

**RECOMMENDATIONS FROM THE REGENERATION, ENVIRONMENT AND COMMUNITY PANEL MEETING HELD ON 28 JANUARY 2015 TO THE CABINET MEETING ON 3 FEBRUARY 2015**

**REC110: CABINET REPORT: FINANCIAL PLAN 2014/2018**

The Deputy Chief Executive presented, with the aid of power-point, the Financial Plan for 2014/2018, which was produced on an annual basis, as part of the council tax setting process. The Council updated its longer term Financial Plan to take account of any changes in financial settlements, inflation on service costs and revised priorities of the administration. It also included Drainage Board levies for 2015/2016.

The Deputy Chief Executive highlighted the following points:

- Net ongoing savings in year of £330,000
- New leisure trust came into being
- Transferred £200,000 as a working balance to the new Trust
- Provided £100,000 to replenish reserves committed on Bus Station
- Set aside £380,000 as Business Rates Reserve
- Paid up front payment of £3.1m to Pension Fund
- Carry forward General Fund balance of £3.2m.

The Deputy Chief Executive referred to the Government Funding Settlement – Budget and Settlement figures which included Revenue Support Grant, Business Rates, Council Tax Freeze, Rural Funding Grant and New Homes Bonus. Additional funding was received from Business Rates Growth and the Renewable Energy and Collection Fund Surplus.

The Deputy Chief Executive outlined the Major Income Streams, totalling £22,691,710 as follows:

- Car parking
- Planning fees
- Revenue Support Grant
- Business Rates
- Business Rates Growth
- New Homes Bonus
- Council Tax

The Panel was informed of the key issues in the budget as follows:

- No increase in Council Tax
- No increase in car parking charges
- £150,000 for town centre promotions
- Continued success of the cost reduction programme
- Continued reduction in Revenue Support Grant

- Modest growth in Business Rates retained
- Rating appeals impacting on rates income retained
- Slow economic recovery for land sales
- Healthy balances and reserves
- Time to change to meet challenges.

In relation to the cost reduction programme, the Deputy Chief Executive explained that it began in 2009 and savings to date totalled £7.9 million which had been incorporated into the Financial Plan. The continued action helped to balance the budget to 2017/2018 but spending exceeded income and it was necessary to use balances of £2.2 million in 2017/2018. Future grant reductions meant that the cost reduction programme would continue for the foreseeable future.

Services were under review and work streams were ongoing in:

- Asset rationalisation
- Graphics and printing
- ICT Optimisation
- Procurement
- Channel Shift/Service Transformation.

The Chairman thanked the Deputy Chief Executive for his report and invited questions and comments from the Panel, some of which are summarised below.

Councillor Crofts commented that there was the potential for printing and postage savings if iPads were provided to Councillors after the election. The Leader of the Council explained that new technology for Councillors was being investigated and there was the potential for cost savings. He explained that practices were being shared between Local Authorities regarding channel shift.

In response to a question from Councillor Mrs Watson, the Deputy Chief Executive explained that, whatever technology solution was implemented for Councillors post-election, comprehensive training would be provided. A report on Members ICT solutions was scheduled to be presented to the Cabinet in March 2015.

The Vice Chairman referred to the Deputy Chief Executive's presentation, where he had explained that the Council would work to become less reliant on the Revenue Support Grant. The Vice Chairman asked if there was a risk that the Council would lose this grant if they were not reliant on it. The Deputy Chief Executive felt that it was the Government's intention to eventually stop the grant, and the Council were taking the necessary precautions should this happen. The Leader of the Council explained that some councils were in discussion with the Department for Communities and Local Government regarding greater independence.

The Chief Executive reminded those present that the Parliamentary Election would take place in May, which could have an effect on budgets and grants available. The Council was currently rolling forward the projections of the current Chancellor of the Exchequer. He explained that there were some budgets that needed to be protected such as social care. The Chief Executive felt that by 2020 it was likely that many districts will have seen their Revenue Support Grant shrunk to a negligible level and it would only account for a small part of the Council's income. He reminded the Panel that the Revenue Support Grant previously accounted for nearly two thirds of the Council's funding. The Chief Executive explained the importance of planning in a proactive way for the future.

The Leader of the Council referred to an article he had read in the Independent newspaper and agreed to circulate it to the Panel.

Councillor Mrs Watson thanked the Leader of the Council and all officers involved in ensuring that business continued to grow in the Borough.

