

MINUTES OF ST EDMUNDSBURY BOROUGH COUNCIL

Minutes of the Meeting of the Council held on Tuesday 1 March 2011 at 7.00 pm in the Conference Chamber, West Suffolk House, Western Way, Bury St Edmunds.

PRESENT: The Mayor (Councillor I C Houlder) (in the Chair),
Councillors Aitkens, Mrs Alexander, Beckwith, Mrs Bone, Bradbury,
Mrs Broughton, Buckle, Chappell, Mrs Charlesworth, Clements,
Clifton-Brown, Cox, Ereira-Guyer, Everitt, Farmer, Mrs Gower, Griffiths,
Jones, Mrs Levack, Lockwood, Marks, McManus, Mrs Mildmay-White,
Nettleton, Oliver, Price, Ray, Redhead, Mrs Rushbrook, Stevens,
Thorndyke, F J Warby, Mrs P A Warby, A Whittaker and
Mrs D A Whittaker.

81. Prayers

The Mayor's Chaplain, Reverend John Parr, of All Saints Church, Bury St Edmunds, opened the meeting with prayers.

82. Minutes

The minutes of the ordinary and special meetings of the Council held on 14 December 2010 were confirmed as correct records and signed by the Mayor.

83. Mayor's Communications

The Mayor reported on the civic engagements and charity activities which he, the Mayoress, Deputy Mayor and Consort had attended since the last meeting of the Council held on 14 December 2010. He reported that the Mayor of St Edmundsbury had been made welcome at every event that he attended and wished to thank all those organisations for the warm welcome.

84. Agenda Item 13: Exempt Report B480, Items Referred to Council by Cabinet

Councillor Nettleton considered that Agenda Item 13, Items Referred to Council by Cabinet, should be considered in public and moved an appropriate motion, which was seconded by Councillor Chappell. He considered that as the recommendation involved public monies then the public should be made aware of the discussions and the decision.

Councillor Griffiths informed the Council that the paper presented to the Cabinet was also confidential for the extremely good reason that it contained commercially sensitive information, some of which was in Exempt Paper B480 to be considered by Council this evening. City Screen Ltd had been very candid with the Council about why they needed this loan and because of this openness the Cabinet report was able to fully address all the issues. City Screen Ltd had recently been asked their views again and had confirmed that items within the report were still considered to be commercially confidential. He considered that the Council should respect the company for its candour and not seek to compromise their position by revealing their financial details in public session. He also considered it extremely important for the Council to have a very full debate on this item which could not take place without referring to the sensitive information.

On being put to the vote, the motion was defeated and, therefore Exempt Report B480 would be discussed in private session.

Some concern was raised that the title of agenda item 13 did not refer specifically to the Picturehouse Cinema, Hatter Street, Bury St Edmunds: Request for Financial Support from City Screen Ltd.

85. **Announcements from the Leader of the Council**

Councillor Griffiths, Leader of the Council, stated that this was the last budget to be set by the current administration and wished to place on record his thanks to all Councillors and officers for the extremely hard work carried out over the last four years. Because of its prudent financial management the Council was able to freeze Council Tax while still maintaining frontline services, which was no small achievement.

86. **Apologies for Absence**

Apologies for absence were received from Councillors Ager, Anderson, Cockle, Farthing, Hale, Mrs Richardson, Rout, Spicer and Turner.

87. **Declarations of Interest**

Members' declarations of interest are recorded under the item to which the declaration relates.

88. **Public Question Time**

No questions were asked.

89. **Mayoralty 2011/2012**

Councillor Griffiths, in the absence of the Chairman of the Mayoral Advisory Committee, reported informally that the Committee had recommended that at the Annual Meeting of Council, Councillor Christopher Spicer be nominated for election as Mayor for the 2011/2012 civic year.

Councillor Houlder informed the Council that he would not be standing for Deputy Mayor for the civic year 2011/2012.

(Councillor A Whittaker arrived during the consideration of this item.)

90. **Items Referred to Full Council by Cabinet and Democratic Renewal Working Party**

The Council considered the Schedule of Referrals contained within Report B467 (previously circulated).

(A)(1) Grant Policy: Amendments

During the discussion several points for clarification were required. It was concluded that recommendation 1(c) required amending to read *'To consider grant applications and recommend to officers or the Cabinet the level of grants payable to organisations, based on the policies agreed by Council and in accordance with the relevant delegations detailed in Section 7 of this Grants Policy'*.

