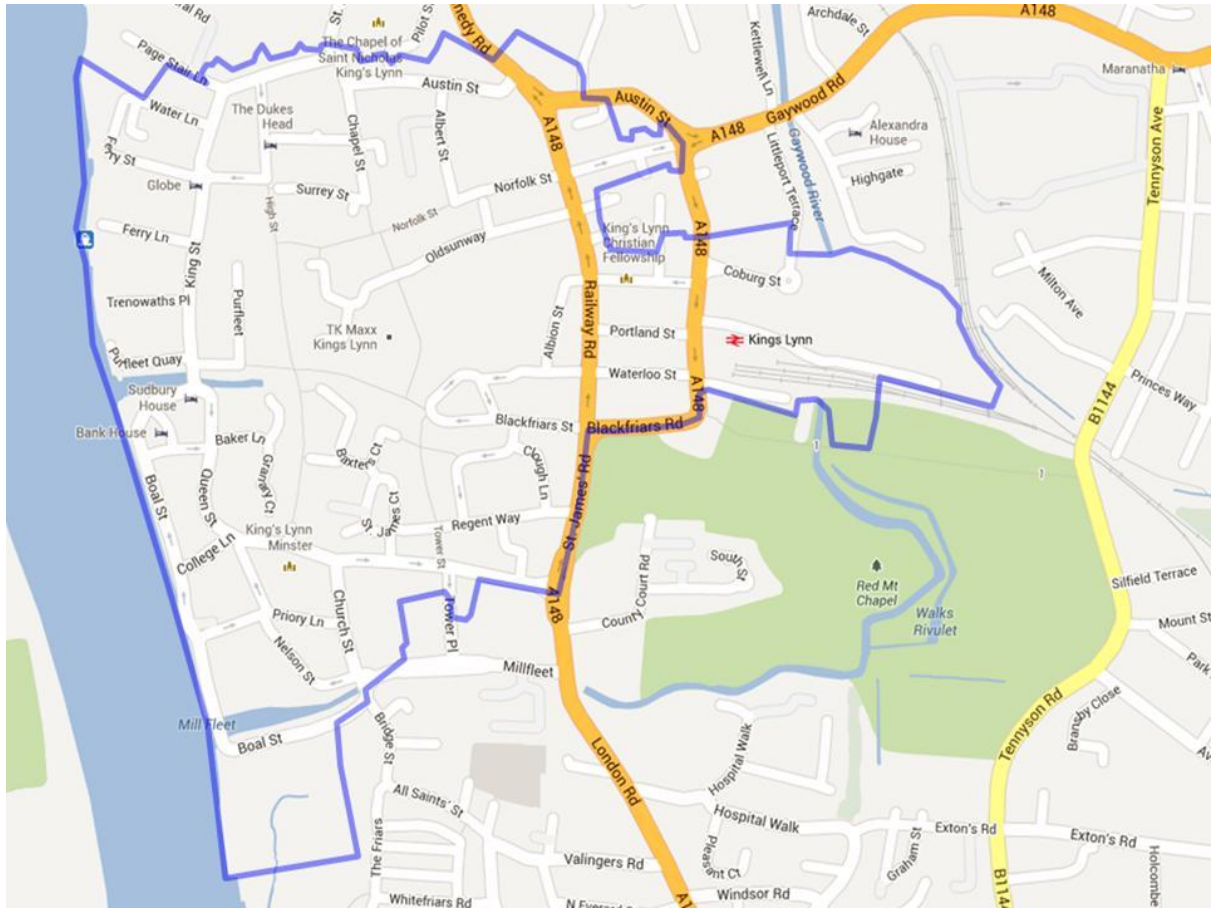
3. Financial Implications

3.1 The Council will charge the BID for administering the billing collections and recovery of the BID levy.

3.2 The Council will have to pay its own share of the BID levy if the BID is successful. The increase in the overall sum payable on the rates bill is £17,000 at 2013/2014 rating levels including areas like the Multi-storey and surface car parks, leisure facilities and council offices. The benefit that will come from a BID is a vibrant town centre that is a retail, business and residential centre and a visitor destination and cannot be underestimated. It is also likely that some services, particularly car parks, would benefit from increased activity in the town centre.

- 3.3 It is proposed that in producing the 2014-2017 Financial Plan the Council make allowances for a successful BID vote.
- 3.4 As part of the December 2012 monitoring report the Council set aside a budget provision of £25,000 to assist in the funding of the BID where it has been necessary to promote the initiative within the town and prepare the business case. This cost was met from reserves.
- 3.5 Once a business case is put by the BID, subject to approval by the Council, the next stage where the Council will be involved is in the running of the ballot. The BID regulations state that the local authority covers the cost of the ballot. Current indications are that the ballot costs will be around £5,000. This can be met from general fund reserves and can be dealt with through a transfer as part of the monthly monitoring report once Council has approved the business case.
- 3.6 If the BID receives a YES vote the Council has been asked to provide an advance in funds of £25,000 which will assist in the cashflow of the BID initiatives. The sum will be repaid from collection of income made in the year. There will be no impact on the budget of the Council other than a lost off interest earned which would be insignificant,

KLBID Area





Business Plan Proposal

October 2013

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About this Document

As we know King's Lynn is a large market town in West Norfolk with a rich heritage. The development of large out of town shopping areas, in addition to the recession and changes in shopping habits have resulted in a decline in trading performance within the town centre.

Determined to fight back, representatives from the local Town Centre Partnership, made up of organisations within the town centre, investigated a number of ways to ensure that King's Lynn remains competitive and that money is spent on projects and services which generate a positive return for the businesses within the historic town centre.

Business Improvement Districts (BIDs) have proven to be successful in reversing the decline of town centres by giving funding and power to make decisions to the businesses within them.

A steering group made up of fellow town-centre businessmen and women from within the area was then formed to progress the BID. The steering group has been responsible for promoting and developing the BID through consultation with all businesses and the production of project proposals upon which businesses will vote.

This document represents the Business Plan Proposal, outlines the activities and projects that will be delivered by the introduction of a BID to King's Lynn.

The projects and activities have been developed from feedback gathered from the BID business surveys, face-to-face meetings and open and sector specific meetings.

Thank you.

The BID Steering Group



1 A Vision for King's Lynn

King's Lynn is a town of which we can all be justly proud. We're lucky enough to live and work in a town with a rich history stretching back centuries.

King's Lynn's businesses all want the town to prosper, just as it has over the years. To do this we have to look forward and not just rest on our successful past.

With new retail parks being developed on the edge of town, now is the time to stand up and shout loud for Lynn.

We must accept that change is inevitable, that we live in a society in which the convenience of one-stop and on-line shopping increasingly appeals and so, we have to look for new ways to promote visits to our town centre. We have to be pro-active; we have to positively encourage people to visit and then to spend money in our town centre.

The work of the Business Improvement District (BID) will focus on achieving this. The whole experience of visiting King's Lynn will be transformed to attract more people and then to encourage them to stay for longer, whether they be local to the area or tourists. To do this we have to change the emphasis from 'shopping' to 'experience'. In that way we can offer new business opportunities and increase visitor spend.

This change won't be easy nor will it come overnight, but it is essential. Our vision is to make King's Lynn a true 'destination of choice' where visitors have a pleasant, interesting and memorable experience. One they will want to repeat and recommend to others.

Our Aim

To create a vibrant town we can all be proud of, where businesses prosper, our communities thrive and for visitors a true destination of choice.



2 What You Said....

2.1 Speaking to Businesses

The BID Steering Group has held over 25 events to promote the proposed BID and raise awareness amongst businesses of the benefits of King's Lynn becoming a BID town. Our Ambassadors have spoken directly with over 210 businesses to date and their feedback has been utilised to develop this Business Plan.

We are communicating regularly with businesses via a range of media to include:

- Hand delivered newsletters
- Face to Face meetings
- Email newsletters
- The BID website
- Social Media (Twitter & Facebook)
- Radio advertising and news articles in our local press

2.2 Business Priorities

The BID Steering Group and the Town Centre Partnership have undertaken research over the past 20 months to help understand the needs and views of businesses and to identify what key issues they face. We have also looked at what projects the BID will deliver.

The projects identified in this Business Plan are based on the feedback from businesses within the proposed BID area.

- **Improve town centre PR**
- **Stand up for businesses**
- **Increase footfall into the town centre**
- **Maintain and develop King's Lynn as a tourist hub**
- **Improve communications on town centre matters**
- **Develop car parking promotions within the town centre**
- **Create an environment to encourage a wider retail mix**
- **Generate operational cost savings for town centre businesses**
- **Enhance the visitor experience through a revitalised streetscape**
- **Develop a strong collective voice to shape public and commercial policy, with a particular focus on the visitor experience in the town**

3 The BID will deliver.....

3.1 Our Aim

To create a vibrant town we can all be proud of, where businesses prosper, our communities thrive and for visitors, a destination of choice.

3.2 Our Objectives

To Improve Marketing, Promotion and Events within the Town

Unified marketing and promotion of the town both in and out of the area, running additional events and promotions to draw in visitors and provide a great town centre experience.

To Improve Town Centre Access and Movement

Ensure that our town is easy to get into and travel about within. Improve signage for those travelling by foot, on bike, by public transport and car.

To Provide a Better Quality Place

Improve the townscape, working with landlords/tenants to improve shop fronts, develop a better market offering, signage and mapping.

To Increase Profitability for our Members

Work with businesses to develop procurement opportunities, identify areas for reducing overheads and dealing with issues around stock loss.

To Speak up for Businesses

Using our strong collective voice, to speak up for the town centre and town centre businesses on all matters relating to the trading environment.



4 The Proposed BID Levy and Liability

4.1 How much will the levy be?

If a majority of businesses vote in favour of the King's Lynn Business Improvement District, all eligible businesses or properties in King's Lynn town centre will pay 1.5% of their rateable value¹ each year for a period of 5 years. Over 65% of businesses will pay less than £1 per day. The 1.5% levy will provide an additional income of circa £1.5 million across the five year BID term.

