
BRECKLAND COUNCIL

At a Meeting of the

CABINET

**Held on Tuesday, 3 December 2013 at 9.30 am in
Anglia Room, The Conference Suite, Elizabeth House, Dereham**

PRESENT

Mr M. A. Wassell (Chairman)	Mr M.A. Kiddle-Morris
Mrs L.S. Turner (Vice-Chairman)	Mr I. Sherwood
Councillor E. Gould	Mr W.H.C. Smith

Also Present

Mr M J Nairn	Mr J.P. Cowen
Mr T R Carter	Mr P.J. Duigan
Mr M. S. Robinson	Mr T. J. Jermy
Mrs S.M. Matthews	Mr A.P. Joel
Mr S.G. Bambridge	Mr K. Martin
Councillor M. Chapman-Allen	Mr F.J. Sharpe

In Attendance

Dominic Chessum	- Joint Marketing & Communications Team Leader
Robert Walker	- Assistant Director of Commissioning
Julie Britton	- Senior Committee Officer
Mark Finch	- Assistant Director of Finance
Geoff Rivers	- Interim Chief Executive
Simon Best	- REV Active Project Manager
Kevin Ward	- Growth Programme Manager

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93/13 MINUTES (AGENDA ITEM 1)

The Minutes of the meeting held on Tuesday, 29 October 2013 were confirmed as a correct record and signed by the Chairman.

94/13 APOLOGIES (AGENDA ITEM 2)

An apology for absence was received from Councillor E Jolly.

95/13 DECLARATION OF INTERESTS (AGENDA ITEM 4)

Mark Kiddle-Morris declared an interest in agenda item 7 by virtue of him being Chairman of the Strategic Board for Grants4Growth.

96/13 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA ITEM 5)

M Chapman-Allen, S Matthews, G Bambridge, T Carter, P Cowen, P

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Duigan, T Jermy, A Joel, K Martin, M Nairn, M Robinson and F Sharpe.

97/13 EXTENSION OF EXISTING EUROPEAN REGIONAL DEVELOPMENT FUND (ERDF) PROGRAMME FOR THE COUNCIL'S CURRENT FUNDED LOCAL ENTERPRISE GROWTH AND EFFICIENCY (LEGE) 'GRANTS4GROWTH' PROGRAMME (AGENDA ITEM 7)

The Executive Member for Assets & Strategic Development presented the report which asked for Members' guidance on an opportunity to increase East of England European Regional Development Fund (ERDF) funding for the existing Local Enterprise Growth and Efficiency (LEGE) project/Grants4Growth Programme to deliver additional outputs.

Additional papers were circulated that summarised the ERDF backed project.

The Low Carbon Growth Programme Manager stated that demand for the support from the Project had been significantly greater than anticipated. The delivery pipeline (i.e. committed private sector match funding) was already £5.8 million after six months, against a two year target of just £5 million. 36.4% of grants settled and 43% of grant value settled was within the Breckland area. The Bulletin that had been circulated highlighted the value of these grants. This funding helped businesses to invest and grow in the future.

It was noted that the Project Management Team had been informally approached by the ERDF Programme about extending the Project's value. There was certainly a clear demand for this funding and the Low Carbon Growth Programme Manager could not see any additional risks by bidding for this additional £2 million. There would be no additional costs incurred by Breckland as all direct costs were eligible ERDF expenses and would be reclaimed through the Project.

The Executive Member for Assets & Strategic Development said that the Grants4Growth had enabled £20k grants to be given to businesses. This extra funding, if the bid was accepted, would be used for 20 super grants totalling £100k each. Submissions for such grants would be requested by a certain date. He urged the Cabinet to support the recommendation.

The Chairman pointed out that this report should be considered in conjunction with agenda item 11, the references from the Overview & Scrutiny Commission, where this report had been well received.

The Overview & Scrutiny Commission Chairman said that the Project Management Team had provided the O&SC with a very good presentation and the main focus had been on how the grants would be allocated. He felt that there would be great demand for this funding and suggested a second stage in the process to assess how the applications should be judged. He hoped that this initiative would be marketed and put in the public arena as soon as possible.