Councillor Mrs Collingham referred to the Business Rates Growth funding, which was dependant on the rateable value of businesses in the Borough. She asked why so many businesses had been appealing their rateable value, often being successful, meaning less funding available to the Council. The Deputy Chief Executive explained that the Valuation Office set business rates and the Government set the multiplier. Any rateable business could appeal and it was unfortunately out of the Council's control.

The Leader of the Council commented that he was frustrated with the system, especially the recent successful appeal by Tescos resulting in their business rates being reduced. He hoped that the Government would look into this issue in the future

**RESOLVED:** That the Regeneration, Environment and Community Panel support the recommendations to Cabinet as follows:

Recommendation 1: It is recommended that Council approve the revision to the Budget for 2014/2015 as set out in the report.

Recommendation 2: Council is recommended to reaffirm the Policy on Earmarked Reserves and General Fund Working Balance and the maximum balances set for the reserves as noted in the report.

Recommendation 3: It is recommended that Council:

- 1) Approves the budget of £18,070,690 for 2015/2016 and notes the projections for 2016/2017 and 2017/2018.
- 2) Approves the level of Special Expenses for the Town/Parish Councils as detailed in the report.

- 3) Approves the Fees and Charges 2015/2016 detailed in Appendix 4.
- 4) Approves a Band D council tax of £111.97 for 2015/2016

Recommendation 4: Council is recommended to approve a minimum requirement of the General Fund balance for 2015/2016 of £937,781.

REC111: **CABINET REPORT: CAPITAL PROGRAMME 2015/2018**

The Chief Financial Officer presented the report which:

- Revised the 2014/2015 projections for spending on the capital programme;
- Set out an estimate of capital resources that would be available for 2014-2018;
- Detailed new capital bids that were recommended to be included in the capital programme for the period 2015/2018;
- Outlined provisional figures for capital expenditure for the period 2014-2018.

The Chief Financial Officer outlined the key points as follows:

- The Council continued to deliver major capital programmes.
- The Council remained responsible for leisure buildings.
- Almost 60% of funding was capital receipts.
- Receipts in general were slow in recovering.
- Future programmes may need to look to borrowing.
- Borrowing had a revenue impact.
- NORA Phase 3/Major Housing not included.

The Chairman thanked the Chief Financial Officer for her report and invited questions and comments from the Panel, some of which are summarised below.

In response to a question from Councillor Collis, the Chief Financial Officer explained that the VAT Shelter fund started in 2006 and would run for ten years. The Council had about two more years left to receive this funding.

Councillor Bubb asked for clarification on what responsibilities had been retained by the Borough following the transfer of leisure services to Alive Leisure. The Executive Director, Commercial Services explained that as part of the agreement the Council retained responsibility for the buildings and equipment as this achieved the greatest amount of VAT savings. The Council would be responsible for replacing existing equipment and repairs, but should the Trust wish to expand their offer the Trust would have to cover costs. The Executive Director, Commercial Services reminded the Panel that the arrangements to transfer services to a Trust achieved annual savings of approximately £500,000. The Executive Director, Commercial

Services referred the Panel to the Capital Programme and explained that work to the Skate Park at Lynnsport had been included. He explained that the Trust were seeking third party grant funding to contribute towards the project, which would be of benefit to the Council.

In response to a further question from Councillor Bubb, the Portfolio Holder for Environment, Councillor Long explained that works were required to sewage treatment works which had not been included in the Housing Stock Transfer. The Council would be working to get the facilities up to adoptable standards so that they could be taken on by Anglian Water.

Councillor Crofts referred to the programme of refurbishing public toilets. He suggested that the installation of 'pay to use' loos be investigated, especially along the Promenade at Hunstanton where he felt they would be well used.

In response to a question from Councillor Mrs Collingham, the Chief Financial Officer clarified that the Capital Programme had been broken down by service area. Housing, Legal and Regeneration fell within the Chief Executive's service area.

In response to a question from Councillor Howland, the Chief Financial Officer explained that the Business Rates Growth included significant sums for Renewable Energy including wind farms, solar panels etc. The Council also received the feed in tariff from the solar panels located on Council buildings.

In response to a question from the Vice Chairman, the Executive Director, Commercial Services explained that the extra costs to the Saturday Market Place refurbishment included the archaeological work and watching brief on the Chapel which had been uncovered.

**RESOLVED:** That the Regeneration, Environment and Community Panel support the recommendations to Cabinet as follows:

- 1) Cabinet recommends to Council the amendments to capital schemes and resources for the 2014-2018 capital programme as detailed in the report.
- 2) Cabinet recommends to Council that new capital bids are to be funded from available capital resources and included in the capital programme 2015-2018 as detailed in the report.