

**BOROUGH COUNCIL OF KING'S LYNN & WEST NORFOLK**

**JOINT PANEL MEETING**

**Minutes from the Meeting of the Joint Panel Meeting held on Monday, 3rd February, 2020 at 4.30 pm in the Assembly Room - Town Hall, Saturday Market Place, King's Lynn PE30 5DQ**

**PRESENT:**

Councillors Miss L Bambridge, F Bone, Mrs A Dickinson, M Howland, B Jones, A Kemp, J Moriarty, C Morley, T Parish, C Rose, C Sampson, M de Whalley and D Whitby

**Portfolio Holders**

Councillor I Devereux, Environment  
Councillor P Kunes, Commercial Services  
Councillor B Long, Leader  
Councillor G Middleton, Business Development  
Councillor Mrs E Nockolds, Deputy Leader

**Officers:**

Lorraine Gore, Chief Executive  
Geoff Hall, Executive Director  
Tina Stankley, Interim Financial Services Manager (s151 Officer)

1 **APPOINTMENT OF CHAIR FOR THE MEETING**

**RESOLVED:** Councillor Mrs A Dickinson be appointed Chair for the meeting.

2 **APPOINTMENT OF VICE CHAIR FOR THE MEETING**

**RESOLVED:** Councillor T Parish be appointed Vice Chair for the meeting.

3 **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mrs J Collingham, Mrs S Collop, M de Whalley, C Hudson, H Humphrey, C Manning and M Wilkinson.

4 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

5 **URGENT BUSINESS**

There was no urgent business.

6 **MEMBERS PRESENT PURSUANT TO STANDING ORDER 34**

There were no Members present under Standing Order 34.

7 **CHAIR'S CORRESPONDENCE**

There was no Chair's correspondence.

8 **BUDGET AND CAPITAL PROGRAMME**

Members received a presentation on the Budget 2019-2024 (copy attached) from the Interim Head of Finance (Section 151 Officer).

Following the presentation, the Leader, Portfolio Holder for Environment, Portfolio Holder for Commercial Services, Chief Executive and Interim Head of Finance responded to questions and comments in relation to:

- Borough Council's reserves.
- Renewable energy would bring additional business rates. The Borough Council currently 100% of business growth relating to renewable energy, but going forward it was not certain the Council would retain 100%. Examples were given of a local renewable energy sources.
- Level of General Fund Balances.
- The Council's planned approach to achieving early costs savings.
- Local government financial settlement 2020/2021.
- Internal Drainage Board Levy. It was noted that both Borough Councillors/ Parish Councillors were appointed to Internal Drainage Boards within the Borough and it was suggested that a briefing be held for those Members appointment to an Internal Drainage Board. The Interim Head of Finance to clarify levy for 2020/21.
- Delay until 2021/2022 in implementing reforms to Business Rates Retention Scheme.
- Outcomes of the Fair Funding Review.
- Proposed council tax increase of £4.50 on Band D Property in 2020/2021.
- Proposed £4.50 increase in council tax for the following years of the Financial Plan.
- Council tax collection rate.
- Car park charges increased in April 2018. It was highlighted that there would be no increases across the board. The proposal is to reinstate the 2 hour and 3 hour pricing structure from April 2020.

- Process adopted for the calculation of business rates.
- Leisure Service charges. The Chief Executive explained that Alive West Norfolk followed that same as the Borough Council in relation to the base budget for fees and charges. The proposed fees and charges for 2020/21 would be presented to the next Alive West Norfolk Board meeting.
- Fees and charges for the services provided by the Borough Council.
- An overview of the information sent out with council tax bills.
- Capital Programme 2019 – 2024: how projects could be funded, projects which would generate income, items purchased by the Borough Council, an example was given – vehicles.
- Entries in the Corporate Risk Register – included the budget position and business rates retention.
- Brexit – there is an uncertainty as to what the impact of the Council's budget will be. Updates on any impact will be reported as part of the budget monitoring process.
- New Homes Bonus.
- Special expenses.
- King's Lynn Innovation Centre net revenue income.
- How the council approached the £7.2m budget gap over the period of the Financial Plan.
- Future High Streets Fund – the Council had submitted an initial bid.
- Towns Fund.
- Information Technology/risks.

**RESOLVED:** 1) That the budget and capital programme 2019 – 2024 be noted.

2) A briefing/training session be scheduled for those Councillors appointed to an Internal Drainage Board.