Option A: the *do-nothing* option.

The Project management did not apply for £2 million+ of additional funding. The existing ERDF-funded grant pot of £2.54 million would be matched with £5 million+ of private sector investment in growth. A number

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of significant opportunities to catalyse transformative growth in SMEs would be unrealised.

Option B:

Grants4Growth was re-profiled and additional ERDF funding sought. This would increase the size of the grants pot to £4.54 million and leverage £9 million+ of private sector investment. Total ERDF funding would increase from £3,361,423 to £5,396,561, reflecting the £2 million increase in the size of the grants pot and £35,138 to cover additional administrative costs incurred in managing the new *supergrant* facility (such as salaries/subcontracts to cover the extra responsibilities around investment due diligence, marketing of the facility, travel associated with the grant applications process, and technical consultancy to assist with feasibility work around the specific initiatives being presented for appraisal by the Grants Panel.

Option B was recommended. The Economic Development Service's track record of delivery and performance under scrutiny/audit meant that DCLG considered the Project and its management/governance/oversight structures to be '*lower than low risk*'. If DCLG was unable to allocate funding before the end of 2013, the funding allocation would be returned to central government and then to the EU Commission.

Reasons

There were likely to be no further opportunities to access additional ERDF funding during the current programme. The LEP-administered operational programmes for the 2014-2020 EU structural funds were unlikely to be in any position to begin allocating funds until late 2014. This proposal represented, therefore, the only real opportunity for capacity building during the immediate future and was clearly aligned to established business demand/need.

RECOMMEND to 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.

SB/MS

98/13 FINANCIAL PERFORMANCE QUARTER 2 2013-14 (AGENDA ITEM 8)

The Chairman presented the report which provided information on the forecast financial position at the end of the current financial year based on budgetary control work at the mid year point which covered revenue, capital and treasury management activities.

Breckland Council was continuing to deliver revenue savings, many of which were on-going and have been factored into the budgets figures in future years.

The efficiency savings for 2013-14 to date was £960,663 against a target of £456,820 (see page 19 of the report). This represented 210% of the total, in other words, Breckland Council's efficiencies, its savings, were twice that of which was originally forecast. This was something that Members and Officers should be justifiably proud of, and something that the press should be delighted to report.

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Retained business rates was currently forecasting above budget income, with Breckland's share being around £263k in the current year. However, this performance was subject to a number of external factors and risks, therefore, these figures should be treated with caution as backdated appeals could have a devastating impact on this funding stream.

The Assistant Director of Finance highlighted a number of key areas within the report.

The Opposition Leader wanted to know why the housing benefit subsidy figure was so high and asked what this money could be spent on. Members were informed that this was an additional grant received for processing benefit claims accurately. He also asked a question in relation to the New Homes Bonus and highlighted how this money was being spent by another Council and wanted to know if Breckland Council planned to do the same. The Chairman reminded Members that this particular Council charged a great deal more than Breckland for its Council Tax. It was felt that this question related to the next agenda item (agenda item 9) and would be answered accordingly during that debate. The Executive Member for Internal Services pointed out that the monies received for the exemplary performance of the Anglia Revenues Partnership had been put into the Communities Reserve.

Option 1

To note the report and approve the virements detailed within Table 4 of Section 1 of the appendix and recommend to Full Council that the additional housing benefit subsidy income of £112,320 be vired to efficiencies and approve the capital budget carry-overs of £6,147,562 to 2014-15 as detailed in Section 2 of the appendix.

Option 2

To note the report and not approve the virements detailed within Table 4 of Section 1 of the appendix and not make the recommendation to Full Council and not approve the capital budget carry-overs in Section 2 of the appendix

Reasons

To provide timely information to Members on the overall finances of the Council, and to make the best use of resources available.

1. **RESOLVED** that:

- a) the report and appendix be noted;
- b) the virements as detailed in Table 4 of Section 1 of the appendix be approved; and
- c) the Capital Budget carry-overs of £6,147,562 to 2014-15 as detailed in section 2 of the appendix be approved.

