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**BRECKLAND COUNCIL**

**At a Meeting of the**

**CABINET**

**Held on Wednesday, 19 February 2014 at 9.30 am in  
Norfolk Room, The Conference Suite, Elizabeth House, Dereham**

**PRESENT**

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

**Also Present**

Mrs S.M. Matthews	Mrs A.L. Steward
Mr M J Nairn	Mr D.R. Williams JP
Mr T R Carter	Mr J.P. Cowen
Mr S.G. Bambridge	Mr T. J. Jermy
Mr R.G. Kybird	

**In Attendance**

Geoff Rivers	- Interim Chief Executive
Dominic Chessum	- Joint Marketing & Communications Team Leader
Julie Britton	- Senior Committee Officer
Alison Chubbock	- Accountancy Manager
Mark Finch	- Assistant Director of Finance

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**24/14 APOLOGIES (AGENDA ITEM 1)**

None.

**25/14 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA ITEM 4)**

Mesdames Chapman-Allen, S Matthews and A Steward and Messrs G Bambridge, T Carter, P Cowen, T Jermy, R Kybird, M Nairn and D Williams.

Mr Roger Atterwill from Swanton Morley Parish Council was also in attendance.

**26/14 BUDGET, FINANCIAL MEDIUM TERM PLAN AND CAPITAL STRATEGY (AGENDA ITEM 6)**

The Executive Member for Finance & Democratic Services started by explaining the background as to why this budget report was being

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presented to Cabinet at this time.

At the recent Overview & Scrutiny Commission meeting, the Executive Member had already made Members aware of major changes in Government legislation and policy often not being finalised until the 11<sup>th</sup> hour which left little time for consultation and implementation. This had been the case in regard to the confirmation being received from the Department for Communities and Local Government (DCLG) for the level of the Council's Revenue Support Grant and the quantification of the uplift in business rates as a result of the new Business Rate Retention Scheme. Additionally, the Government's Council Tax referendum criteria had not been confirmed until early February 2014. All this information had arrived too late for the Cabinet meeting on 11 February 2014. Breckland Council had always taken important financial decisions based on fact rather than possibility and given the circumstances, this was the reason it had been necessary to have this additional Cabinet meeting.

Now that the Council was in possession of this information, the Executive Member was pleased to announce that the authority was in a stronger financial position that had been envisaged. This would mean, should Full Council approve, that Breckland Council's portion of Council Tax could be frozen and the same amount of money could be distributed to the Town and Parish Councils as last year. All the above would still enable the Council to protect its baseline budget.

The report set out the Budget for 2014-15 and the Medium Term Financial Plan until 2018-19; this covered:

- The Revenue budget and fees and charges
- Earmarked Revenue Reserves
- Capital Strategy and programme of projects.

The report proposed that Cabinet recommended to Full Council:

1. a balanced budget until 2016-17
2. a Council Tax freeze for two years
3. the Band D Council Tax to remain at £69.03, the equivalent to £1.33 per week.
4. that a contribution of £305k be included in the budget so that parishes received the same amount next year for Council tax support as they had in this current year.

In the Autumn Statement, the Government announced Business Rate Relief in years 2014-15 and 2015-16 on occupied retail properties with a rateable value of £50k or less. To achieve this, Breckland Council would be setting a scheme that supported local retail business and would be fully reimbursed through a Government grant for this to be delivered. Once again, the final scheme guidelines had not yet been published by the Government; therefore, it was being recommended that once this information had been released, adoption of the local scheme guidelines be delegated to the Assistant Director of Finance in consultation with the relevant Portfolio Holders.

Breckland Council had worked hard to achieve efficiencies early in order to present balanced budgets for the next two years and this had

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contributed to an increase in Reserves. This healthy Reserve position would need to be used to support projects to deliver growth and efficiencies from 2016-17 when there would be a £1.3m gap in the budget which would grow to a £2.1m gap by 2018-19.

In the year 2013-14 to 2014-15, Local Government settlement had been reduced by 23% and would be going down further in the year 2015-16 and again in 2016-17. This means that the authority would be more reliant on retained business rates, new homes bonus and other sources of funding.

All local authorities were being required to focus on the growth agenda to provide a sustainable budget in the medium and longer term in order to protect services.

Breckland Council would continue to maximise the returns on the Council's asset holdings and use the income that was generated to support services.

The Council was working on a series of projects that would deliver increased growth, income and efficiencies in future years so that it could continue to deliver quality services to its residents and businesses. These projects would require sufficient resources to deliver them effectively; therefore, the Council's Reserves would be used to ensure successful delivery of these schemes. Following this, the Council would also be undertaking a fundamental review of remaining Reserves to inform the development of next year's Medium Term Financial Plan.

In conclusion, the Executive Member for Finance and Democratic Services stated that whilst the present position was more favourable than had been anticipated, there still remained a budget gap of some £1.3m in 2016/17 and beyond. The growth in the economy, Government legislation and guidelines and any changes in interest rates would all have an impact on the future of Breckland and therefore it would continue to be cautious in its outlook and in its management of public finances.

