



AGENDA

1. - The proceedings of the EXECUTIVE COMMITTEE as follows:

EXECUTIVE COMMITTEE

EXECUTIVE COMMITTEE – Minutes of Meeting held on Tuesday, 30th October, 2012.

Members Present: Mr. Councillor D.W. Christian (Chair), the Mayor, Mr. Councillor S.R. Pitts, Councillor Mrs. C.E. Malarkey, Mr. Councillor R.H. McNicholl.

Apologies: Mr. Councillor E.A. Joyce.

In Attendance: Chief Executive, Borough Engineer & Surveyor, Assistant Chief Officer (Finance), Member Services Officer (from 4.15pm to 4.30pm).

REPORT

C7. **Cambrian Place Borrowing**

The Committee considered a written report by the Assistant Chief Officer (Finance) seeking approval for a major rate-borne capital project to be financed by a fixed-rate loan under the Isle of Man Government-backed Local Authority Borrowing Scheme.

Members were advised that the project to build a car park and new library facility at Cambrian Place would be a wholly rate-funded scheme, with no Government subsidy, and a petition to borrow the sum of £12,072,000 to finance the project had been submitted to the Department of Infrastructure accordingly.

The Isle of Man Treasury's Financial Controller had instructed that local authorities may only take out variable-rate loans under the Local Authority Borrowing Scheme, in order to minimise the loan charges effect on the Government through the Housing Deficiency arrangements. The Borough Treasurer had therefore written to the Financial Controller seeking agreement to the Council taking out a separate, fixed-rate loan to finance the Cambrian Place development, on a non-pooled basis. No response had, however, to date, been received.

It was noted that the expected annual cost of borrowing would be off-set by car park income, and savings in rent from no longer leasing buildings in Victoria Street.

Resolved, "(i) That particulars of the report be noted on the minutes; and

(ii) That the Borough Treasurer be instructed to apply for a fixed-rate loan under the Local Authority Borrowing Scheme to specifically finance the Cambrian Place development on a non-pooled basis, as this was a very large rate-funded scheme with no Government subsidisation."