**The meeting closed at 6.20 pm**

# Budget 2019-2024

**Joint Panel Meeting  
3 February 2020**

**Tina Stankley  
Interim Head of Finance (Section 151 Officer)**

Borough Council of  
King's Lynn &  
West Norfolk



# Headlines

- Outturn 2018/2019 additional £476k to reserves
- Revised Budget is £1.360m less than the original budget of £19.145m for 2019/20
- Additional renewable energy additional business rates, Race Bank, backdated to September 2017, of this £0.8m will now be transferred to major projects reserve in 2019/2020
- Revenue cost reduction target for 2019/20 is £337k achieved £278k to date



# Headlines

- A 'funded budget' position for the period 2019-2024
- 'Funded' budget requires draw from general fund balance of £7.2m over the period. Planned approach to achieving early cost savings has enabled us to hold the general fund balance at a higher level than usual to provide for a planned and measured response to the reduction in grant funding
- By 2023/2024 general fund balance estimated to be £1.972m (minimum requirement of £929k)
- Target savings in 2023/2024 of £3.2m



# Headlines

- 2019/2020 is final year of the 4 year funding settlement
- So for BCKLWN 2020/2021 will be last year of Revenue Support Grant and Rural Services Delivery Grant - only 1.2% of funding over the period 2019/2024
  - £1.1m of £93.4m total funding
- Delay until 2021/2022 in implementing reforms to the Business Rates Retention Scheme and the in implementing the outcomes of the Fair Funding Review

# Headlines

- Service costs updated and increases contained, budgets held at 2019/2020 levels wherever possible.
- Growth items only where statutory requirement (includes minimum pay pledges). BCKLWN will meet or exceed the minimum wage rise



# Headlines

- The Budget 2019-2024 will be considered Cabinet on 4 February 2020.  
Council Tax setting and approval of the Financial Plan 2019-2024 at Council on 27 February 2020
- Funding reliance in future on income raised locally: Council Tax, Business Rates, Fees and Charges
- Significant risk from 2021/2022 – impact of reforms to Business Rates Retention Scheme and results of the Fair Funding Review



# Headlines

- Proposed council tax increase of £4.50 on Band D property in 2020/2021
- Proposed £4.50 increase in council tax for following years of Financial Plan
- Car park charges increased in April 2018 – no across the board increases are being proposed. Proposal is to reinstate the 2-hour and 3-hour pricing structure from April 2020



# Financial Plan 2019/2024

|   | Estimate<br>2019/20<br>(November<br>Monitoring) | Revised<br>Budget<br>2019/2020 | Projection<br>2020/2021 | Projection<br>2021/2022 | Projection<br>2022/2023 | Projection<br>2023/2024 |
|---|---|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | £   | £                              | £                       | £                       | £                       | £                       |
| <b>Total Service Expenditure</b>                  | <b>11,505,180</b>                               | <b>10,992,950</b>              | <b>16,550,820</b>       | <b>12,722,190</b>       | <b>13,456,110</b>       | <b>16,193,440</b>       |
| <u>Additional transfers to Earmarked Reserves</u> |   |                                |                         |                         |                         |                         |
| Cost reduction programme                          | 1,423,850                                       | 1,423,850                      | 0                       | 0                       | 0                       | 0                       |
| Business Rates Renewable Energy                   | 1,858,850                                       | 800,000                        | 1,100,000               | 1,214,750               | 1,232,040               | 1,260,890               |
| Financing Adjustment                              | 1,591,870                                       | 1,793,140                      | 1,691,090               | 1,630,920               | 1,505,740               | 1,408,210               |
| Internal Drainage Boards                          | 2,759,490                                       | 2,754,140                      | 2,811,990               | 2,871,040               | 2,931,330               | 2,992,890               |
| Council Tax Support to Parishes                   | 20,970  | 20,970                         | 20,970                  | 0                       | 0                       | 0                       |
| <b>Borough Spend</b>                              | <b>19,160,210</b>                               | <b>17,785,050</b>              | <b>22,174,870</b>       | <b>18,438,900</b>       | <b>19,125,220</b>       | <b>21,855,430</b>       |
| Reimbursement of Lump sum Pension Payment         | 1,517,000                                       | 1,517,000                      | (3,570,000)             | 1,759,000               | 1,811,000               | 0                       |
| Contribution (from)/to General Fund Balance       | (1,646,830)                                     | (271,670)                      | (163,260)               | (1,242,810)             | (2,573,930)             | (3,278,260)             |
| <b>Borough Requirement</b>                        | <b>19,030,380</b>                               | <b>19,030,380</b>              | <b>18,441,610</b>       | <b>18,955,090</b>       | <b>18,362,290</b>       | <b>18,577,170</b>       |