Small Premises

- Rateable Value £10,000
- Annual BID Levy £150
- Daily Equivalent 41p
(less than a 2nd class stamp)



Medium Premises

- Annual BID Levy £375
- Rateable Value £25,000
- Daily Equivalent £1
(less than a cup of coffee)

Large Premises

- Annual BID Levy £1,500
- Rateable Value £100,000
- Daily Equivalent £4.10
(less than a bottle of wine)



¹ Businesses with a rateable value of £7,500 or less will pay £100 per annum

4.2 Who will pay the levy?

A BID levy is an equitable and fair way of funding additional projects and services for the benefits of businesses within our town.

- The term of the BID will be for a period of 5 years
- Businesses with a rateable value of £7,500 or less will be liable to pay £100 per annum
- Business with a rateable value of over £7500 will be charged 1.5% of their rateable value.
- The BID levy payments will be made by property occupiers only, with the exception of vacant premises when the onus is then on the property owner to pay the levy.
- There are currently approximately 660 commercial properties in the BID area which will generate a BID investment levy income of approximately £300,000 per annum, and an estimated total levy income of £1.5million over 5 years.
- The levy payments are not linked to what businesses actually pay in rates but are based on the rateable value of the property.
- There will be no VAT charged on the BID levy.
- The only exceptions will be places of worship and non-retail charities with a rateable value of £7,500 or less (this means that these premises will not pay the levy and will not be entitled to vote.)

Government Legislation and Regulations govern the BID process. As such, if a majority vote has been achieved, the BID levy becomes mandatory on all defined ratepayers.

4.3 Collection of the levy

The Borough Council of King's Lynn and West Norfolk will collect the investment levy on behalf of the BID as this is an efficient, safe and cost effective method of collection. The Borough Council will then pass the whole income onto the BID Company to be used only for BID projects. It will NOT be used as an additional source of income for The Borough Council.



5 The Proposed BID Area

5.1 Introduction

The proposed BID area will cover the area shown in the map below. This is viewed as the core business area of the town centre of Kings Lynn.

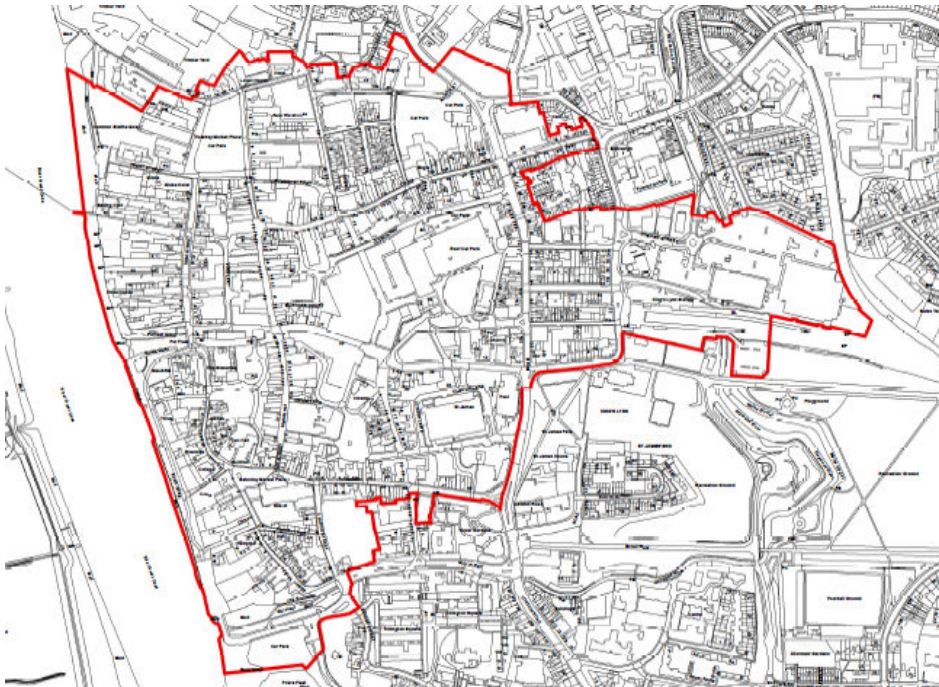


Figure 5.1 Proposed BID Area

5.2 The proposed BID will cover the following streets

- | | | | |
|---------------------|--------------------|-----------------------|----------------------|
| Albert Street | Ferry Lane | Paradise Parade | St James Street |
| Albion Street | Ferry Street | Paradise Place | St Dominic Square |
| Austin Street | Granary Court | Paradise Road | St James Road |
| Baker Lane | High Street | Paradise Street | St Margarets Lane |
| Baxters Plain | John Kennedy Road* | Portland Street | St Margarets Place |
| Blackfriars Road | King Staithe Lane | Priory Lane | St Nicholas Street |
| Blackfriars Street | King Street | Purfleet Quay | Surrey Street |
| Boal Quay | Market Lane | Purfleet Street | Thoresby College |
| Boal Street | Millfleet* | Queen Street | Tower Place* |
| Broad Street | Nelson Street | Railway Road | Tower Street |
| Burtons Court | New Conduit Street | Railway Station | Trenowath Place |
| Chapel Street | Norfolk Street | Regent Place | Tuesday Market Place |
| Church Street | Old Market Street | Regent Way | Union Lane |
| Clough Lane | Old School Court | Saturday Market Place | Vancouver Centre |
| Coburg Street | Oldsunway | Sedgeford Lane | Water Lane |
| College Lane | Paige Stair Lane* | South Clough Lane | Waterloo Street |
| Common Staithe Quay | Paradise Lane | South Quay | Wellesley Street |
| | | | White Lion Court |

*only part of the street is included, full details are available on the website www.kingslynnbid.com

6 The Proposed BID Projects

6.1 Introduction

The following provides a list of suggested projects and activities the BID will undertake and how the BID levy will be utilised.

6.2 Marketing, Promotion and Events – 5 year budget £640K

Unified marketing and promotion of the town both in and out of the area, running additional events and promotions to draw in visitors and provide a great town centre experience.

- Comprehensive marketing plan developing and promoting King's Lynn as a destination town.
- Create a town guide and state of the art website allowing BID members to promote their offers and events.
- Develop a Town Centre loyalty card and shopping voucher scheme.
- Regular Town Centre promotions, themed weeks and a 'shop local' scheme.
- Promote offers and discounts from local retailers, leisure and transport operators to those working in local offices.
- Develop an annual programme of events and activities across the whole BID area.
- Develop car parking and local transport promotional activities

6.3 To Improve Town Centre Access and Movement – 5 year budget £135K

Ensure that our town is easy to get into and travel about within. Improve signage for those travelling by foot, on bike, by public transport and car.

- Work with partners to improve parking provision in the area and the production of a parking guide and signage, including a 'How to get to' guide for King's Lynn BID area distributed throughout the catchment area.
- Provide large town maps in key location such as the multi-storey car park, bus and train station and other key locations within the town.

6.4 Improving the Quality of the BID Area – 5 year budget £140K

Improve the townscape, working with landlords/tenants to improve shop fronts, develop a better market offering, signage and mapping.

- Promote the area for inward investment, new office occupiers and retailers. Attracting new investment is vital to ensure the existing business community thrive.
- Working with the local authority to revitalise the markets within the town.
- Work with partners to introduce family friendly facilities i.e. weekend shopper crèche
- Investigate premises improvement grants
- Undertake a review of the existing streetscape to identify areas for improvement (to enable funding bids)
- Provide additional planters and hanging baskets around the town

6.5 Increasing Profitability – 5 year budget £225K

Work with businesses to develop procurement opportunities, identify areas for reducing overheads and dealing with issues around stock loss.

- ‘One Stop Shop’ assistance from the King’s Lynn BID team on any matters relating to the trading environment, saving you time and money, easing your frustrations and working toward getting faster and more satisfactory results
- Provide water and energy audits for businesses
- Developing business to business trading opportunities (supporting each other)
- Introduce a town wide waste collection and recycling scheme to reduce the cost of waste collection
- Identify opportunities to develop further radio link and CCTV monitoring across the town
- Support crime prevention initiatives

6.6 Speak up for Businesses – 5 year budget £25K

Coordinate lobbying as a strong collective voice, to speak up for the town centre and town centre businesses on all matters relating to the trading environment.

- Act as a voice between businesses and other key stakeholders within the town on key issues.
- Lobby for additional funds; apply for funding and grants to invest in extra improvement projects within the BID area.
- Act as a formal body representing business views where consultation is required on key projects within the BID area or on projects, which affect businesses within the BID area.
- Creation of a town centre newsletter for all businesses, featuring relevant town centre news, forthcoming events, footfall figures and industry news

7 The Budget

7.1 Levy Income

From over 600 businesses within the town we have calculated that the BID will generate approximately £300,000 per annum from the levy alone. Table 7.1 below provides an overview of the budget allocation per annum within the key projects areas identified in chapter 6.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Marketing, Promotion & Events	£100K	£125K	£125K	£145K	£145K	£640K
Access & Movement	£35K	£30K	£30K	£20K	£20K	£135K
Quality of BID area	£40K	£30K	£30K	£20K	£20K	£140K
Increasing profitability	£45K	£45K	£45K	£45K	£45K	£225K
Speaking Up for Business	£5K	£5K	£5K	£5K	£5K	£25K
Administration & Personnel	£60K	£50K	£50K	£50K	£50K	£260K
Contingency	£15K	£15K	£15K	£15K	£15K	£75K
Total	£300K	£300K	£300K	£300K	£300K	£1.5m

Table 7.1 BID Budget – 5 year plan

7.2 Additional Funding

The BID Company will explore additional funding opportunities to enhance the projects and services it delivers. This will be in the form of grants for specific projects. Businesses located outside of the BID area will also be invited to contribute in order that they can benefit from the projects, activities and services that the BID will deliver (This will not however be at the expense of a business located within the BID area).

Across the UK BIDs have generated on average an additional 35p of funding for every £1 invested from businesses by using the BID levy to lever additional funds. This could mean an additional £525,000 of investment into the town for the benefit of your business in addition to the £1.5million BID levy.

7.3 BID Administration

In order for the BID Business Plan to be delivered there will be a need to use personnel to not only manage the administration of the BID but also to deliver the projects contained within the BID Business Plan. Any personnel appointed to undertake this role will be supported and directed by members of the King's Lynn BID Board who will be made up of Business representatives from across all business sectors within the BID area.