On the motion of Councillor Everitt, seconded by Councillor Ray, and duly carried, it was

RESOLVED:- That

- (1) the amendments to the Grants Policy, as annotated in Appendix A to Report B362, be approved, as amended to incorporate the following additional changes:-
 - (a) Section 7 Table: under the Rural Area Community Initiatives heading, reference to '...or the Grant Working Party recommends to Cabinet' be deleted;
 - (b) Section 9.2: the following sentence be amended to read, 'If there is not a majority in favour of awarding the grant, the application will be referred to the next available meeting of the Grant Working Party for determination';
 - (c) Section 10.1: the terms of reference of the Grant Working Party be amended to read, 'To consider grant applications and recommend to officers or the Cabinet the level of grants payable to organisations based on the policies agreed by Council and in accordance with the relevant delegations detailed in Section 7 of this Grants Policy';
 - (d) Section 1.10 of Appendix A to the Policy: the following sentence be amended to read, 'Consultations that arise within ten working days of a scheduled Grant Working Party meeting will be considered and voted upon at the meeting and not via the email system';
 - (e) Section 1.13 of Appendix A to the Policy: this entire paragraph be deleted and subsequent paragraphs be renumbered accordingly; and
- (2) the Corporate Director for Community Services, in consultation with the Portfolio Holder with responsibility for grants, be authorised to make minor typographic, grammatical and/or factual changes.

(A)(2) Replacement St Edmundsbury Borough Local Plan 2016: Development Brief for the Land at The Green, Barrow

(The Mayor declared a personal interest that this item referred to land within his Ward, and remained within the meeting for the consideration of this item)

On the motion of Councillor Clements, seconded by Councillor F J Warby, and duly carried, it was

RESOLVED:-

That the Design Brief for the development of land at The Green, Barrow, as contained in Appendix A of Report B406, be adopted as non-statutory planning guidance for the determination of future planning applications.

(A)(3) Replacement St Edmundsbury Borough Council Local Plan – Policy HAV2: Strategic Housing Site, North West Haverhill: Approval of Amendment to Masterplan

On the motion of Councillor Clements, seconded by Councillor Mrs Gower, and duly carried, it was

RESOLVED:-

That the amendments to the previously adopted North-West Haverhill Masterplan, as detailed in Appendix A to Report B425, be adopted as non-statutory planning guidance.

(A)(4) St Edmundsbury Local Development Framework Local Development Update and Scheme

(Councillor Mrs Broughton declared a prejudicial interest as she had a financial interest in some land that was included in the Local Development Framework and left the meeting for the consideration of this item.)

In response to a question, the Council was informed that the projected growth of housing year on year was 513.

On the motion of Councillor Clements, seconded by Councillor Stevens, and duly carried, it was

RESOLVED:- That

- (1) the indicated revisions to the Local Development Scheme be approved for formal submission to GO-East; and
- (2) the Corporate Director for Economy and Environment, in consultation with the Portfolio Holder for Transport and Planning, be authorised to incorporate into the submitted Local Development Scheme any further minor changes as are necessary to update it and make any spelling, grammatical, factual, formatting and numbering corrections, provided they do not materially affect the substance or meaning of the document.

(A)(5) Social Housing Reform: Affordable Rents

(Councillor Aitkens declared a prejudicial interest as a Board Member of Suffolk Housing Society. Councillor F J Warby declared a prejudicial interest as a Borough Council representative on the Havebury Housing Partnership Management Board. Both Councillors left the meeting for the consideration of this item.)

Councillor Mrs Gower, Portfolio Holder for Haverhill and Housing, informed the Council on the reason behind asking for an 'in principle' decision regarding acceptance of the new 'affordable rent' on new social housing schemes and to set targets for social rent and affordable rent tenancies as part of a new tenancy strategy. Council was being asked to endorse this approach to enable the registered providers in the Borough

to work up their offer by 31 March 2011 to the Homes and Communities Agency for future development of social housing.

Councillor Ereira-Guyer considered that the proposed new policy of 'affordable rent' could be socially divisive and provided examples of rents that would be levied if based on the formula of 80% of the market rent for properties within Bury St Edmunds. He also voiced concerns at the tenancy term of two years.

Councillor Mrs Gower responded that the 80% level of 'affordable rent' was the maximum that could be charged. She added that a tenancy duration of two years was also the minimum being proposed, but the local housing providers were currently using longer durations for tenancies.