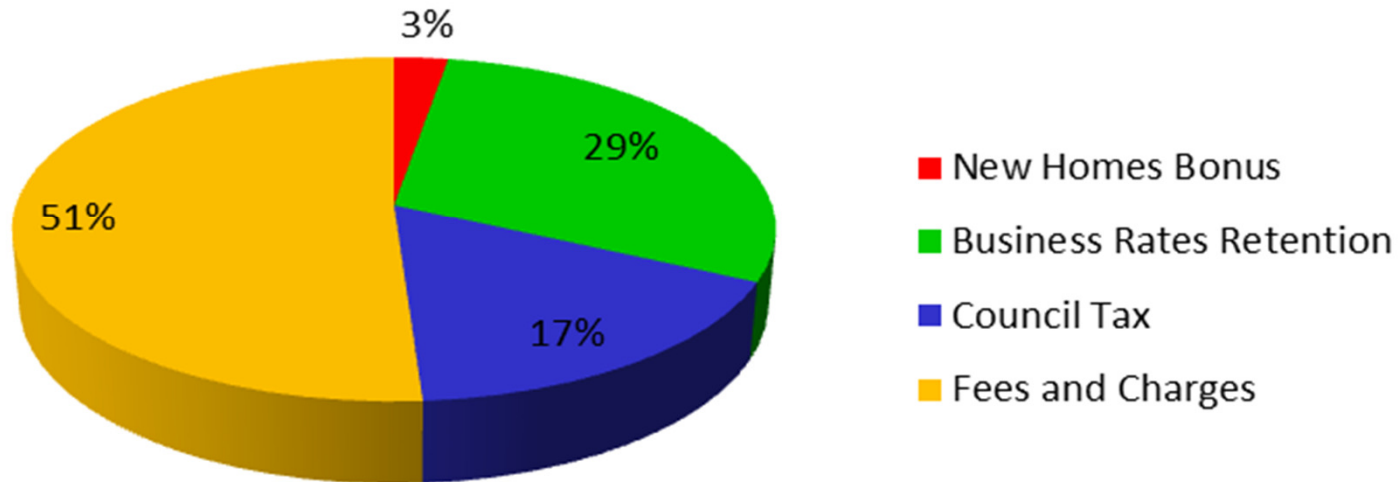


# Financial Plan 2019/2024

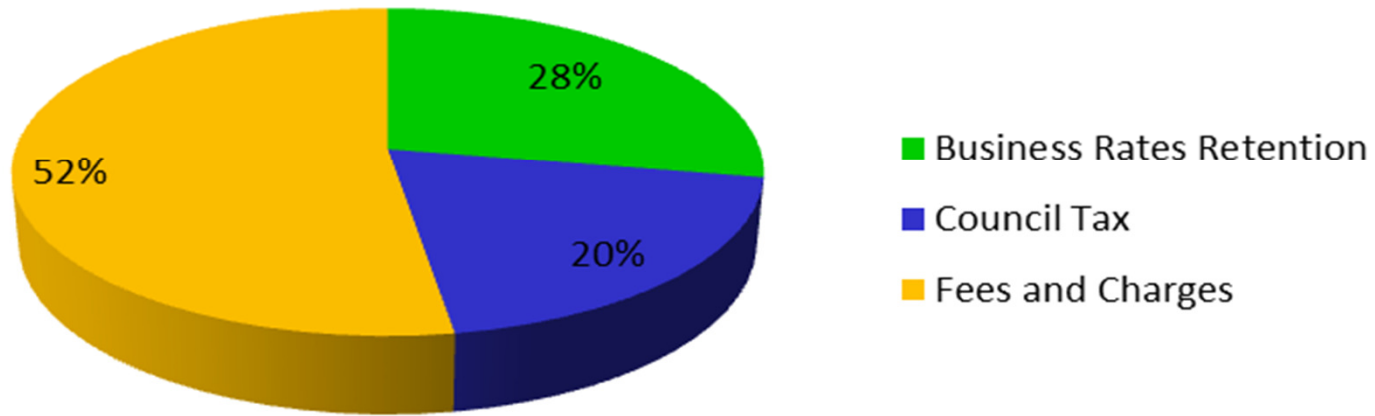
|   | Estimate<br>2019/20<br>(November<br>Monitoring) | Revised<br>Budget<br>2019/2020 | Projection<br>2020/2021 | Projection<br>2021/2022 | Projection<br>2022/2023 | Projection<br>2023/2024 |
|---|---|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|   | £   | £                              | £                       | £                       | £                       | £                       |
| Revenue Support Grant                       | 0   |                                | (624,620)               |                         | 0                       | 0                       |
| Rural Services Delivery Grant               | 0   |                                | (470,700)               |                         | 0                       | 0                       |
| New Homes Bonus                             | (1,019,860)                                     | (1,019,860)                    | (898,180)               | (475,220)               | (321,400)               | 0                       |
|   |   |                                |                         |                         |                         |                         |
| <u>Taxation</u>                             |   |                                |                         |                         |                         |                         |
| Business Rates Retention Baseline Funding   | (6,480,230)                                     | (6,480,230)                    | (5,491,230)             | (5,601,060)             | (5,713,080)             | (5,827,340)             |
| Business Rates Retention Additional Funding |   | 0                              | 0                       | (655,000)               |                         |                         |