8 The Ballot

8.1 About the Ballot

- Ballot papers, together with a copy of this BID Business Plan will be posted to the person responsible for casting a vote within their business. In the case of national companies the responsibility for voting may lie with head office.
- The BID ballot is a confidential postal ballot conducted by The Borough Council of King's Lynn and West Norfolk on behalf of the King's Lynn BID and in line with English BID Legislation.
- Where a business property is vacant the voting papers will be sent to the property owner.
- Voting papers are easy to complete, simply place a cross on either "yes" or "no" to the question "are you in favour of a BID?"
- Of those that vote, over 50% by number and 50% by combined rateable value must vote in favour of the BID.
- All eligible voters (i.e. those persons liable to pay non domestic rates) will have one vote or where a person is a ratepayer for more than one business, that individual shall be eligible to cast more than one vote however they will be required to pay the levy for each of the properties that they occupy.
- If the ballot is successful, the BID will run for a period of five years from the date of commencement.
- If the ballot is unsuccessful, things will remain as they are and the BID Steering Group will be disbanded.

8.2 Who will pay for the ballot

The cost of the ballot, to be carried out by The Borough Council King's Lynn and West Norfolk, will be in the region of £3000. The Borough Council King's Lynn and West Norfolk have agreed to cover this cost.

8.3 Alteration of BID arrangements

The BID area and the BID levy percentage cannot be altered during the term of the BID term without an "Alteration Ballot".

9 The BID Company and BID Responsibilities

9.1 The BID Company - Governance

Following a successful vote, the King's Lynn BID Steering Group will setup a Not-for-Profit Company. The BID company will be directly accountable to all levy payers for the successful delivery of the BID and they will report regularly to a Board of Directors.

The BID company will have a Board of Directors which will be made up of representatives from businesses each of whom pays the 'Levy'. The BID will be a company run by local businesses for local businesses.

All levy payers within the BID area will be eligible to stand for election to the BID Board. The Board will manage funds that are collected by the BID levy and will direct a BID team in the delivery of the BID projects (identified in the BID Business Plan). This arrangement will ensure projects are delivered and any financial liabilities of the BID board are transparent and answerable to the BID Businesses who pay the levy.



9.2 Baseline Services and Service Level Agreements

The BID will ensure that services provided and funded by businesses through the BID are in addition and do not duplicate or substitute any services provided by The Borough Council of King's Lynn and West Norfolk, Norfolk County Council, Norfolk Police or other public agencies. To do this a baseline service agreement will be in place.

Borough Council of
**King's Lynn &
West Norfolk**



NORFOLK
CONSTABULARY
Our Priority is You

The services directly delivered by the BID will be an effective and efficient use of the levy funds and will be additional to any statutory service provided by the statutory authorities. The baseline services agreement gives an assurance to business owners that the BID levy will only be used for the additional projects which they voted on in the BID ballot.

Additionally, a baseline agreement avoids the risk that all relevant public agencies will not reduce their current statutory level of service to the BID area following a successful ballot.

The services already provided by public agencies (both statutory and discretionary) within the BID area are shown below.

Service Level Agreements

- Public conveniences
- Street cleansing and litter bin emptying
- Commercial waste collections
- Horticultural and grounds maintenance works
- Road signage and street furniture
- Roads, pavements and car park maintenance (including winter maintenance)
- Street lighting maintenance
- Festive Lighting

A full and detailed list of services provided in the BID area by The Borough Council of King's Lynn & West Norfolk and other public agencies will be provided before the ballot period.

Monitoring the BID

The success of the BID will be measured by:

To Improve Marketing and Events within the Town

- Footfall
- Advertising effectiveness measurement

To Improve Access and Transport for all

- Perception of accessibility to and around area
- Car parking usage (where available)
- Public transport usages statistics (where available)

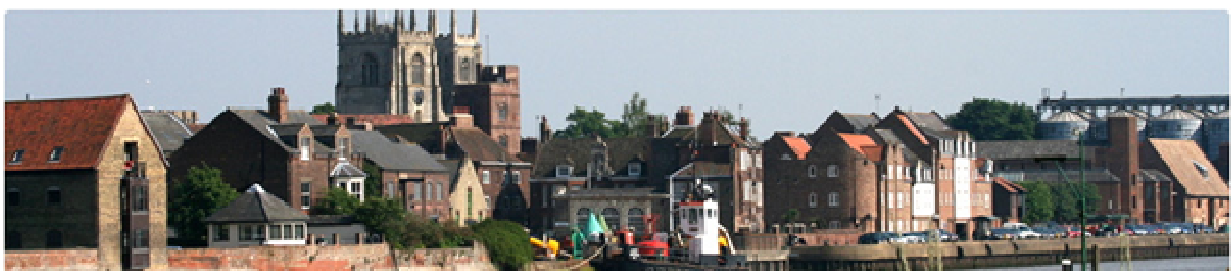
To provide a Better Quality Place

- Perception of Quality of place

To Increase Profitability for our members

- Feedback from businesses

There will be many factors that influence some of these measures, so an annual report will set the Key Performance Indicators (KPIs) in the context of external influences. It may be found that other measures can be used to provide a more accurate reflection of the impact of the BID on businesses in the area.



10 Key Questions and Answers

10.1 What exactly is a BID?

A Business Improvement District (BID) is an area within which local businesses agree, through a local ballot, to pay an additional charge on their business rates. An independent business-led company will manage these funds.

This company seeks to guarantee, improve and enhance services and environmental conditions of this defined geographic area of commercial activity. But, it's also a way for everyone who runs a business in the town centre to make more revenue.

10.2 Why a BID for King's Lynn?

The public sector provide us with the basic baseline services and at this time of economic uncertainty a BID could generate an additional £1.5 million of investment over 5 years for projects and schemes that you feel would really benefit your town.

10.3 Who pays for a BID?

All eligible businesses within the BID proposal area have the opportunity to vote for the King's Lynn BID. If the majority vote YES, then all eligible businesses within the BID area pay the agreed levy. This is a percentage of your rateable value.

10.4 How much would we pay?

In order to deliver the projects and services that would make a difference to King's Lynn Town centre, we estimate that something like 65% of businesses in King's Lynn town centre would pay less than £1.00 per day as their contribution.

10.5 Isn't that what we pay our business rates for?

No. Business Rates are a national tax that is collected by The Borough Council King's Lynn and West Norfolk on behalf of central government and then redistributed according to a national formula.

The Council's income from this redistribution is spent throughout the town on statutory and discretionary services for residents and businesses. Businesses have very little say in the way the funds are spent.

The great thing about a BID is that the projects have been set by businesses, through a series of consultations. The money is kept locally, and spent locally, for the benefit of the local area. The BID levy is nothing to do with business rates. It is based on a levy on the rateable value of the business unit and the funds are invested within the BID area.

10.6 Do BIDs really work?

YES. There are over 120 successful BID's in the UK ranging from large cities such as Birmingham, Lincoln, Liverpool & Newcastle to town centres such as Bedford, Busy St Edmunds, Norwich, Cambridge & Great Yarmouth. Information on all UK BID's can be found on the UK BID's advisory website. www.ukbids.org

Bedford Town Centre businesses voted in 2005 for a BID, which meant over £2.5m being put into the running of the centre. Over that period it saw increases in footfall, reductions in crime and the introduction of a hugely popular marketing programme. All this meant that when it came for Businesses to vote again they had a resounding yes in 2010 to keep it for another 5 years.

10.7 What Happens Next?

This BID business plan has now been finalised and approved and we will go to Vote in March 2014. A copy of this document will be sent to every business who is entitled to vote along with the ballot papers at least 28 days before the ballot date. This document sets out; the bid area, the levy investment rules and most importantly what projects and initiatives the BID propose to deliver to support a vibrant and prosperous town centre.

Once we know the outcome of the Ballot we will inform all businesses and proceed accordingly.

10.8 How can I help?

There are lots of ways in which you can support the BID

- Become a BID Ambassador
- Become a member on the Steering Group
- Attend one of our events to find out more about the BID and what it means for your business
- Provide feedback on this draft business plan.

10.9 Still not sure what it's about?

If you're still not use what a BID is, how it can benefits your business or why you should get involved please come to one of our events or get in touch.

Contact Us

Email: jess@kingslynnbid.com

Tel: 07956 433 975

Website: www.kingslynnbid.com

Follow us on Twitter: @Kings_Lynn_BID

See us on Facebook: KingsLynnBid

Write to us at:

King's Lynn BID
18 Tuesday Market Place,
King's Lynn,
Norfolk.
PE30 1JW



REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory/	Be entirely within Cabinet's powers to decide	YES/NO	
	Discretionary /	Need to be recommendations to Council	YES/ NO	
	Operational	Is it a Key Decision	YES/NO	
Lead Member: Cllr Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Jo Stanton E-mail: joanne.stanton@west-norfol.gov.uk Direct Dial:01553 616349		Other Officers consulted: Management Team Paul Harrison		
Financial Implications YES/NO	Policy/Personnel Implications YES/NO	Statutory Implications YES/NO	Equal Impact Assessment YES/NO If YES: Pre-screening/ Full Assessment	Risk Management Implications YES/NO

Date of meeting: 5 November 2013

2 NON DOMESTIC RATES – DISCRETIONARY EMPTY PROPERTY EXEMPTION

Summary

Central Government have introduced a new discretionary power for billing authorities to extend the exemption from payment of rates for newly completed, empty non-domestic properties for up to 18 months.

The purpose of the extended exemption is to encourage construction and reduce the risk to developers of having to pay non-domestic rates on empty properties if they are not occupied straight away.

The exemption extends the current statutory exemption period for empty properties of three months (six months for industrial properties) to up to 18 months. The extended exemption applies to all new, empty properties completed between 1.10.2013 and 30.9.2016. Central Government will fully fund the cost of the relief.

Recommendation

It is recommended that the new discretionary power is adopted and delegated authority is given to the Revenues and Benefits Manager following consultation with the Leader of the Council, to award the exemption to qualifying properties.

Reason for Decision

To allow the extended exemption to be awarded to newly completed, empty non-domestic properties.

1. Background

1.1. Newly built empty non-domestic properties currently receive a statutory three month exemption from payment of rates (six months for industrial properties) from the date they are completed. Following this, if they remain empty, the Empty Rate, currently 100% of the non-domestic rate charge, becomes payable.