On the motion of Councillor Mrs Gower, seconded by Councillor Mrs Levack, and duly carried, it was

RESOLVED:- That, the Borough Council agrees in principle to:-

- (1) accept the new 'affordable rent' on new social housing schemes, including schemes currently in development where appropriate; and
- (2) set targets for social rent and affordable rent tenancies as part of a new tenancy strategy, and to work with partners to develop these targets and strategy.

(A)(6) Picturehouse Cinema, Hatter Street, Bury St Edmunds: Request for Financial Support from City Screen Ltd

This item was discussed at the end of the meeting, see minute 96 below.

(B)(1) Annual Treasury Management and Investment Strategy 2011/2012

On the motion of Councillor Griffiths, seconded by Councillor Nettleton, and duly carried, it was

RESOLVED:-

That the Annual Treasury Management and Investment Strategy 2011/2012 and Prudential Indicators, as detailed in Appendix 2 to Report B410, be approved.

(B)(2) Sex Entertainment Licences: Regulation of Lap Dancing and other Sexual Entertainment Venues

On the motion of Councillor Everitt, seconded by Councillor Clements, and duly carried, it was

RESOLVED:-

That additional powers relating to the licensing of sexual entertainment venues, as contained in Schedule 3 of the Local Government (Miscellaneous Provisions) Act 1982 as amended by Section 27 of the Policing and Crime Act 2009 and outlined in Section 5 of Report B393, be adopted with a first appointed date of 6 April 2011.

(C)(1) Member Development Update

On the motion of Councillor Mrs P A Warby, seconded by Councillor Ray, and duly carried, it was

RESOLVED:- That

(a) **East of England Local Government Association (LGA) Charter for Elected Member Development**

The action plan in Section 1.3 of Report B459, as amended to delete paragraphs 5, 7, 9 and 12, be approved.

(b) **New Member Induction 2011**

The induction programme for 2011/2012 detailed in Section 2.2 of Report B459, be approved.

(c) **Opportunities to Learn and Develop**

The Members Induction Training Brochure detailed in Appendix B to Report B459, be approved, subject to detail of the individual sessions being ratified by the officers' responsible.

(C)(2) Amendments to the Constitution: Members' E-mail and Internet Usage Policy

Councillor Mrs Warby, Chairman of the Democratic Renewal Working Party, informed the Cabinet of an amendment required to the recommendation. As the revised policy was attached to the Council report she moved the recommendation that contained the Council report reference, B467, and not as printed on the report of B460.

A detailed discussion was undertaken on several references contained within the Policy. It was concluded that further consideration should be given when the policy was next reviewed. The only change which was agreed was that paragraph 2.2 should commence '*Council owned equipment, such as a laptop computer....*'

On the motion of Councillor Mrs Warby, seconded by Councillor Bradbury, and duly carried, it was

RESOLVED:-

That the Members' E-mail and Internet Usage Policy, attached as Appendix A to Report B467, as amended in respect of paragraph 2.2, be approved.

91. Budget and Council Tax: 2011/2012

The Council considered Report B468 (previously circulated) which recommended that the level of Band D Council Tax for 2011/2012 be set at the same level as for 2010/2011 at £175.23.

An amendment to Report B468 was tabled at the meeting as a result of the precept to be levied by Haverhill Town Council having been finalised since the distribution of the original report. The finalisation of this precept required that amendments be made in respect of the following:-

- (a) paragraph 4.10.4;
- (b) Appendix A: Revenue Budget Summary;
- (c) Appendix I: Parish and Town Council Precept Requirement;
- (d) Appendix I Schedule 4: Amount of Aggregate Council Tax for the Year for Each Category of Dwelling; and
- (e) recommendation 2.2(e).