Mr Atterwill, the Chairman of Swanton Morley Parish Council, said that he would like it to be placed on record that he was very pleased that the Council was now proposing to pass on to Parish and Town Councils the full amount of council tax support grant funding allocated by the Government amounting to £305k. This was welcome news and he hoped that a line could now be drawn under this particular issue. He drew attention; however, to another matter which undoubtedly affected other parishes as well as his, namely, the budget allocation for repairs and maintenance of Breckland Council owned roads and footpaths. He had noted from the 2013/14 summary Financial Plan that there was just £48,470 allocated for roads and footpaths in 2014/15, an estimated increase of just £480 on the previous year. In May 2013 he had written extensively to the Asset Management Team concerning the complete lack of maintenance of the tarmac area along Ward Crescent in Swanton Morley. He also complained about the very poor quality of repairs carried out by Breckland Council as a result of excessive and unnecessary vehicle movements by the bin lorries along a short concrete access road in the same area. He had provided copious photographs to demonstrate this 'saga' and was informed by the department manager that over £2k

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had been spent on this area and a further £2,800 would be required to tarmac the remainder making a total of nearly £5k which, in his opinion, represented a material proportion of the annual budget amount. When he had asked if this work could be put right he had been quoted by the officer concerned that this would cost approximately £600. He said that he had been told that as the annual budget was in fact only £30k for the whole district none of this would be possible and he felt that this amount was a derisory sum for 112 parishes including 5 market towns. He stated that it had been 34 years since Breckland took over the responsibility for the maintenance of these areas and up until last year, no maintenance had been carried out, meaning that the Council had only needed to find an average per year of £160 to maintain this area which in his opinion, his parishioners had more than paid for in council tax over this period. He had noted in the report that Breckland Council had over £9m in Reserves so he felt it was possible to find the money from at least one source in the budget to get all these works and those that had been identified by other parishes up to a satisfactory standard. The LABV proposal, would not, he would suggest, cover such works. He had written to Members highlighting this issue and the need for additional resources and he believed that he had been patient enough in waiting for a response and he looked forward to getting some good quality repairs and resurfacing work carried out in the very near future.

The Chairman thanked Mr Atterwill for his comments but this was a matter that could not be addressed at this meeting and suggested that he speak to the Ward Representative to undertake a review. Unfortunately, no promises could be made as it was outside the remit of this budget meeting. In response Mr Atterwill explained that he had already been in contact with the Ward Representative and had been informed that there was insufficient money to carry out this work; this was the reason he was asking for a review of the budget and had felt that this was the appropriate forum to bring this to Members attention. The Chairman said that he would look into it.

Councillor Williams asked what the Council's statutory duties were on these matters as he believed that Breckland acted on behalf of Norfolk County Council. The Executive Member for Assets & Strategic Development explained that Breckland Council owned very few footpaths and most were maintained by Norfolk County Council. He did point out; however, that a number of footpaths in Watton that were owned by Breckland had recently been repaired. Further to this surveys had been carried out on the state of Council owned footpaths and it had been found that the budget set aside for repairs was sufficient. The Opposition Leader said that there were many footpaths in his Ward that were owned by Breckland Council that were in a very poor condition and he had been receiving complaints from residents all the time. The footpaths owned by Norfolk County Council had been repaired and a great deal of money had been spent on the Barnham Cross Estate. He agreed with Mr Atterwill that the budget was not satisfactory.

On another subject, Councillor Kybird was pleased to note on the Capital Programme the funding for Thetford Regeneration and understood that this project would now be delivered by the Council's Local Asset Backed Vehicle (LABV). He asked if this money would be carried forward to the following year. Members were informed that the project had not been

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delayed.

The Opposition Leader asked what the amount would be if the Council Tax increased by 2%. He also asked the amount of the Council Tax Freeze grant. The Assistant Director of Finance explained that the amount of the Council Tax Freeze grant was £26k and if Council Tax was increased by 2% the amount for a Band D Property would be £70.38; therefore, the Freeze grant did not cover that total element. The Opposition Leader stated that the Council Tax budget for last year mentioned 2% recurring and the referendum trigger of £5. The Executive Member for Finance and Democratic Services advised that the financial position was better than had been envisaged and the Council should be able to protect the baseline budget; however, this information could not have been known until early January/February. The £5 element had not been extended as the Council had budgeted for a 2% increase in December 2013. Officers had revisited the figures and had established what was being recommended today.

The Executive Member for Communications, Organisational Performance, Development & Public Protection believed that the public should have every pound that they earned. Last year, the Government did allow exceptional circumstances to increase the Council tax by £5 and he could not see the point of increasing the Council Tax by 2% to get £26k. He had been pleased that other authorities were also freezing their Council Tax as this all added up in people's pockets. He felt that it was every Councillors responsibility to look at services they provided for their communities, and what needed to be changed but he could not see any justification to increase the Council Tax by 2%.