2. Changes

2.1. Central Government have introduced a new discretionary power for billing authorities to exempt all newly built empty non-domestic properties for up to 18 months after they are completed, up to State Aid limits. This is an extension of 15 months (12 months for industrial properties) on the statutory exemption.

2.2. The discretionary power is being introduced for new properties completed between 1 October 2013 and 30 September 2016 whilst they are empty.

2.3. Central Government will fully reimburse billing authorities for the cost of the additional exemption.

2.4. The purpose of the measure is to help stimulate construction and reduce the risk for developers of having to pay Empty Rates on newly completed properties if they are not occupied straight away. The Government's view is that reducing the risk may incentivise some commercial property projects to go ahead that wouldn't otherwise.

2.5. The criteria for the relief are:

- The property must be newly completed or mainly comprised of new structures
- It must be completed between 1.10.2013 and 30.9.2016
- It must be empty
- The statutory exemption still applies
- The discretionary exemption then extends this to a maximum of 18 months exemption

2.6 The relief does not include:

- New properties completed before 1.10.2013 or after 30.9.2016
- Existing properties which become empty
- Occupied properties
- Any relief which exceeds State Aid limits

2.7 Any award of relief is at the discretion of the billing authority and the full cost will be reimbursed by Central Government.

3 Policy Implications

3.1 The power to extend the exemption is discretionary and would be a temporary change of policy.

3.2 If the change to the policy is approved by Council then the criteria will automatically apply across all developments within the Borough. It is proposed that the authority to award the relief is delegated to the Revenues and Benefits Manager.

4 Financial Implications

4.1 None. Central Government will fully reimburse the cost of the relief.

5 Equality Impact Assessment (EIA)

5.1 Not required. Pre-screening form completed

Open	Would any decisions proposed :			
Any especially affected Wards	(a) Be entirely within Cabinet's powers to decide YES			
None	(b) Need to be recommendations to Council NO			
	(c) Be partly for recommendations to Council NO and partly within Cabinets powers –			
Lead Member: Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted: None		
		Other Members consulted: None		
Lead Officer: Lorraine Gore E-mail: lorraine.gore@west-norfolk.gov.uk Direct Dial: 01553 616249		Other Officers consulted: David Thomason, Management Team		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications (incl S.17) YES	Equal Opportunities Implications NO	Risk Management Implications YES

Date of meeting: 5 November 2013

3 MID YEAR REVIEW TREASURY REPORT 2013/2014

Summary

The Council has formally adopted the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (2011) and remains fully compliant with its requirements.

One of the primary requirements of the Code is:

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 Mid Year Review Report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for the first six months of 2013/2014
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy 2013/2014
- The Council's capital expenditure (prudential indicators)
- A review of the Council's investment portfolio for 2013/2014
- A review of the Council's borrowing strategy for 2013/2014
- A review of any debt rescheduling undertaken during 2013/2014
- A review of compliance with Treasury and Prudential Limits for 2013/2014

Recommendations

Cabinet is asked to note the report and the treasury activity.

Reason for the Decision

The Council must make a Mid Year Review of its Treasury operation, as part of the CIPFA code of Practice.

1. Background

1.1 The Council operates a balanced budget, which broadly means cash raised during the year and the use of reserves and balances will meet its cash expenditure. Part of the treasury management operations ensure this cash flow is adequately planned, with surplus monies being invested in low risk counterparties, providing adequate liquidity initially before considering maximising investment return.

1.2 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses and investing, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

1.3 As a consequence treasury management is defined as:

“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

2. Introduction

2.1 The Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2011 as adopted by this Council in April 2013.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment

Strategy and Minimum Revenue Provision Policy - for the year ahead, a **Mid-year Review Report** and an Annual Report (stewardship report) covering activities during the previous year.

4. 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.
5. Delegation by the Council of the role of scrutiny of Treasury Management strategy and policies to a specific named body. For the Council the delegated body is the Audit Committee.

2.2 This mid-year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following:

- An economic update for the first six months of 2013/14;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure (prudential indicators);
- A review of the Council's investment portfolio for 2013/14;
- A review of the Council's borrowing strategy for 2013/14;
- A review of any debt rescheduling undertaken during 2013/14;
- A review of compliance with Treasury and Prudential Limits for 2013/14.

3 Economic update

3.1 Global economy

During 2013/14 economic indicators suggested that the economy is recovering, albeit from a low level. After avoiding recession in the first quarter of 2013, with a 0.3% quarterly expansion the economy grew 0.7% in Quarter 2 (Q2). There have been signs of renewed vigour in household spending in the summer, with a further pick-up in retail sales, mortgages, house prices and new car registrations.

The strengthening in economic growth appears to have supported the labour market, with employment rising at a modest pace and strong enough to reduce the level of unemployment further. Pay growth also rebounded strongly in April, though this was mostly driven by high earners delaying bonuses until after April's cut in the top rate of income tax. Excluding bonuses, earnings rose by just 1.0%, well below the rate of inflation at 2.7% in August, causing continuing pressure on household's disposable income.

The Bank of England extended its Funding for Lending Scheme (FLS) into 2015 and sharpened the incentives for banks to extend more business funding, particularly to small and medium size enterprises. To date, the mortgage market still appears to have been the biggest beneficiary from the scheme, with mortgage interest rates falling further to new lows. Together with the Government's Help to

Buy scheme, which provides equity loans to credit-constrained borrowers, this is helping to boost demand in the housing market. Mortgage approvals by high street banks have risen as have house prices, although they are still well down from the boom years, pre 2008.

Turning to the fiscal situation, the public borrowing figures continued to be distorted by a number of one-off factors. On an underlying basis, borrowing in Q2 started to come down, but only slowly, as Government expenditure cuts took effect and economic growth started to show through in a small increase in tax receipts. The 2013 Spending Review, covering only 2015/16, made no changes to the headline Government spending plan, and monetary policy was unchanged in advance of the new Bank of England Governor, Mark Carney, arriving. Bank Rate remained at 0.5% and quantitative easing also stayed at £375bn. In August, the Monetary Policy Committee (MPC) provided forward guidance that Bank Rate is unlikely to change until unemployment first falls to 7%, which was not expected until mid 2016. However, 7% is only a point at which the MPC will review Bank Rate, not necessarily take action to change it. The three month to July average rate was 7.7%.

Consumer Price Index (CPI) inflation (MPC target of 2.0%), fell marginally from a peak of 2.9% in June to 2.7% in August. The Bank of England expects inflation to fall back to 2.0% in 2015.

Financial markets sold off sharply following comments from Ben Bernanke (the Federated Reserve Bank chairman) in June that suggested the Federated Reserve Bank (Fed) may 'taper' its asset purchases earlier than anticipated. The resulting rise in US Treasury yields was replicated in the UK. Equity prices fell initially too, as Fed. purchasing of bonds has served to underpin investor moves into equities out of low yielding bonds. However, as the market moves to realign its expectations, bond yields and equities are likely to rise further in expectation of a continuing economic recovery. Increases in payroll figures have shown further improvement, helping to pull the unemployment rate down from a high of 8.1% to 7.3%, and continuing house price rises have helped more households to escape from negative equity. In September, the Fed. surprised financial markets by not starting tapering as it felt the run of economic data in recent months had been too weak to warrant taking early action. Bond yields fell sharply as a result, though it still only remains a matter of time until tapering does start.

Tensions in the Eurozone eased over the second quarter, but there remained a number of triggers for a renewed flare-up. Economic survey data improved consistently over the first half of the year, pointing to a return to growth in Q2, so ending six quarters of Eurozone recession.

3.3 Sector's Outlook for the next six months of 2013/14

Economic forecasting remains difficult with so many external influences weighing on the UK. Volatility in bond yields is likely during 2013/14 as investor fears and

confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds. Downside risks to UK gilt yields and PWLB rates include:

- A return to weak economic growth in the US, UK and China causing major disappointment to investor and market expectations
- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable: the coalition government fell on 29 September 2013.
- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.
- Geopolitical risks e.g. Syria, Iran, North Korea, which could trigger safe haven flows back into bonds

Upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- Increased investor confidence that sustainable robust world economic growth is firmly expected, together with a reduction or end of Quantitative Easing (QE) operations in the US, causing a further flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
- In the longer term - a reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.
- Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and sustained recovery of economic growth, causing the ratio of total Government debt to Gross Domestic Product (GDP) to rise to levels that provoke major concern.

The overall balance of risks to economic recovery in the UK is now weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last, and it remains exposed to vulnerabilities in a number of key areas. The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Near-term, there is some residual risk of further QE if there is a dip in strong growth or if the MPC were to decide to take action to combat the market's expectations of an early first increase in Bank Rate. If the MPC does takes action to do more QE in order to reverse the rapid increase in market rates, especially in gilt yields and interest

rates up to 10 years, such action could cause gilt yields and PWLB rates over the next year or two to significantly undershoot the forecasts in the table below. The tension in the US over passing a Federal budget for the new financial year starting on 1 October and raising the debt ceiling in mid October could also see bond yields temporarily dip until agreement is reached between the opposing Republican and Democrat sides. Conversely, the eventual start of tapering by the Fed. will cause bond yields to rise.

3.4 Capita Asset Services (Sector) interest rate forecast

	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Bank rate	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%
5yr PWLB rate	2.50%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%
10yr PWLB rate	3.70%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
25yr PWLB rate	4.40%	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.20%
50yr PWLB rate	4.50%	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.30%

Expectations for the first change in Bank Rate in the UK are now dependent on how to forecast when unemployment is likely to fall to 7%. Financial markets have taken a very contrary view to the MPC and have aggressively raised short term interest rates and gilt yields due to their view that the strength of economic recovery is now so rapid that unemployment will fall much faster than the Bank of England forecasts. They therefore expect the first increase in Bank Rate to be in quarter 4 of 2014. There is much latitude to disagree with this view as the economic downturn since 2008 was remarkable for the way in which unemployment did not rise to anywhere near the extent likely, unlike in previous recessions. This meant that labour was retained, productivity fell and now, as the MPC expects, there is major potential for unemployment to fall only slowly as existing labour levels are worked more intensively and productivity rises back up again. The size of the work force is also expected to increase relatively rapidly and there are many currently self-employed or part time employed workers who are seeking full time employment. Capita Asset Services take the view that the unemployment rate is not likely to come down as quickly as the financial markets are currently expecting and that the MPC view is more realistic. The prospects for any increase in Bank Rate before 2016 are therefore seen as being limited. However, some forecasters are forecasting that even the Bank of England forecast is too optimistic as to when the 7% level will be reached and so do not expect the first increase in Bank Rate until spring 2017.