| Business Rates Funding From Growth          | (1,355,870)                                     | (1,355,870)                    | (1,539,880)             | (1,727,430)             | (1,922,690)             | (2,000,000)             |
| Business Rates Renewable Energy             | (2,571,460)                                     | (2,571,520)                    | (2,640,370)             | (2,693,180)             | (2,747,040)             | (2,801,980)             |
| Business Rates Collection Fund Surplus      | (1,061,060)                                     | (1,061,060)                    |                         | (330,000)               | (330,000)               | (340,000)               |
| Council Tax Collection Fund Surplus         | (100,000)                                       | (100,000)                      |                         | (422,200)               | 0                       | 0                       |
|   |   |                                |                         |                         |                         |                         |
| Council Tax band D                          | 125.87  |                                | 130.37                  | 134.87                  | 139.37                  | 143.87                  |
|   | 51,179  |                                | 51,980                  | 52,280                  | 52,580                  | 52,880                  |
| Council Tax                                 | (6,441,901)                                     | (6,441,840)                    | (6,776,630)             | (7,051,000)             | (7,328,080)             | (7,607,850)             |
|   |   |                                |                         |                         |                         |                         |
| <b>Total Funding</b>                        | <b>(19,030,380)</b>                             | <b>(19,030,380)</b>            | <b>(18,441,610)</b>     | <b>(18,955,090)</b>     | <b>(18,362,290)</b>     | <b>(18,577,170)</b>     |