2. **RECOMMEND** to Council that the additional housing benefit subsidy income of £112,320 be vired to efficiencies.

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99/13 DRAFT BUDGET, FINANCIAL MEDIUM TERM PLAN AND CAPITAL STRATEGY (AGENDA ITEM 9)

The Chairman presented the draft Revenue and Capital budget and Medium Term Plan which the Cabinet was being asked to approve so that the authority could release the papers for consultation.

The report set out the assumptions and strategies in delivering the Council's services over the medium term, whilst recognising the impact that continuing Government cutbacks in local government funding was having on local authorities finances. Breckland Council had been able to use the savings and efficiencies achieved over the last two years to balance the budget over the next two years. However, between 2016 and 2019 there would be real challenges ahead to continue to deliver a balanced budget as a significant budget gap would grow if further steps were not taken to address the situation. The graph on page 34 of the report highlighted what was being called the "Jaws of Doom" and displayed the gap between income and the costs of services. However, Members and Officers were working on an innovative and comprehensive programme of savings and efficiencies for delivery in the short term to address the emerging funding shortfall. Longer term, a more fundamental transformation programme would be required as the funding gap would grow to £2.6m without intervention. It was envisaged that some of the plans to begin addressing these issues would be incorporated into the budget and Medium Term Financial Plan when it came before Cabinet again in the New Year, where Members would be considering the plan again before formally asking Full Council's approval.

The Assistant Director of Finance pointed out that this initial draft budget, if approved, would be put out to consultation on the website where hopefully comments would be received from council tax payers, business rate payers and key stakeholders. The same report would also be discussed at the forthcoming Audit Committee meeting. The Chairman had already covered the main key areas but he assured Members that as far as the "Jaws of Doom" were concerned, Breckland Council was not alone as the budget situation across many other authorities was very similar. It was noted that the forecast grant funding figures would be available following the Autumn Statement announcement. As far as settlement dates were concerned, the settlement announcement was not expected to be released until 18 December 2013. The budget would not be approved until the February meetings of Cabinet and Council.

The Assistant Director of Finance then went through the report covering the overall revenue budget position, the capital budget, risks and the sensitivities of major variables. The indicative tax figures on page 44 of Appendix C of the report would be affirmed in January 2014.

In response to the Opposition Leader's question in relation to an authority using its NHB monies to generate their town centres, and whether Breckland Council would be following suit, the Chairman reminded Members of the Local Asset Backed Vehicle (LABV) process that for a local authority was quite innovative.

The Overview & Scrutiny Commission Chairman said that he had been having discussions with the Executive Member for Finance & Democratic

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Services about having wider Member involvement in the budget process and engaging with the Task & Finish Group in how this budget was going to be shaped. Further to this, in relation to the revenue support grant, which in his opinion was dropping like a proverbial stone, Members were informed that this would be a piece of work that would be taken forward to the Overview & Scrutiny Commission.

The Executive Member for Assets & Strategic Development highlighted the fact that the Drainage Board might have to adopt more river and felt that this could have a knock on effect on the drainage board levies (page 29 of the agenda). The Assistant Director of Finance said that he was not aware of this but agreed that this would undoubtedly put more pressure on the levy. Councillor Bambridge, who was also a member of the Internal Drainage Board, said that he had specifically asked this question at the IDBs last meeting and was told that this would not have an immediate effect as the IDB would only be taking over an extra 20% of river at the moment.

The Chief Executive was pleased that Breckland Council had a balanced budget for 2015/16 - this was not the case for South Holland District Council. The Council needed to be concentrating on savings to bridge the future gap otherwise this authority would reach a stage where it was actually at the 'bone'. He felt that a different organisation was needed and from February 2014 onwards, the whole Transformation Programme would be re-visited. Transformation was not about budget savings it was about describing what Councillors wanted in the future, in other words, what they would like the Council to look like in a few years time.

Options

No alternative options presented; however, amendments could be made before release for consultation.

Reasons

To comply with the budgetary and policy framework.

RESOLVED that the draft Capital and Revenue budget estimates, the financial Medium Term Plan and the Capital Strategy be released for consultation.