4 Treasury Management Strategy Statement and Annual Investment Strategy update

4.1 *The Treasury Management Strategy Statement (TMSS) for 2013/2014 was approved by this Council on 5 March 2013. The Council's Annual Investment Strategy, which is incorporated in the TMSS, outlines the Council's investment priorities as follows:*

- *Security of capital*
- *Liquidity*

4.2 *The Council will also aim to achieve the optimum return (yield) on investments commensurate with the proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term (maximum loan period of 12 months), and only invest with highly credit rated financial institutions, using Sector's suggested creditworthiness approach, including sovereign credit rating and credit default swap (CDS) overlay information provided by Sector.*

4.3 A breakdown of the Council's investment portfolio is shown in Section 6 and Appendix 1 of this report.

4.4 Borrowing rates have been at historically low rates during the first six months of the 2013/14 financial year. Borrowing during the first six months of the year has been in line with the strategy, and there have been no deviations from the strategy.

4.5 As outlined in Section 3 above, there is still considerable uncertainty in the financial and banking market, both globally and in the UK. In this context, it is considered that the strategy approved on 5 March 2013 is still fit for purpose in the current economic climate.

5 The Council's Capital Position (Prudential Indicators)

This part of the report is structured to update:

- The Council's capital expenditure plans;
- How these plans are being financed;
- The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
- Compliance with the limits in place for borrowing activity.

5.1 Prudential Indicator for Capital Expenditure

The capital programme approved by Council on 8 January 2013 was updated for rephrasing and amendments as part of the closedown of the accounts 2012/2013. The updated estimates were approved by Council on 17 June 2013 and are shown in Table 1 below. The capital programme 2013/2016 has been revised as reported in the Monthly Monitoring reports.

Table 1

Portfolio	Capital Programme 2013/2014 (Council 17 June 2013)	Expenditure as at 30 September 2013	Revised Capital Programme 2013/2014 (September Monitoring)
	£'000	£'000	£'000
Community & Democracy	1,443	93	1,044
Environmental Imp & Protection	1,223	1,328	1,247
Housing	2,758	624	2,758
Performance & Resources	707	363	1,105
Regeneration	2,674	631	2,666
Safer & Healthy Communities	1,166	11	1,166
Joint Venture - Housing	7,294	2	7,294
Leisure Companies	629	176	498
Total Capital Programme	17,265	3,228	17,778

5.2 Changes to the Financing of the Capital Programme

Table 2 below shows the expected financing arrangements of the capital expenditure detailed above. The borrowing element of the table increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need will also be supplemented by maturing temporary debt and other treasury cash flow requirements.

Table 2

Capital Expenditure	Capital Programme 2013/2014 (Council 17 June 2013)	Revised Capital Programme 2013/2014 (September Monitoring)
	£'000	£'000
Total spend	17,265	17,778
Financed by:		
Capital receipts	4,211	4,211
Capital grants	577	577
Capital reserves	2,389	2,902
Total resource	7,177	7,690
Borrowing need	10,088	10,088
Total Financing	17,265	17,778

5.3 Changes to the Prudential Indicators for the Capital Financing Requirement (CFR), External Debt and the Operational Boundary

Table 3 shows the CFR, which is the underlying external need to incur borrowing for a capital purpose. It also shows the expected debt position over the period. This is termed the Operational Boundary.

Prudential Indicator – Capital Financing Requirement

The original estimated CFR for 2013/2014 included in the Treasury Management Strategy Statement 2013/2014 was based on an estimated outturn CFR for 2012/2013 of £12.4m, the actual outturn was £13.5m. The revised CFR for 2013/2014 after rephasing from 2012/2013 and revised capital resources, is £18.2m. The 2013/2014 CFR incorporates the impact of borrowing to finance the Housing Joint Venture.

Prudential Indicator – External Debt / the Operational Boundary

Section 3 of the Local Government Act 2003 requires the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Affordable Borrowing Limit”. The Limit is in fact two sets of figures:

- the Authorised Limit for External Debt is the maximum borrowing that the Council can incur in a set period further prudential indicator controls the overall level of borrowing. The Authorised Limit represents the limit beyond which borrowing is prohibited, and needs to be set and revised by Members. It reflects the level of borrowing which, while not desired, could be afforded in the short term, but is not sustainable in the longer term. It is the expected maximum borrowing need with some headroom for unexpected movements.
- the Operational Boundary for External Debt is a working practice limit that is set slightly lower than the Authorised Limit. In effect the authorised limit includes a degree of contingency in case of circumstances arising that take the limit above the operational limit. It allows business to continue giving time for Council to be advised in case of the need for more permanent changes to the limits.

Table 3

	2013/14 Original Estimate £m	Current Position £m	2013/14 Revised Estimate £m
Prudential Indicator – Capital Financing Requirement			
CFR	12.9	13.5	18.2
Prudential Indicator – External Debt / the Operational Boundary			
Authorised Limit for external debt	30.0	30.0	25.0
Operational Boundary for external debt	20.0	20.0	20.0
Borrowing	18.2	12.2	25.2

5.4 Limits to Borrowing Activity

The first key control over the treasury activity is a prudential indicator to ensure that over the medium term, net borrowing (borrowings less investments) will only be for a capital purpose. Net external borrowing should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for 2013/14 and the next two financial years. This allows some flexibility for limited early borrowing for future years. The Council has approved a policy for borrowing in advance of need which will be adhered to if this proves prudent. The Deputy Chief Executive reports that no difficulties are envisaged for the current year in complying with this prudential indicator as detailed in Table 4 below.

Table 4

	2013/14 Original Estimate £'000s	Current Position 30 September 2013 £'000s	2013/14 Revised Estimate £'000s
Gross borrowing	18,220	12,200	25,220
Less investments	24,000	30,004	27,000
Net borrowing	(5,780)	(17,804)	(1,780)
CFR (year end position)	12,928	13,555	18,227

5.5 The revised 2013/14 borrowing figure takes into account future borrowing in relation to the joint venture project (houses which are to be built on the Nora Site). The cashflow forecast for the project recognises that the amount of borrowing will be dependent upon how quickly the houses will see.

If the houses do not sell as forecast, additional short term borrowing will be required to fund the project through 2014/15.

6 Investment Portfolio 2012/2013

6.1 In accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite. As set out in Section 3, it is a very difficult investment market in terms of earning the level of interest rates commonly seen in previous decades as rates are very low and in line with the 0.5% Bank Rate. The continuing Euro zone sovereign debt crisis, and its potential impact on banks, prompts a low risk and short term strategy. Given this risk adverse environment, investment returns are likely to remain low.

6.2 The Council held £30m of investments as at 30 September 2013 (£27.17m at 31 March 2013) and the investment portfolio yield for the first six months of the year is 0.90% against a benchmark 0.36% (7 day LIBID – London Interbank Bid Rate).

6.3 A full list of investments held by the Council as at 30th September 2013, is shown in Appendix 1, and summarised in Table 5 below:

Table 5

Investments	30th September 2013 £	Average Rate of Return %
Bank of Scotland	5,000,000	1.90
Bank of Scotland	2,000,000	1.10
Birmingham City Council	1,900,000	0.52
Natwest	7,000,000	0.80
Nationwide	2,000,000	0.58
Barclays	2,400,000	0.70
Barclays	2,600,000	0.70
Wyre Forest District Council	2,000,000	0.75
Ignis Money Market Fund	3,100,000	0.39
Standard Chartered	2,000,000	0.62
Roydon Parish Council	4,000	1.50
Total	30,004,000	0.90

6.4 As illustrated in the economic background section above, investment rates available in the market are at a historical low point. The average level of funds available for investment purposes in the first six months of 2013/14 was £2million (per week). These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the capital programme. The Council holds £25.7million core cash balances for investment purposes.

6.5 The Deputy Chief Executive confirms that the approved limits within the Annual Investment Strategy were not breached during the first six months of 2013/14.

6.6 The Council's budgeted investment return for 2013/14 is £483,500 and the projected performance for the year is £407,000 which is below budget. The Council's budgeted borrowing costs for 2013/2014 are £519,100 and projected outturn for the year is £481,000. Overall it is anticipated there is net impact of £37,400 on the Council's budget, the capital programme is currently being reviewed and any rephasing will reduce the cost of borrowing in the current year. The cost of borrowing and investment returns are included in the financing adjustment element of the Council's budget, which is monitored and variances reported in the overall Budget Monitoring Report.

6.7 Investment Counterparty criteria

The current investment counterparty criteria selection approved in the Treasury Management Strategy Statement 2013/2014 is meeting the requirement of the treasury management function.