Councillor Griffiths, Leader of the Council and Portfolio Holder for Resources and Efficiency, informed the Council that the 2011/2012 budget was £12.1 million compared to the 2010/2011 budget of £13.6 million. This radical shift in the Council's spending pattern was the direct result of the public sector funding cuts. By 2012/2013 the Borough Council would have seen a 30.1% cut in Government Grant, income would reduce by £2.5 million over the next two years. The continuing historic low interest rates only added to the financial pressures on the Council. Efficiency savings and increased income of £1.9 million had been delivered as part of the 2011/2012 budget and this would have no significant impact on frontline services. Councillor Griffiths was extremely proud of the Council's commitment to protect its services and was also delighted to be able to recommend another Council Tax freeze. If Council approved this freeze then it would mean that in the last three years Council Tax would have been frozen on two occasions. He then informed the Council that there was only one proposed change to the Capital Programme which was an additional allocation of £45,000 to the Village Hall, Play Area and Recreation Grant, in order to replenish this funding 'pot'. Over the past two years, for every £1 the Borough Council had given in grant over £11 of external funding had been secured. He also reminded the Council that the recent extensive Capital Programme had delivered substantial results over the last five years, but these smaller funds were equally important in enabling real change in the communities. Councillor Griffiths then considered that the challenges were here to stay and that the Medium Term Financial Strategy contained within the budget papers projected a further gap between 2012 and 2014 of £2.6 million. Work had already commenced on addressing this budgetary shortfall and he considered that an important element of delivering more savings would be through the shared services agenda with Forest Heath District Council.

In response to questions, Councillor Griffiths informed the Council that:-

- (1) the VAT reserve had been set up largely as the result of a rebate received;
- (2) there were 17 vacant posts arising due to resignations or retirements that had been deleted from the establishment, which contributed to the salary savings in the 2011/2012 budget. The workload had been reorganised within the relevant sections so that there was no extra cost or loss of service. He agreed to provide further details in respect of the specific posts that had been deleted from the establishment;
- (3) he also agreed to provide a written answer concerning how much of the additional income from car parking related to the increase in charges and how much to increased usage;
- (4) the Government had advised that its grant relating to the proposed Gypsy and Traveller Site at Depden would not need to be returned in the eventuality that planning permission was not granted; and
- (5) the £200,000 growth item referred to meeting the Borough Council's residual highway responsibilities following the Highways Agency returning to Suffolk County Council.

On the motion of Councillor Griffiths, seconded by Councillor Ray, and duly carried, it was

RESOLVED:- That:-

- (1) having taken into account the information received by Cabinet on 16 February 2011 (Report B453) including the Report by the Chief Finance Officer set out at Appendix F, together with the up to date information and advice contained in Report B468, the level of Band D Council Tax for 2011/2012 be set at £175.23;
- (2) Subject to (1) above, the following formal Council Tax resolution be adopted:-
 - (a) the revenue budgets attached as Appendix A, together with the additional revenue requirements ('growth bids') summarised within Appendix C and the efficiency (Dynamic Review – Innovation Value and Enterprise 'DR-IVE') savings and new income detailed at Appendix D be approved;
 - (b) the revised capital programme attached at Appendix B, including minor changes noted at 4.6.2, be approved;
 - (c) the statutory calculations under Sections 32 to 36 of the Local Government Finance Act 1992, attached as Appendix J, be noted;

- (d) the Suffolk County Council and Suffolk Police Authority provisional precepts issued to the Borough Council, in accordance with Section 40 of the Local Government Finance Act 1992 for each of the categories of dwellings shown below, be noted:-

Precepting Authority	2011/2012 provisional precept by valuation bands							
	A	B	C	D	E	F	G	H
County Council	751.02	876.19	1,001.36	1,126.53	1,376.87	1,627.21	1,877.55	2,253.06
Police Authority	107.16	125.02	142.88	160.74	196.46	232.18	267.90	321.48

- (e) in accordance with Section 30(2) of the Local Government Finance Act 1992, the amounts shown in Schedule 4 of Appendix I, as amended, be agreed as the amount of Council Tax for the year 2011/2012 for each of the categories of dwellings shown; and
- (f) the Chief Finance Officer be authorised to amend where necessary the amounts in Schedule 4 of Appendix I in accordance with any changes notified by Suffolk County Council, and/or Suffolk Police Authority, to the provisional precepts noted in 2.2(d) above;
- (3) the Chief Finance Officer, in consultation with the Portfolio Holder for Resources and Efficiency, be authorised to transfer any surplus on the 2010/2011 revenue budget to the General Fund, and to vire funds between existing Earmarked Reserves (as set out at Appendix G) as deemed appropriate throughout the year.
- (4) the following be included in the 2011/2012 Service and Team Plans to cover the period 2011/2012 to 2014/2015:-
- (a) new schemes with approved funding as listed in Appendix C of this report;
 - (b) minor non-recurring schemes below £5,000, on the condition that they will only proceed if they can be funded from existing budgets or working balances;
 - (c) the savings and extra income arising from the DR-IVE review for 2011/2012, as outlined in Appendix D to this report; and
 - (d) other initiatives which are to be met from within existing base budgets, external grants or which have no new resource implications.