Councillor Williams mentioned wage restraints and felt that any increase would be obscene; however, he knew that in the not to distant future there would be a huge funding gap that the Council would have to contend with. Breckland Council had, in his opinion, been entrepreneurial and prudent – much better than most and he would hate to be in the same position as some other Councils.

The Executive Member for Corporate Services & Quality Assurance asked if Breckland Council had received any monies from Norfolk County Council for the Council Tax Support scheme as it had in the previous year. Members were informed that the money received from Norfolk County Council last year had been a one-off as this had been a transitional grant paid for the new Council Tax Support Scheme.

The Executive Member for Corporate Services & Quality Assurance agreed with the aforementioned comments made by his colleagues and felt that putting hands in peoples' pockets to try and close the funding gap would indicate, in his opinion, a lack of initiative. Instead, going through efficiencies was providing value for money and to gain further efficiencies productivity must be improved.

The Overview & Scrutiny Commission Chairman felt that it had been unfortunate that the Executive Member for Finance & Democratic Services had been unable to report on the budget at the Overview & Scrutiny Commission meeting due to Government holdups but he was delighted with the information he had heard and seen. However, whilst

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the Council's budget for this year was good, Members should not ignore the fact that the Council would have an enormous budget gap in future years. He felt that there was still a huge mountain to climb and this was not a recovery that was going to be sustainable. Life was and would be still incredibly tough plus the recovery was fragile and the Council could only look forward to stringent Government measures; therefore, he urged the Cabinet and the Officers to consider the risks and acknowledge the fact that future monies were going to be tight.

The Executive Member for Corporate Services & Quality Assurance did not blame the Government for the situation that had been inherited and mentioned the interest on the country's debt. The Executive Member for Communications, Organisational Performance, Development & Public Protection felt it was very important that people came to terms with the facts with the budget being presented. Officers and Members had prepared for this for many years and had adjusted the budgets accordingly to make it balance. He highlighted a few facts that were on page 5 of the agenda, 77% of Breckland homes were in the Council Tax Band A to C and on page 6 of the agenda the average Band D Council Tax by authority for Breckland's Norfolk neighbours was a great deal more particularly Norwich.

The Opposition Leader asked what would happen now with the Council Tax Support Grant as he knew that some parishes had already set their precepts. The Executive Member for Finance & Democratic Services explained that it was probably too late for parishes to change their precept but the monies could be used to help with future budgets or the monies could be retained in their reserves. She mentioned the point made by the Overview & Scrutiny Commission Chairman about the fragility of the recovery in the budget and stated that any excess of income from Business Rates would be vired to the Business Rates and Council Tax Reserve; therefore, if schools became academies, for example, Breckland Council would use money set aside in its reserves to support future difficulties and to assist with the budget gap. All Councils were now being required to focus on the growth agenda and this would be where local income could be found instead of relying on revenue support grants. The Executive Member for Finance & Democratic Services had complete faith that Breckland Council had its building blocks in place and she commended the whole Finance Team for being very prudent. She said that there would be further transformation to come in relation to new ways of working and reminded Members of all the work that was happening in the background and with this in mind, she was confident that the best was being done in the present circumstances.

As a Ward Representative and a Parish Councillor, the Executive Member for Community & Environmental Services stated that many parishes had already set their precepts. Her parish of Shipdham was being responsible for itself and had not been reliant on any grant being received and had already set its precept so any monies due would be put into reserves for future use.

The Executive Member for Communications, Organisational Performance, Development & Public Protection agreed that parishes should and must be taking responsibility for their own budgets and communities. His Ward of Swaffham had already accounted for the fact that they would not be

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receiving any funding this year and had increased its precept by 3%.

**Options**

- Recommendations 1 to 8 be made to Full Council
- Make amendments prior to recommendations 1 to 8 were made to Full Council

**Reasons**

To comply with budgetary and policy framework.

**RECOMMEND** to Council that:

- 1) the Breckland revenue estimates and parish special expenses for 2014-15 and outline position through to 2018-19 as set out in **Appendix B** of the report be approved;.
- 2) the capital estimates and associated funding for 2014-15 and outline position through to 2018-19 as set out in **Appendix H** of the report be approved;
- 3) the fees and charges shown at **Appendix D and D2** of the report for adoption on 1 April 2014 be approved;
- 4) the Council Tax for a Band D property in 2014-15 be frozen at £69.03 as set out in **Appendix B** of the report;
- 5) the Financial Medium Term Plan at **Appendix A** of the report be approved;
- 6) the Capital Strategy at **Appendix G** of the report be approved;
- 7) the contribution of £305k in relation to council tax support to town and parish councils be paid; and
- 8) relief be awarded to all businesses that fall within Government's criteria equally and to delegate the determination of the final scheme guidelines to the Assistant Director Finance in consultation with the Portfolio Holder for Finance and the Portfolio Holder for Corporate Services and Quality Assurance following publication of the final scheme by Government.

**27/14 NEXT MEETING (AGENDA ITEM 7)**

The arrangements for the next meeting on Tuesday, 1 April 2014 were noted.

The meeting closed at 10.10 am

CHAIRMAN