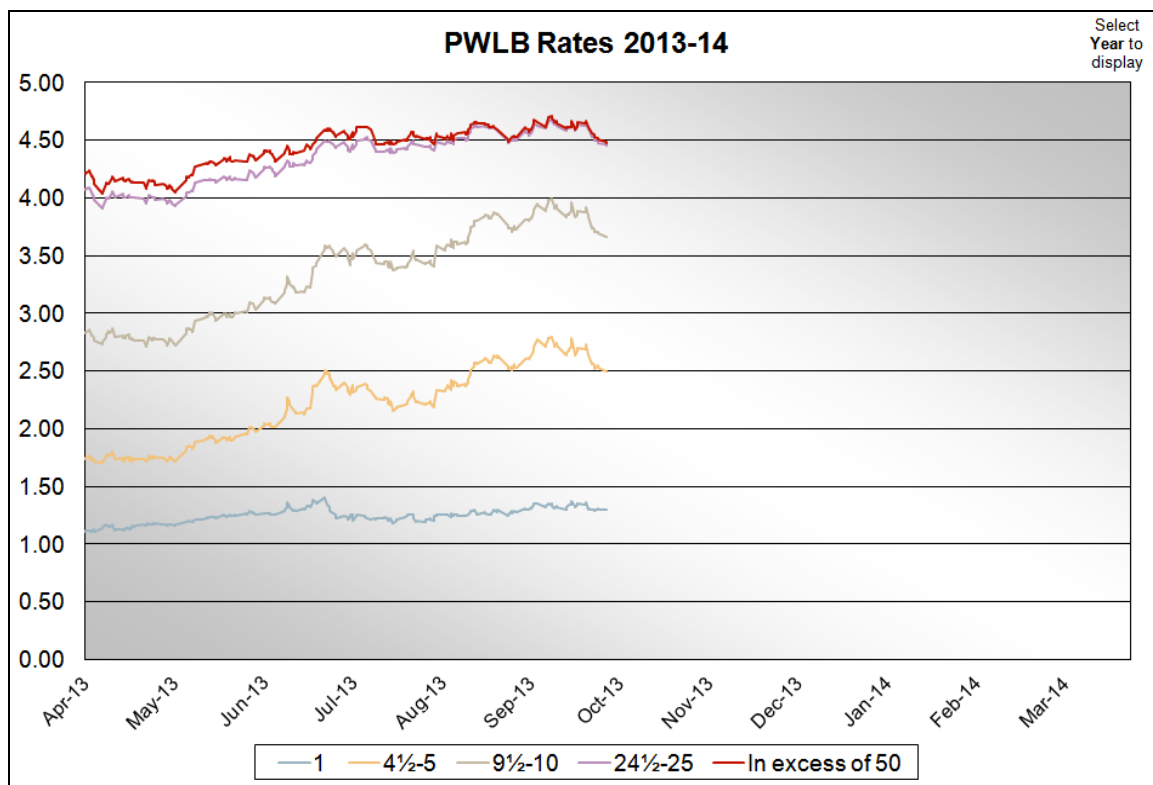
7 External Borrowing 2013/2014

7.1 The Council's capital financing requirement (CFR) for 2013/14 is £18.2m. The CFR denotes the Council's underlying need to borrow for capital purposes. If the CFR is positive the Council may borrow from the PWLB or the market (external borrowing) or from internal balances on a temporary basis (internal borrowing). The balance of external and internal borrowing is generally driven by market conditions. The use of cash flow funds in lieu of borrowing is a prudent and cost effective approach in the current economic climate. A full list of borrowings made by the Council as at 30th September 2013 is shown in Appendix 2.

7.2 As outlined below, the general trend has been a reduction in interest rates during the six months, across all maturity bands.

7.3 During the first six months of this financial year, less borrowing has been required due to rephasing of the capital programme. It is still anticipated that the Council will have an underlying need to borrow for capital purposes (the capital financing requirement - CFR), if new external borrowing is required this will be undertaken during the second half of this financial year.

7.4 The graph and table below show the movement in PWLB rates for the first six months of the year and provide benchmarking data showing high and low points etc:



8 Debt Rescheduling

8.1 During the first six months of the year, no debt rescheduling was undertaken.

9 Compliance with Treasury and Prudential Limits

9.1 It is a statutory duty for the Council to determine and keep under review the “Affordable Borrowing Limits”. Council’s approved Treasury and Prudential Indicators (affordability limits) are outlined in the approved Treasury Management Strategy Statement.

9.2 During the financial year to date the Council has operated within the treasury limits and Prudential Indicators set out in the Council’s Treasury Management Strategy Statement and in compliance with the Council’s Treasury Management Practices. The Prudential and Treasury Indicators are shown in Appendix 3.

10. Financial Implications

10.1 The financial implications of the borrowing and investment strategy are reflected in the financing adjustment figure included in the Financial Plan 2013/2017 approved at Cabinet on 5 February 2013 and updated as reported in the Budget Monitoring report.

11. Risk Management Implications

11.1 There are elements of risk in dealing with the treasury management function although the production and monitoring of such controls as prudential indicators and the treasury management strategy help to reduce the exposure of the Council to the market. The costs and returns on borrowing and investment are in themselves a reflection of risk that is seen by the market forces.

12 Policy Implications

12.1 There are no changes in the Treasury Management policy at present.

13 Statutory Considerations

13.1 The Council must set prudential indicators and adopt a Treasury Management Strategy and Annual Investment Strategy.

Access to Information

The Budget 2013/2017 – A Financial Plan
Capital Programme 2012/2016
Treasury Management Strategy and Annual Investment Strategy 2013
Budget Monitoring reports 2013/2014
Sector Monthly Investment Analysis Review
Treasury Monthly Monitoring reports

Appendix

1 Investment Portfolio as at 30 September 2013

Institution	Principal	Start Date	End Date	Rate %	Ratings
Bank of Scotland	2,000,000	22/11/2012	22/11/2013	1.90	A
Bank of Scotland	3,000,000	26/11/2012	26/11/2013	1.90	A
Bank of Scotland	2,000,000	11/04/2013	11/04/2014	1.10	A
Barclays	2,400,000	12/11/2012		0.70	A
Barclays	2,600,000	20/12/2012		0.70	A
Birmingham City Council	1,900,000	28/01/2013	27/01/2014	0.52	AAA
Wyre Forest District Council	2,000,000	14/01/2013	14/07/2014	0.75	AAA
Natwest – 95 day notice	1,500,000	11/04/2013		0.80	A
Natwest – 95 day notice	3,000,000	22/05/2013		0.80	A
Natwest – 95 day notice	2,500,000	21/08/2013		0.80	A
Standard Chartered	2,000,000	21/01/2013	20/01/2014	0.62	AA-
Ignis Money Market Fund	3,100,000	30/08/2013		0.39	AAA
Nationwide	2,000,000	20/06/2013	20/03/2014	0.58	A
Roydon Parish Council	4,000	19/02/2013	01/04/2016	1.50	AAA
Total	30,004,000				

Appendix 2 Borrowing Portfolio as at 30 September 2013

Institution	Principal	Start Date	End Date	Rate
London Borough of Ealing	1,000,000	17/04/2013	17/02/2014	0.40%
Barclays	5,000,000	22/03/2007	21/03/2077	3.81%
Barclays	5,000,000	12/04/2007	14/04/2077	3.81%
Public Works Loan Board	1,200,000	15/09/2009	14/09/2019	2.92%
Total	12,200,000			

**Appendix 3
Revised Prudential and Treasury Indicators**

PRUDENTIAL INDICATOR	2013/14 estimate	2014/15 estimate	2015/16 estimate
BUDGET RELATED PRUDENTIAL INDICATORS	£'000	£'000	£'000
Capital Expenditure Approved at Cabinet 17 June 2013	£17,265	£7,940	£2,767
Ratio of financing costs to net revenue stream (Equals net treasury cost ie cost of borrowing less the income from investments divided by the total of Government grant and total council tax). The ratios take into account the announced reduction in grant of 7.25% per year from 2011/2012 as part of the Comprehensive Spending Review.	4.04%	4.24%	3.45%
Increase/(decrease) in Borrowing required each year	5,647	(961)	(750)
Capital Financing Requirement (CFR) as at 31 March this reflects the Council's underlying need to borrow for capital purposes	£18,227	£16,369	£14,753

PRUDENTIAL INDICATOR	2013/14 estimate	2014/15 estimate	2015/16 estimate
TREASURY MANAGEMENT PRUDENTIAL INDICATORS	£'000	£'000	£'000
Authorised Limit for external debt	30,000	30,000	25,000*
Operational Boundary for external debt	20,000	20,000	20,000

	2013/14	2014/15	2015/16
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	30,000	30,000	25,000
Limits on variable interest rates based on net debt	20,000	20,000	20,000

Maturity Structure of fixed interest rate borrowing		
	Lower	Upper
Under 12 months	0%	100%
12 months to 2 years	0%	100%
2 years to 5 years	0%	100%
5 years to 10 years	0%	100%
10 years and above	0%	100%

*This figure was incorrectly stated in the Annual Treasury Management Strategy report (5.1) as £30,000 and should have been £25,000. This was correctly stated in section 4.4 of the report.

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Operational	Be entirely within Cabinet's powers to decide	NO	
None		Need to be recommendations to Council	YES	
		Is it a Key Decision	YES	
Lead Member: Cllr Nick Daubney E-mail: <i>cllr.Nick.Daubney@West-Norfolk.gov.uk</i>		Other Cabinet Members consulted: All Cabinet Members		
		Other Members consulted:		
Lead Officer: David Thomason E-mail: david.thomason@west-norfolk.gov.uk Direct Dial:01553 616246		Other Officers consulted: Management Team		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment NO	Risk Management Implications NO

Date of meeting: 5 November 2013

4 COST REDUCTION PROGRAMME

Summary

The Council set out a Financial Plan 2012/2016 in February 2013 that presented a 'balanced budget' through to March 2016 based on the use of general fund balances over the period. Over the past few weeks the Government has made announcements on future funding which have a significant impact on the longer term plans of the Council.

The first announcement dealt with the funding settlement for 2014/2015 and 2015/2016. The Council will have its 2014/2015 funding settlement reduced from £10,450,100 to £10,338,000 - a reduction of £112,000. The figures for 2015/2016 show funding reducing to £8,767,000 - £1,264,780 less than is included in the current Financial Plan. The second announcement made by Government was that £913,000 of the New Homes Bonus for 2015/2016 and future years may be paid over to the Local Enterprise Partnerships.

The report sets out a number of changes to the Financial Plan that are currently underway that will produce significant levels of net savings although there will remain a need to continue with a cost reduction programme. An outline of future programmes is set out for members to consider

Recommendation

Cabinet is asked to note the impact of the current cost reduction programme and to recommend to Council that further work be carried out as outlined in the report.

Reason for Decision

The Council is obliged to set a balanced budget each year as part of the setting of the Council Tax. The Cost Reduction Programme will ensure that The Council is meeting this requirement.