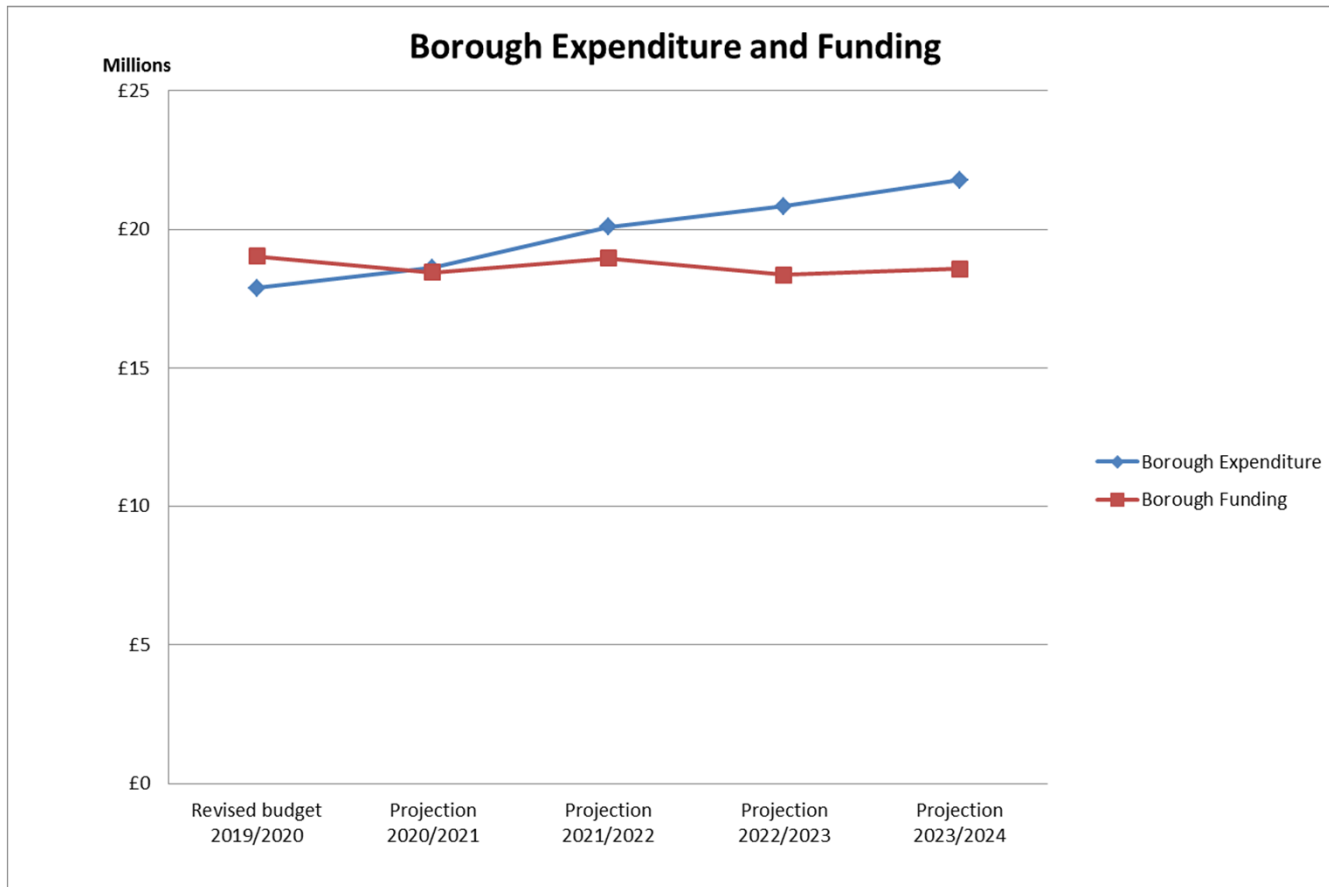


## Budgeted Funding for 2019/2020

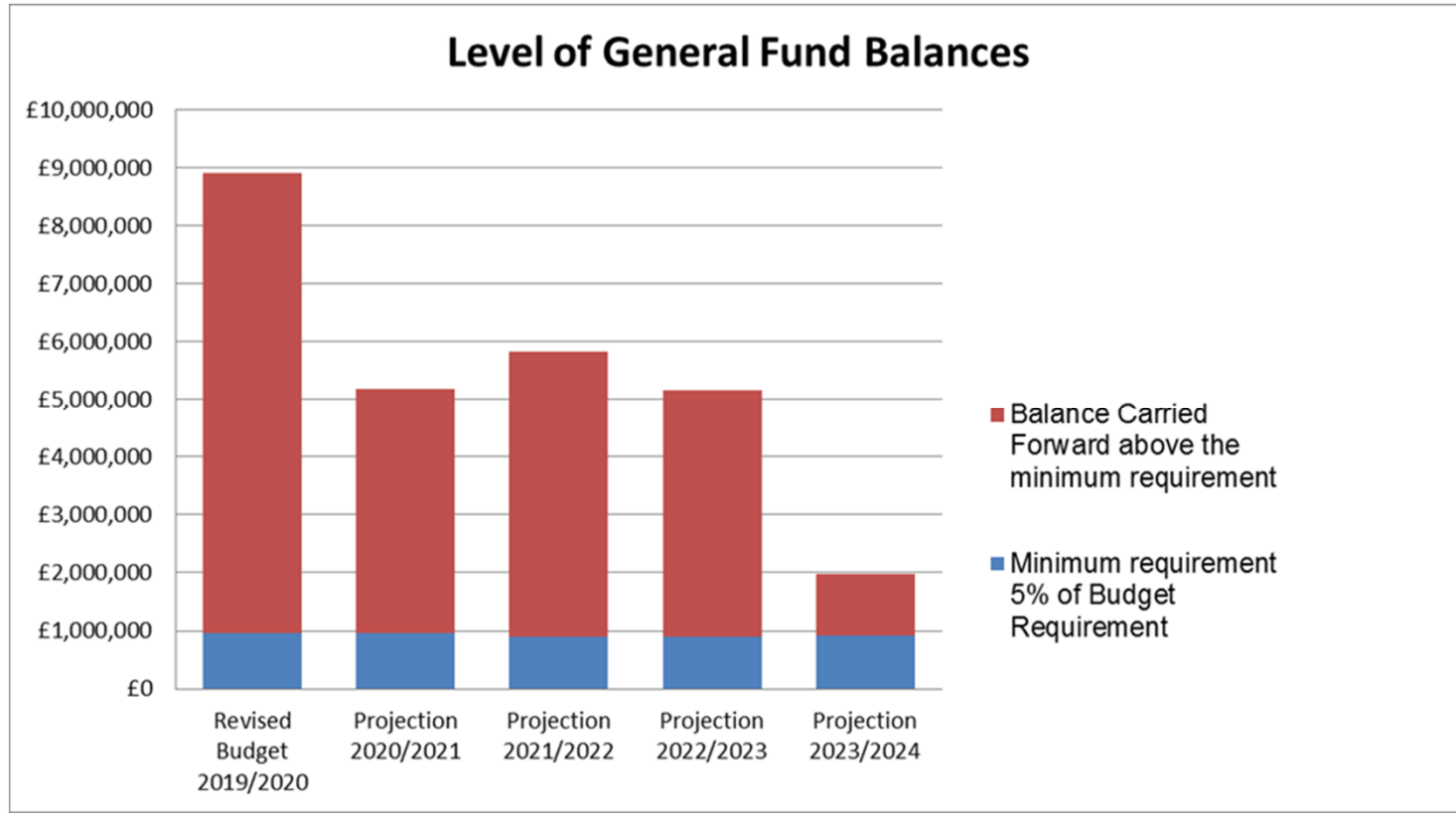


## Forecast Funding for 2023/2024





# General Fund Balance





# Delivering the Efficiency Plan

In taking up the offer of a four year funding settlement the Council was required to publish an efficiency plan. The Council's efficiency plan was approved at Council on 29 September 2016. Annual savings of £1.4m achieved.

| Service Area  | 2019/2020 Saving<br>£ | 2020/2021 Saving<br>£ |
|---|-----------------------|-----------------------|
| Personnel Service   | 0                     | 0                     |
| Energy Efficiency   | 33,600                | 21,640                |
| Parish Council Elections  | 4,270                 | 0                     |
| Car Parking   | 30,000                | 30,000                |
| Net saving from removing telephone line at Valentine Road offices in Hunstanton | 6,000                 | 6,000                 |
| Digital collection of information – savings in scanning costs                   | 15,000                | 15,000                |
| Realignment of budget between years   | 18,500                | (1,500)               |
| Review of ICT support contracts   | 6,000                 | 6,000                 |
| KLIC  | 125,000               | 150,000               |
| <b>Savings to Date</b>  | <b>238,370</b>        | <b>227,140</b>        |
| Target savings  | 337,196               | 621,336               |
| <b>Variance (under) to Date</b>   | <b>(98,826)</b>       | <b>(394,196)</b>      |



# Delivering the Efficiency Plan

Target savings of £3.2m by 2023/2024 - the council will need to continue to identify further income generation/savings opportunities. Savings already identified and yet to be achieved:

| <b>Service Area</b>  | <b>2020/2021 Saving</b><br>£ | <b>2021/2022 Saving</b><br>£ | <b>2022/2023 Saving</b><br>£ | <b>2023/2024 Saving</b><br>£ |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Target savings identified at budget setting February 2018 still to be achieved | 118,340                      | 78,540                       | 150,000                      | 150,000                      |
| Identified revenue savings from changes to leisure arrangements                | 215,880                      | 302,880                      | 369,880                      | 369,880                      |
| Corporate Projects - identified new revenue income                             | 111,660                      | 262,620                      | 346,700                      | 1,087,330                    |
| <b>Total identified savings</b>  | <b>445,880</b>               | <b>644,040</b>               | <b>843,400</b>               | <b>1,607,210</b>             |



# Local Government Finance Settlement 2020/2021

- One Year settlement announced this year.
- Presumed that there will be a four year settlement again with the introduction of the reformed business rates retention scheme and the outcome of the Fair Funding Review



# Changes to Business Rates Discounts

As part of the Autumn Statement 2019 the Chancellor announced new and extended business rates discounts:

- An increase in the level of the retail discount from one-third to 50 per cent will apply in 2020/21 for eligible retail businesses occupying a property with a rateable value less than £51,000.
- The retail discount has been extended to eligible music venues and cinemas with a rateable value of less than £51,000
- The £1,500 business rates discount for office space occupied by local newspapers has been extended and will apply for an additional 5 years until 31 March 2025.
- The reintroduction of the pubs discount will provide a £1,000 discount to eligible pubs with a rateable value of less than £100,000 in 2020/21. This is in addition to the retail discount and will apply after the retail discount.



