

BRECKLAND COUNCIL

CABINET – 3 December 2013

REFERENCES FROM OVERVIEW & SCRUTINY COMMISSION

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1. Purpose of Report

- 1.1 Cabinet is asked to consider the following references from the meeting of the Overview & Scrutiny Commission held on 21 November 2013

2. Extension of Existing ERDF Funded LEGE/Grants4Growth Programme

- 2.1 Members were advised that the Council had been approached with an offer of additional funding to extend the existing Grants4Growth project. The additional funding would have no resource implications and would enable the provision of larger grants of £100,000. It was noted that with larger grants outcomes could be more easily identified to provide evidence of the positive impact of the grant.
- 2.2 The most likely way that the grant money would be distributed was by 'open call'. Applications would be submitted which explained the merits of a project and they would be compared on a like for like basis, with those providing the greatest outputs being successful. Applications could be submitted by any organisation whose work involved implicit transactions. Therefore businesses, charities and voluntary organisations could apply.
- 2.3 The amount of grant being applied for was a conservative sum which reflected the very real and latent demand for funding, but at the same time would create minimum risk for the Council.
- 2.4 Out of 44 grants awarded so far by the project, 16 had been to organisations within Breckland District.

RESOLVED to **RECOMMEND TO CABINET & COUNCIL** that the offer of additional funding of £2 million from the East of England European Regional Development Fund (ERDF) Programme for the Council's current Local Enterprise Growth and Efficiency project (LEGE), branded as *Grants4Growth*, be accepted.

3.0 Town/Parish Council Localised Council Tax Grant (Decision Call-in)

- 3.1 At the meeting held on 29 October 2013 Cabinet Members had received a report asking them to agree an approach for the distribution of the town and parish share of the localised council tax grant for future years. The report had contained five options and Members had supported Option D – to completely remove the grant.
- 3.2 That decision had been called in by Councillor Jermy in the first instance, as he did not feel that the Cabinet had adequately assessed the impact that the decision would have, particularly given the additional costs that parish and town councils were facing given Breckland's continued transfer of services and responsibilities to them. He was particularly disappointed that parish and town councils had not been consulted about the decision in advance to ascertain the implications to them.

- 3.3 Other Members had joined the call-in request because they felt that as the matter affected all Wards of the Council it required wider consideration.
- 3.4 Ten additional Members were in attendance, including the Chairman of Cabinet and the Executive Member for Finance & Democratic Services. Mr Atterwill, Chairman of Swanton Morley Parish Council was also in attendance. All were invited to speak.
- 3.5 It was clarified that the title of the Cabinet report had been incorrect and should have been 'Local Council Tax Support Grant'. It was further explained that reference to the grant should have been removed from the budget as it had been a one-off payment. That had not been clear when the Medium Term Financial Strategy had been prepared.
- 3.6 Members were advised that recent correspondence with the office of the Deputy Director for Council Tax had confirmed that the Rate Support Grant (RSG) for 2013/14 did not contain any money meant for the town and parish councils. Whilst the RSG for 2012/13 had included additional funding to cover transitional costs the Minister had made it clear that that would be a one-off payment and that there was no obligation for local authorities to pass on the payment to town and/or parish councils. In the event, Breckland Council had chosen to pass that money on to the town and parish councils as a one-off grant.
- 3.7 The lack of consultation was discussed and the Assistant Director of Finance advised that the covering letter sent out to the town and parish councils with notification of the grant had clearly been headed 2012/13. He acknowledged that it had not been specifically referred to in the text of the letter. However, the matter had been raised at the Town & Parish Council Forum held in May 2013 and it had been made clear then that the grant had been for one year only.
- 3.8 Members were advised that the Options in the report were misleading because, as there was no money in the RSG for a grant, there could be no savings to the Council from not paying it. If the Council did award a grant the money would have to be found from the budget and that would affect spending in other areas.
- 3.9 The transfer of services to town and parish councils was also discussed. It had been suggested that assets were being passed on with insufficient financial contributions. It was made clear that a financial contribution was always provided whenever a service was transferred from Breckland to a town or parish, although it was acknowledged that the current economic climate was affecting the income from investments for town and parish councils as well as for Breckland Council. Town and parish councils could refuse to accept the transfer, but it was pointed out by a Member of the Commission that that could lead to the loss of a service for residents – such as the closure of public toilets, so in some cases the towns and parishes felt obliged to take on the responsibility.
- 3.10 Following a full and thorough debate it was:

RESOLVED to **RECOMMEND TO CABINET** that Option D be approved.