1 Background

- 1.1 The Council set out a Financial Plan 2012/2016 in February 2013 that presented a 'balanced budget' through to March 2016 based on the use of general fund balances over the period. The Plan also contained a note warning that the ability to support the Financial Plan past 2016 through the use of balances could not continue and it would be necessary to consider a programme of cost reduction in order to match spending with income.
- 1.2 Since the Plan was set in February the Government has made announcements on future funding which have a significant impact on the longer term plans of the Council.
- 1.3 The first announcement dealt with the funding settlement for 2014/2015 and 2015/2016. The Government wished to give early warnings to Councils of the level of reductions in funding that they would suffer as a contribution to the on-going drive to reduce the national deficit. The Council has received notice that it will have its 2014/2015 funding settlement reduced from £10,450,100 to £10,338,000 - a reduction of £112,000 when compared to the current Financial Plan. The settlement also included figures for 2015/2016 where the funding would reduce to £8,767,000. This figure is £1,264,780 less than is included in the current Financial Plan and has an on-going impact on the future finances of the Council.
- 1.4 The report sets out a number of changes to the Financial Plan that are currently underway assisting the Council in meeting the deficit in Government funding. Although these changes will produce significant levels of net savings there will remain a need to continue with a cost reduction programme and an outline of future programmes is set out for members to consider.

2 Current Cost Reduction Programme

- 2.1 The current cost reduction programme consists of a mix of projects and operational changes most of which are familiar to members. All of the savings will have been introduced by in house teams. The reductions in budgets are summarised as:

Service item	Cost Reduction 2013/2014 £	Cost Reduction 2014/2015 £	Cost Reduction 2015/2016 £
Leisure Trust/Local Authority Controlled Company – rates savings		287,000	467,000
Leisure - additional income	55,000	55,000	55,000
Grounds Operations – perennial planting/reduced seasonal/cutting frequencies changed	10,000	40,000	80,000
Street Cleaning – schedule changes		20,000	30,000
MRF – new contract		100,000	289,000
Glass Collection		45,000	95,000
Bin replacements – revised /reduced budget	20,000	20,000	20,000
ICT - Platform Review		50,000	50,000
2013/2014 Pay contingency – not required	66,000	67,000	68,000
Revenues and benefits Review – posts deleted	100,000	100,000	100,000
Audit / Fraud Team Review – post deleted		15,060	15,060
Property Services Review – post deleted		14,500	14,500
Housing – shared senior post	30,000	30,000	30,000
Management Team Review			20,000
Contact Centre – reduced hours		20,000	20,000
CCG - accommodation shared	30,000	30,000	30,000
Car Parks – third party work	15,000	30,000	30,000
CCTV – third party work	20,000	20,000	20,000
Local Council Tax Support – local scheme in place		103,000	103,000
Business Rates Retention Growth	500,000	600,000	600,000
Council Tax Base Growth – above Plan figures	10,000	22,300	22,300
New Homes Bonus – empty properties review		50,000	50,000
Total Cost Reduction	856,000	1,718,860	2,208,860

2.2 The Council is also aware of certain additional costs that will arise in the period 2013/2016 which include:

Service Cost	2013/2014 £	2014/2015 £	2015/2016 £
Transfer of New Homes Bonus to Local Enterprise Partnership			913,000
Business Improvement District – additional rates levy		17,000	18,000
Reduced Benefit Administration Grant – Universal Credit in place		100,000	175,000
Total Additional Costs		117,000	1,106,000

2.3 The second announcement made by Government was that in 2015/2016 there is an intention to reduce the New Homes Bonus grant retained by the Council by as much as 35% with the sums involved transferring to the Local Enterprise Partnerships. This would add a cost to the Council of £913,000 pa.

2.4 The outcome of the reduction in costs, offset by the identified additional costs, will be that through the use of general fund balances the Council will be able to fulfil its current Financial Plan of holding council tax at £111.97.

3 The Future Cost Reduction Target

3.1 As at 31 March 2016 the Council will be in a position where projected spending levels of £15.8m remain higher than the combined income from Council Tax and Government funding of £14m and a gap of £1.8m will need to be addressed. It makes the continuation of a cost reduction programme an absolute necessity.

4 The Future Cost Reduction Programme

4.1 Over the past five years the Council has constantly challenged members and service managers to seek efficiencies in its operations and year after year the challenge has been met. Since 2009 the cost reduction programmes have produced savings totalling £5.7m pa providing each year the opportunity for the Council to set 'balanced budgets' through the use of fund balances generated from savings made in earlier years. Each February the Council has set Council tax knowing it has a solid base on which to operate for the following three years.

4.2 The savings of £2.2m identified as part of the current Cost Reduction Programme will raise the total achieved since 2009 from £5.7m (Appendix 1) to £7.9m. The intention would be to continue with such arrangements as the Council approaches the next challenge of reducing net spending by a further £1.8m pa.

4.3 It is certain that at this point in time there are no easy wins – all of those have been taken in the past few years and furthermore many high level gains have also been taken or taken into account. The Leisure Trust and MRF are typical examples of such items.

4.4 It is proposed that the next phase of the Cost Reduction Programme will take the shape of a series of cross service reviews with officers working on certain areas of spending together with work that is already underway. The initial set of reviews will include:

- *Channel Shift / Service Transformation*

This review will accelerate the process of moving customers away from face to face and telephone contacts towards self-service and web transactions. The transformation will come about through the review of procedures on how the Council then deals with the data received through the new channels. This approach is in line with and compliments the Government's own digital by default agenda.

- *ICT Rationalisation*

This review will build on the review that has recently produced £50,000 pa savings from moving from certain bespoke service systems to a common platform that 'can do the job' and also offer synergy between systems like scanning and common address data.

- *Asset Rationalisation*

This team will look at the asset holdings of the Council with a view to making proposals to further rationalise the use of the facilities which could include closure and sale or alternative use.

- *Procurement*

This review will come about through the employment of consultants in 2014. Projected annual savings could be significant.

- *Printing Services*

This team will review the operations of the Print Room Service and advise on opportunities to reduce costs. The review will also look at the accommodation of the service.

- *Providing Housing*

The Council has already set out a programme of works that will provide additional housing units within the borough through the Joint Venture on NORA. The major housing development project will also add to the numbers delivered. These additional units will not only produce additional New Homes Bonus but will also grow the council tax base.

- *Growing the Business Rates*

A major part of the Regeneration Task Groups work will assist in encouraging the growth of businesses in the borough and in turn this will grow the business rates payable to the Council. With the right to retain 40% of any growth above the relevant baseline it is critical that the Council delivers a programme of works that brings this avenue of income into place.

4.5 Clearly as is now normal practice any opportunity to gain further savings will be taken as it arises. For example, as part of the Budget preparations for 2014/2015 that will be carried out during

November/December 2013 any potential savings identified in service budgets will be taken.

- 4.6 Service managers will also be required to undertake a review of their operations and functions with a view to identifying areas where service levels can be safely reduced in quality or levels of provision. These reviews will be conducted with the close involvement of the relevant cabinet member and will include all operational service areas including Management Team.
- 4.7 The Council will also continue the current programme of expanding it's contracted service delivery on behalf of other public bodies and examining potential cost reductions through shared posts and services.
- 4.8 This mix of programmed reviews, on-going work programmes and the preparation of a revised Financial Plan will form the initial phase of the new cost reduction Programme. Progress will be monitored in Monthly Monitoring Reports and reviewed in detail in 12 months.

5 Financial Implications

- 5.1 The purpose of this report is to gain approval for the continuation of a Cost Reduction Programme to meet future budget deficits. There is no direct cost arising from the report except the fees payable to consultants as part of the Procurement Review. All other work will be carried out in house.

6 Statutory Considerations

- 6.1 The Council is obliged to set a balanced budget each year as part of the setting of the Council Tax. The Cost Reduction Programme will ensure that the Council is meeting this requirement.

7 Equality Impact Assessment (EIA)

- 7.1 None identified

Background Papers

Previous Council agendas
Government Announcements

Cost Reduction Programme

Appendix 1

The following table shows savings made since 2010 as part of the Cost Reduction Programme that have been included in the Financial Plan 2012/2016.

Details	£
Building Control (joined CNC)	15,460
Careline (net additional income)	70,000
Corporate Subscriptions	1,900
Environmental Health and Housing (staffing)	109,000
Eye Tests	1,000
Quest Assessments	3,000
Regeneration (staffing)	221,620
Survey "Place Survey"	14,000
Tourism (staffing)	49,000
Training	50,000
Travel Rates	40,000
Your Council	36,100
Management Team (reduction)	204,500
Industrial Estates (operational budgets)	30,000
Project Team (staffing)	59,430
Web Team (staffing)	35,700
Revenue contribution to capital	100,000
Environmental Health and Housing (staffing)	228,020
Crematorium (income)	50,000
Public Cleansing (staffing and operational budgets)	27,090
Waste and Recycling (staffing and operational budgets)	167,880
Grounds Maintenance (staffing and operational budgets)	141,380
Sports Facilities (income, staffing and operational budgets)	324,880
Princess Theatre (closure)	168,000
Arts Centre (hall for hire)	50,000
Corn Exchange (operational budgets)	28,250
Sports Development	24,750
Museums	20,000
Grants - GEAR	22,030
Publicity and Tourism	16,000
Parish Elections	8,000
Councillors Allowances	2,990
Register of Electors	9,030
Town Hall and Galleries	70,000
Improvement and Efficiency (staffing)	42,910
Rural Transport	30,000

Details	£
Investors In People (IIP)	5,000
Pay Freeze	631,000
Revenues and Benefits (staffing)	180,450
Corporate Communications	15,020
Property Services (staffing/professional fees)	130,760
Development Services (staffing)	302,520
CIC and Area Offices (staffing and operational budgets)	161,910
Cashiers (closure of cash offices)	73,730
Town Centre	15,000
Civics (staffing and operational budgets)	29,520
Coffee Shop (closure)	12,080
Treasury Fund Manager (termination of agreement)	21,880
Hackney Carriage and Private Hire Licensing	10,000
Legal Services (staffing /commissioning)	103,000
Private Water Supplies	5,820
Insurance (lower premiums)	113,760
Refuse and Recycling(new contract)	922,620
Democratic Services	74,060
Pollution Monitoring (staffing)	40,060
Licencing - additional income and reduced expenditure	48,040
Additional income NNDC car parking	30,000
Resort (staffing and operational budgets)	25,000
Grants and subscriptions	5,000
Leisure Card	6,000
Public Cleansing supplies & services	13,500
Business Continuity	4,000
Cost of Collection (additional income/ supplies & services)	99,500
Corporate Costs supplies & services	48,000
Departmental budgets	63,600
Dog Warden supplies & services	3,500
Community Safety supplies & services	1,910
Health Promotions small projects	3,000
Crematorium bungalow rent	2,000
Financial Assistance	13,000
Refuse and Recycling (advertising and shared management)	65,230
Public Conveniences – water/electricity charges and income	10,140
Financial Services (staffing)	39,000
Utility savings/Solar panel feed in tariff	107,080
Kings Lynn / Resort Services - car parking	(190,360)
Corporate Apprenticeship Scheme	(44,930)
Total	5,672,320