# Business Rates Retention Reform

- Still the same questions as last year
- Frequency of resetting of baseline and what date will be used for initial baseline reset
- Impact of Valuation Office delays and decisions
- Will 100% of renewable energy growth be retained
- No new money
- Business rates growth will not be enough to meet cost growth
- How much will be 'top sliced' to address economic differences across the country and particular pressures e.g. adult social care
- Next valuation brought forward one year to 2021 and then three yearly



# Business Rates Retention

- The 2019/2020 75% Business Rates Retention Pilots will not continue into 2020/2021
- The financial benefit to Norfolk as a whole from piloting 75% Business Rates retention is forecast to be around £7.8m representing the additional 25% share of growth that would be retained locally and shared between the Districts and County Council. The one off benefit for BCKLWN is £655k
- The Norfolk councils will remain in a pool but this will revert to the 50% Business Rates Retention scheme
- Implementation now expected from April 2021, although no date set for the legislative changes
- Taken cautious approach for later years of medium term financial plan
- Significant uncertainty and risk



# Fair Funding Review

- Outcome of Fair Funding Review has also been delayed until 2021/2022
- Still the same questions as last year
- Expect winners and losers
- Unknown if/what transitional arrangements will be
- Aim to make more transparent and simple!

# Fair Funding Review

- Expect income which can be generated locally to be taken into account; council tax, fees and charges
- Still uncertainty on how IDB funding will be reflected
- Funding from 2021/2022 has been calculated based on the existing 50% Business Rates Retention scheme.
- The Budget Setting Process next year will reflect the new business rates retention scheme and will be redistributed according to the outcome of the new needs assessment.





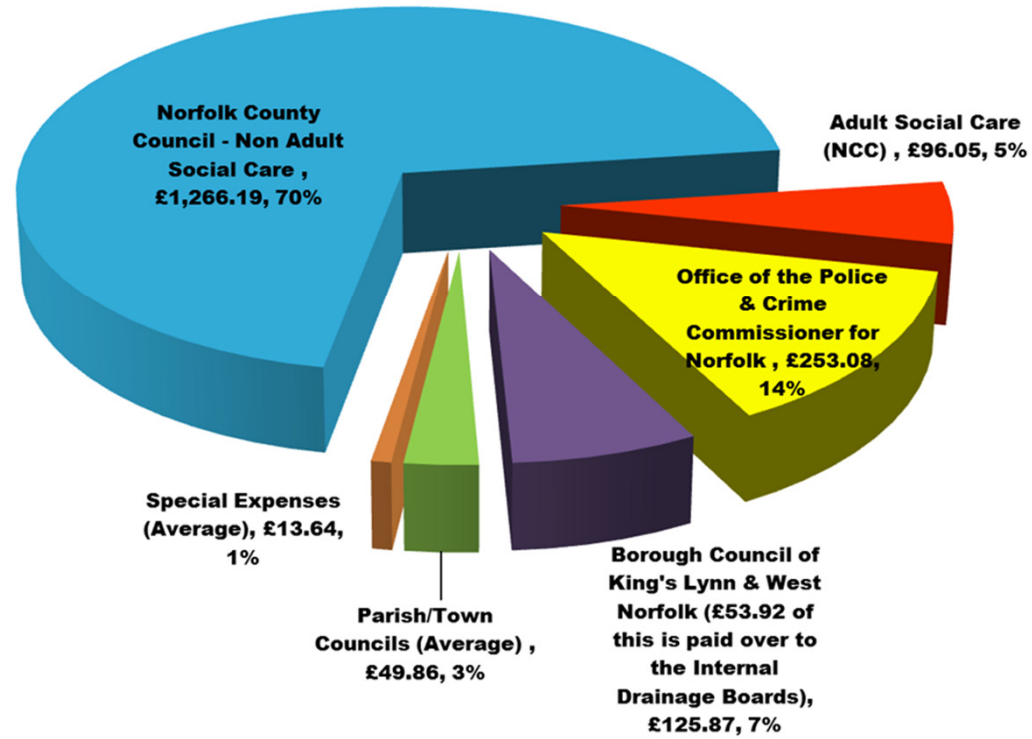
# New Homes Bonus

- The government announced, as part of the Spending Round 2019, that it will fund the New Homes Bonus scheme in 2020/21, along with funding legacy payments associated with previous years' allocations.
- However there is no commitment to fund anything after this.
- Funding included in the Financial Plan