92. **Appointment of Parish Council Representative to the Standards Committee**

(Councillor Ray declared a personal interest as he was acquainted with the nominated person and remained within the meeting for the consideration of this item.)

The Council considered a narrative item which sought endorsement of the appointment of Mr Robert Williams as a member of the Standards Committee representing medium sized parishes. Mr Williams was a Parish Councillor on Honington cum Sapiston Parish Council and had been recommended following consideration by the Standards Committee.

On the motion of Councillor Redhead, seconded by Councillor Everitt, and duly carried, it was

RESOLVED:-

That Mr Robert Williams be appointed as a Parish Council Representative on the Standards Committee.

93. **Quarterly Report on Special Urgency**

The Council received and noted a narrative item as required by the Council's Constitution in which the Leader of the Council reported that, at the time the Council agenda was published, no executive decisions had been taken under the Special Urgency provisions of the Constitution.

94. **Reports and Questions**

(a) Report from the Leader of the Council: Councillor Griffiths (Report B469)

The following topics were the subject of questions put to Councillor Griffiths, who duly responded:-

- (1) an examination into options for local energy generation should concentrate on 'pulling together' existing knowledge and not 'start from scratch';
- (2) the need for the Borough Council to respond quickly to Suffolk County Council's New Strategic Direction; and
- (3) the Borough Council's Rural Action Plan should include addressing rural transport concerns.

(b) Report from the Cabinet Member for the Bury St Edmunds and Community Safety Portfolio: Councillor Everitt (Report B470)

Councillor Everitt commended Dawn Goss, Community Development Officer, for organising a successful community picnic on the Howard Estate in Bury St Edmunds and working very hard to do the same again this year in both towns. He also thanked Simon Pickering, Youth and Community Development Officer, for assisting the users of the skate park in Bury St Edmunds to put in their own successful lottery bid which achieved a £50,000 grant. During the discussion Councillor Thorndyke also referred to an event in Stanton when free home insulation was distributed by staff from the Environmental Health Section and wished to thank those staff for undertaking their duties so professionally in freezing weather conditions.

The following topic was the subject put to Councillor Everitt, who duly responded:-

- (1) the timescales associated with the transfer of the Borough Council's community centres to community groups.

- (c) Report from the Cabinet Member for the Culture and Sport Portfolio: Councillor Mrs Alexander (Report B471)

Councillor Mrs Alexander congratulated Peter White, a Senior Planning Officer, for undertaking to cycle to Rwanda as part of the Borough Council's support for the Rwandan Olympic and Paralympic teams and to raise funds for Rwandan children. She also thanked Nick Wells, Festival and Entertainments Manager, on his work associated with the organisation of this years Bury Festival programme. During the discussion Councillor Cox paid tribute to the ground staff team who maintained all of the Borough Council's football pitches as he had received numerous favourable comments from both referees and players on the well maintained pitches during the current season.

The following topic was the subject of a question put to Councillor Mrs Alexander, who duly responded:-

- (1) the timescales for reducing the Council's budget of £580,000 for the three public halls in Bury St Edmunds;

- (d) Report from the Cabinet Member for the Economy and Asset Management Portfolio: Councillor Mrs Mildmay-White (Report B472)

The following topics were questions put to Councillor Mrs Mildmay-White, who duly responded:-

- (1) the recent planning decision of approving an out of town retail outlet;
- (2) signs at the business parks; and
- (3) funding for the access road at Suffolk Business Park in Bury St Edmunds.

- (e) Report from the Cabinet Member for the Environment and Street Scene Portfolio: Councillor Stevens (Report B473)

Councillor Stevens informed the meeting that the Borough Council had been awarded runner up in the Business Mileage Management Award, run by the Energy Savings Trust in association with the Guardian newspaper and supported by the Confederation of British Industry. This award recognised the Council's reductions in CO² emissions and reductions in fleet and other mileage. In addition, Fleet and Technical Manager, Phil Clifford, had been the outright winner of the Motorvate Member of the Year Award. This award recognised Mr Clifford's 28 years of experience in the fleet business and close work with the Energy Savings Trust.

During the discussions Councillor Cox paid tribute to refuse collectors in Haverhill for helping a resident with a problem.

The following topics were the subject of questions put to Councillor Stevens, who duly responded:-

- (1) the household waste collection trial at RAF Honington; and
- (2) the level of contamination within the waste bins.