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards None	Mandatory/	Be entirely within Cabinet's powers to decide	YES	
	Operational	Need to be recommendations to Council	NO	
		Is it a Key Decision	NO	
Lead Member: Councillor Nick Daubney E-mail: cllr.nick.daubney@west-norfolk.gov.uk		Other Cabinet Members consulted:		
		Other Members consulted:		
Lead Officer: Honor Howell CIC Manager E-mail: honor.howell@west-norfolk.gov.uk Direct Dial: 01553 616550		Other Officers consulted: Management Team Jo Stanton – Revenues & Benefits Manager Corporate Equalities Steering Group		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment YES – PRE-SCREENING	Risk Management Implications NO

Date of meeting: 5th November 2013

5 COUNCIL INFORMATION CENTRE – REVIEW OF OPENING HOURS

Summary

In recent years, technology has progressed and more customers choose to access council services electronically. The Government is committed to its 'Digital by Default' strategy and council websites are becoming more transactional to enable customers to access information and to submit service requests online 24/7. This, in turn, should reduce the requirement for more expensive methods of contact such as telephone or face to face enquiries. This advancement gives the CIC opportunity to reduce costs by decreasing the opening hours of the Contact Centre in line with other departments based in King's Court. The proposal will provide on-going savings of £20,517 per annum, contributing to the overall efficiency savings programme.

The CIC opens for telephone enquiries from 8am until 6pm Monday to Friday and from 9am-12pm on a Saturday morning. The CIC is resourced by staff working shift patterns on a rota basis to cover the extended hours. Out of hours support for emergencies is provided by the CCTV staff 24/7, 365 days a year.

Recommendation

In accordance with the increasing opportunities for customers to self-serve, that Cabinet agree the proposal to reduce the CIC opening hours to 8.45am-5.15pm Monday to Thursday and 8.45am-4.45pm Fridays and that this change is implemented from the 1st December 2013.

Reason for Decision

To enable the CIC to continue to provide a high level of service, at a reduced cost whilst encouraging customers to access services online.

1. Background

- 1.1 The Council Information Centre (CIC) operates out of Kings Court, Downham Market and Hunstanton offices, responding to face to face, and telephone, email and website enquiries from customers on a range of services.
- 1.2 The CIC opens for telephone enquiries from 8am until 6pm Monday to Friday and from 9am-12pm on a Saturday morning, 10.5 hours more than the office opening hours. The enquiry counters are available in line with the rest of the council offices, opening at 8.45am until 5.15pm Monday to Thursday (except for Wednesday mornings when we open to the public at 9.30am to allow for staff training) and 8.45am – 4.45pm on a Friday. The extended hours telephone cover is provided on a rota, shared by all members of the team, including managers and supervisors.
- 1.3 The decision to extend the CIC's opening hours was taken in 2005 in line with the 'Access to Services' programme of projects which included the refurbishment of the ground floor of Kings Court to accommodate the CIC and the transfer of the customer contact aspect of the larger services (Planning, Environmental Health, Revenues and Benefits) to the CIC. The extended opening hours equate to the telephone service being open to the public for an extra 10.5 hours a week in comparison with the rest of the Kings Court office based services. At the time of implementation extra resource to provide extended opening hours was not provided and the additional resource was found from within existing budgets. It was agreed, following consultation with Unison and staff, that 'shifts' would be worked on a rota basis to cover the extended opening. This has been in place since implementation.

2. Options Considered

- 2.1 In recent years technology has moved on and more customers have access to a pc, tablet or smartphone to access services. The council's website has become more transactional with most service requests being available for customers to complete online. Advice and information on services are provided on our website and new web services such as e-billing are in the final stages of development and will soon allow customers to sign up to access their accounts online through an authenticated service. It is increasingly apparent that customers are accessing services online from the number of hits reported on our web pages. Reducing the time the Contact Centre is available to take calls will dovetail well with the strategy to encourage more people to access online services and to make the most of the investment in developing this technology.
- 2.2 When extended opening hours were originally introduced, it was envisaged that opening on a Saturday morning would reduce the pressure on a Monday morning which, traditionally is always the busiest time of the week. In reality, this has not been the case and Mondays continue to be significantly busier than other days of the

week, equating to around 25% of the incoming weekly calls and 30% of the face to face customers.

- 2.3 The CIC receives approximately 50 calls per week during the extended opening hours, including Saturday mornings. These enquiries cover a full range of services, most of which are available on the website. Advice and information is provided according to normal procedure.

2.4 Out of Hours

The council operates an out of hour's service for emergencies only, operated by the CCTV staff. This service will continue to provide cover during the periods the office is closed.

3. Policy Implications

- 3.1 There are no policy implications. The agreement to operate extended hours was agreed as part of the Access to Services strategy, which did not constitute formal policy.

5. Financial Implications

- 5.1 The reduction in opening hours will enable the CIC to agree some flexible working requests and will save 25 hours of staff time, equating to a financial saving of £20,517 per annum.

6. Personnel Implications

- 6.1 The proposed savings can be met by deleting spare hours and budget from staff returning from maternity leave. The reduction in opening hours will enable the CIC to focus its available resource at busy times, save considerable time in planning rota's as well as reducing any impact on other staff having to cover their colleagues reduced hours of working.

7. Statutory Considerations

- 7.1 The CIC will be available for enquiries in line with all statutory services provided by the Council therefore there are no statutory considerations.

8. Equality Impact Assessment (EIA)

- 8.1 A pre-screening questionnaire is attached. There are no equality implications from the proposed change.

9. Risk Management Implications

- 9.1 No implications. It will improve Risk Management within the CIC as there will be reduced instances of lone working.

10. Declarations of Interest / Dispensations Granted

10.1 None

11. Background Papers

11.1 'Access to Services' strategy adopted April 2005.

REPORT TO CABINET

Open		Would any decisions proposed :		
Any especially affected Wards	Mandatory	Be entirely within Cabinet's powers to decide		YES
		Need to be recommendations to Council		NO
		Is it a Key Decision		NO
Lead Member: Cllr Brian Long E-mail: cllr.brian.long@west-norfolk.gov.uk		Other Cabinet Members consulted: Leader		
		Other Members consulted:		
Lead Officer: Ray Harding E-mail: ray.harding@west-norfolk.gov.uk Direct Dial: 01553 616245		Other Officers consulted: Barry Brandford, Dale Gagen		
Financial Implications YES	Policy/Personnel Implications NO	Statutory Implications NO	Equal Impact Assessment NO	Risk Management Implications YES

Date of meeting: 5 November 2013

6 MATERIALS RECYCLING CONTRACT

Summary

The Borough Council, as part of a consortium of Norfolk District Councils has a contract with Norfolk Environmental Waste Services (NEWS), a wholly owned subsidiary of Norse Commercial Services Ltd for the separation and onward sale of co-mingled dry recyclable materials.

The existing contract expires at the end of March 2014, the Borough Council has conducted an EU compliant procurement exercise for a new enhanced service which was won by Norse Commercial Services Ltd and Members agreed to award this contract at Cabinet on 30 July. In relation to this delegated authority was given to the Chief Executive in consultation with the Portfolio Holder for the Environment to approve the final terms of the contract and the interim arrangements between the start date of the new contract and the commissioning date of the new equipment which is required to enable the extended range of materials to be processed and recycled.

As the final negotiations have progressed it has become clear that the contractor will not be in a position to commence the new enhanced service until 1 October 2014. This is in part a consequence of the extended length of the procurement process including the additional due diligence undertaken as part of the negotiations to finalise the arrangements for the Joint Venture Company to deliver the service and in part due to the lead times required to extend the building and procure the new equipment.

Following completion of negotiations with Norse Commercial Services it has been provisionally agreed that the most straight forward way to proceed is to extend the existing contract by six months on the existing terms and conditions and to commence the new 10 year contract from 1 October 2014.

Recommendation

Cabinet is recommended to agree that the existing contract with NEWS for the separation and onward sale of co-mingled dry recyclables is extended until 30 September 2014 when the new enhanced contract will commence.

Reason for Decision

To ensure that the separation and sale of co-mingled dry recyclables continues on the most economically advantageous terms available until the 1 October 2014 when the new enhanced contract will commence.

1 Background

1.1 The summary section of this report outlines the background to this decision. Officers have met with Norse officers on a number of occasions to seek agreement on the terms for the continued service provision between 1 April and 1 October. The costs of the haulage and sorting for this period is circa £225,000, the material sales value returned to the Council is anticipated to be circa £156,000 we are also paid recycling credits by NCC of £54.65 per tonne (x5,000). As anticipated, Norse are unable to commence the enhanced service until the buildings have been extended and new equipment is installed and commissioned. It has not proved possible to agree improved terms with Norse for this six months period within the new contract. Consequently the Norfolk Waste Partnership Officer Steering Group is recommending that all Norfolk Districts agree a six month extension to the current contract and a revised start date for the new contract.

2 Options Considered

2.1 There are no other realistic options

3 Policy Implications

3.1 There is no change of policy involved in this decision

4 Financial Implications

4.1 The current financial plan assumes a part year benefit from the new contract and hence there are no financial implication arising from this decision.

5 Personnel Implications

5.1 There are none.

6 Statutory Considerations

6.1 This is a statutory service and the recommended approach will provide for the continuation of this service.

7 Equality Impact Assessment (EIA)

7.1 As there is no change of service recommended an EIA has not been deemed necessary

8 Risk Management Implications

8.1 In this situation whereby the proposed contract extension is of a short duration, where the new service has been subject to a full EU compliant procurement process, and where the new contract has been awarded to the same company which currently provided the service the risk of a successful legal challenge is considered to be extremely low.

9 Declarations of Interest / Dispensations Granted

None

10 Background Papers

Previous Cabinet Reports