MF/AC

100/13 BRECKLAND COMMUNITY FUNDING APPLICATIONS (STANDING ITEM) (AGENDA ITEM 10)

The Vice-Chairman highlighted the various grants that had been awarded in October 2013 which included:

- Bridgham Community Car Park - £5000.00
- Watton Christian Community Centre - £661.60

There were several grants in the pipeline that would be forthcoming.

Members were informed of a pot of monies that had been ring-fenced for parishes to commemorate the 100th anniversary of the start of World War 1 similar to the theme that Breckland Council had provided for the

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Queen's Golden Jubilee celebrations. These monies would be released in the New Year.

101/13 REFERENCE FROM THE OVERVIEW AND SCRUTINY COMMISSION (AGENDA ITEM 11)

1) Extension of Existing ERDF Funded LEGE/Grants4Growth Programme

This item had already been discussed under agenda item 7 (see Minute No. 97/13 above).

2) Town/Parish Council Localised Council Tax Grant (decision Call-in)

The Overview & Scrutiny Commission Chairman said that a robust and healthy debate had been had by Members of the Commission and the decision by Cabinet had been upheld.

The Chairman said that he had been delighted with the Commission's support.

The Opposition Leader had been quite intrigued by an email he had received from the National Association of Local Councils (NALC) which unfortunately had been after the Overview & Scrutiny Commission meeting. He read aloud the letter which highlighted the impact it would have on Parish and Town Councils if the grant was not passed on. He pointed out that NALC had pressed the Minister of the Department of Communities and Local Government (DCLG) to issue further guidance in relation to authorities that passed on such grants.

The Chairman said that he would look forward to receiving such guidance.

Councillor Sharpe reminded the Opposition Leader that Breckland Council would not be receiving any further funding so would be unable to pass a grant on. He read aloud an email that he had been sent saying that the decision had already been made not to support the distribution of such a grant.

The Executive Member for Assets & Strategic Development reminded Members of the email from the DCLG that clearly stated that the grant in 2013/14 had been a one-off.

Councillor Joel asked if a grant could be passed on if there was money available in the budget. In response, the Chairman advised that this would affect the Council's budget and the Council Tax would have to be increased. He said that he would be intrigued to see DCLGs response.

The Overview & Scrutiny Commission pointed out that his parishes had been quite clear about the payment being a one-off.

The Executive Member for Communications, Organisational Performance, Development & Public Protection reminded Members

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that it was Council Tax payers' money that was passed on not the Council's and he felt that Town and Parish Council's needed to take responsibility for their own budgets. He further felt that it was about time to do away with this illusion that the Council had money to give away.

The Executive Member for Internal Services stated that Breckland did have some very pro-active parishes. Attleborough for example ensured that its services were aligned to the monies that the town received. He pointed out that the distribution of the so-called grant was a voluntary decision made by Breckland Council for 2013 only. All parishes were informed that the grant was a one-off and had been told to budget accordingly.

RESOLVED that the Cabinet decision on 29 October 2013 to remove the Council tax Support Grant be upheld.

MF/AC

102/13 NEXT MEETING (AGENDA ITEM 12)

The arrangements for the next meeting on Tuesday, 7 January 2014 at 9.30am in the Anglia Room were noted.

103/13 EXCLUSION OF PRESS AND PUBLIC (AGENDA ITEM 13)

RESOLVED that under Section 100(A)(4) of the Local Government Act 1972, the press and 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 3 of Part 1 of Schedule 12A to the Act.

104/13 RIVERSIDE DEVELOPMENT, THETFORD (AGENDA ITEM 14)

The Executive Member for Assets & Strategic Development presented the report and provided Members with the background in relation to the Riverside development.

The Executive Member responded to a number of questions and the financial implications within the Proforma B were highlighted.

It was agreed that further wording should be added to the last sentence at paragraph 5.2.3 of the report to read: ".....a proportion of.....".

Options

See report.

Reasons

See report.

RESOLVED that the recommendations as set out in option 2A of the report be approved taking into account the financial implications as set out in the Proforma B.

KW

The meeting closed at 10.30 am

CHAIRMAN