(Councillor Ereira-Guyer left the meeting at the conclusion of this item)

- (f) Report from the Cabinet Member for the Haverhill and Housing Portfolio: Councillor Mrs Gower (Report B474)

Councillor Mrs Gower provided an update to the number of applicants on the housing register.

The following topics were the subject of questions put to Councillor Mrs Gower, who duly responded:-

- (1) use of Market Square in Haverhill for events rather than constructing a new plaza outside the Leisure Centre; and
- (2) use of the Chalkstone Community Centre for Borough Council meetings/events.

- (g) Report from the Cabinet Member for the Performance and Organisational Development Portfolio: Councillor Ray (Report B475)

No questions were asked.

- (h) Report from the Cabinet Member for the Resources and Efficiency Portfolio: Councillor Griffiths (Report B476)

No questions were asked.

- (i) Report from the Cabinet Member for the Transport and Planning Portfolio: Councillor Clements (Report B477)

Councillor Clements informed the Council that the Bury St Edmunds Area Working Party recently considered access arrangements at St Andrew's Street South and was recommending to Cabinet changes to the layout of the street and to the management of parking. However, no change to the access arrangements was felt appropriate. He also informed the Council that the Area Working Party had considered the outcome of the survey of parking in the Vinery Road/Holy Water Meadow in Bury St Edmunds and had made appropriate recommendations concerning charges.

The following topics were the subject of questions put to Councillor Clements, who duly responded:-

- (1) re-instatement of roads arising from the major programme of gas mains replacement works in Bury St Edmunds;
- (2) the developer presentations at the Vision 2031 event in Bury St Edmunds;
- (3) whether further consultation and surveys would be undertaken with the residents in Broad Street, Haverhill regarding the introduction of a neighbourhood parking scheme; and

(4) consultation of Zone H permit holders in Bury St Edmunds regarding the use of empty spaces by residents of King's Road (East), Bury St Edmunds and the proposed timetable and procedure for adding the new permit holders following the consultation.

(j) Report from the Chairman of the Overview and Scrutiny Committee: Councillor Lockwood (Report B478)

The following topic was a question put to Councillor Lockwood who duly responded:-

(1) how work on trees was prioritised by the Borough Council's Tree Officers.

(k) Report from the Chairman of the Performance and Audit Scrutiny Committee: Councillor Hale (Report B479)

No questions were asked.

(m) Questions to the Chairmen of other Committees

No questions were asked.

95. **Exclusion of the Public**

On the motion of Councillor Ray, seconded by Councillor Buckle, and duly carried, it was

RESOLVED:-

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12(A) of the Act.

96. **Item Referred to Council by Cabinet: Picturehouse Cinema, Hatter Street, Bury St Edmunds: Request for Financial Support from City Screen Ltd**

The Council considered Exempt Report B480 (previously circulated) which sought approval for a loan to City Screen Ltd to fund the next stage of its development of the Hatter Street Cinema in Bury St Edmunds.

City Screen Ltd were now looking at the next stage in their planned development of the Hatter Street Cinema's facilities, including improvements to the external façade of the building, reorganisation of the foyer area and improvements to the food and beverage areas. However, the company considered that it had reached its own limit to what was commercially viable and acknowledged that banks were unlikely to invest in a venture with such marginal expected returns. Therefore, the company had approached the Borough Council for loan finance of £120,000 repayable over 10 years and had offered the Hatter Street Cinema lease, when completed, and interior assets, such as seating and appliances, as security against the loan.

During the discussions the Borough Council recognised that the security being offered against a possible loan undoubtedly held risks. However, an alternative

would be a grant, but this would not provide any return to the Borough Council, whereas a loan had the potential of providing income significantly above current interest rates. It was also recognised that the cinema had now become part of the community since the new operators had become involved. There was an opinion that as the company had planned to invest approximately £500,000 into the premises then at least the lease would have some residual value.

On the motion of Councillor Griffiths, seconded by Councillor Ray, and duly carried, it was

RESOLVED:- That

- (1) the Council provides loan finance to City Screen Ltd to fund the next stage in the development of the Hatter Street Cinema;
- (2) the loan be conditional upon the Council securing a first legal charge on the Hatter Street Cinema lease and internal furniture and equipment; and
- (3) the value of the loan be £120,000 repayable over 10 years at a rate of interest of base rate plus 2%, with a minimum rate of 5%, and repayments be made on a quarterly basis.

97. **Conclusion of Business**

The meeting concluded at 10.03 pm.

MAYOR