| New Homes Bonus | £           |
|-----------------|-------------|
| 2019/2020       | (1,019,860) |
| 2020/2021       | (898,180)   |
| 2021/2022       | (475,220)   |
| 2022/2023       | (321,440)   |
| 2023/2024       | 0           |



### Breakdown of an average Band D Council Tax bill of £1,804.69 for 2019/2020



# Council Tax

The 'Referendums Relating to Council Tax Increase (Principles) (England) Report 2020/2021' published on 20 December 2019 state that for the borough council the principles for 2020/2021 are an increase of 2% or up to £5, whichever is higher.

This will apply to the overall increase in general council tax and special expenses.

Council Tax base 2020/2021 51,980 band D properties

Assumed annual increase of 300 properties from 2021/2022

# Council Tax 2020/2021

The proposed levels of council tax for 2020/2021 includes a £4.50 increase on a Band D.

| BAND | 2020/2021 | BAND | 2020/2021 |
|------|-----------|------|-----------|
|      | £         |      | £         |
| A    | 86.91     | E    | 159.34    |
| B    | 101.40    | F    | 188.31    |
| C    | 115.88    | G    | 217.28    |
| D    | 130.37    | H    | 260.74    |

# Council Tax Discounts

The only change to the Council Tax discounts for 2020/2021 that were agreed at Council in November 2019

Change for 2020/2021:

- Apply the maximum increases to the long term empty property premium starting from 1 April 2020.

|                                 | 2020/2021 |
|---------------------------------|-----------|
| Empty for between 2 and 5 years | 100%      |
| Empty for over 5 years          | 200%      |



# Fees and Charges

- Fees and Charges – general average increase of 1.7% for 2020/2021, the projected level of inflation by April 2020
- Car park charges increased in April 2018, but no increases since then .No across the board increases are being proposed. Proposal is to reinstate the 2-hour and 3-hour pricing structure from April 2020

# Internal Drainage Board Levies

- Future funding of IDB levies charged to the Council still uncertain
- Fair funding review needs to address IDB funding
- Financial Plan includes 1.7% increase for 2020/2021 and then 2.0% for all other years of the plan
- IDB levies 2020/2021 £2.8m – 13% of Borough spend of £22m
- The Council will pay £54.10 per Band D to meet the IDB levies in 2020/2021



# Capital Programme Objectives

Provide assets (acquisition, construction or enhancement)

- to deliver the Council's key priorities
- to deliver against the Council's Efficiency Plan
- appropriate to the delivery of the Council's services



# Capital Programme Challenges

- Limited capital resources
- Need to reduce revenue costs, prioritise schemes which:
  - Reduce revenue expenditure
  - Increase or generate new revenue income
  - Increase council tax base
- Statutory requirements and managing demand
  - Private sector housing assistance
- ‘Maintain - reduce – improve’ existing service levels
- Take advantage of technology and digital strategy
- Opportunity cost of decisions

# Capital Programme Challenges

- Prioritising competing schemes
- Funding arrangements
- Use uncommitted resources
- Take out additional borrowing
- Review current programme v new opportunities
- Ageing assets and systems
- Promote innovation
- Delivery timescales and lead in times
- Deliver enhancements



# Capital Programme 2019/2024

|  | 2019/2020         | 2020/2021         | 2021/2022         | 2022/2023         | 2023/2024         |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
|  | £                 | £                 | £                 | £                 | £                 |
| <b>Major Projects</b>                  | 19,460,000        | 44,646,660        | 20,800,000        | 20,540,920        | 16,000,000        |
| <b>Central and Community Services</b>  | 3,343,440         | 2,430,000         | 2,360,000         | 2,360,000         | 2,360,000         |
| <b>Commercial Services</b>             | 2,711,000         | 1,599,280         | 658,280           | 131,300           | 20,000            |
| <b>Environment &amp; Planning</b>      | 7,500             | -                 | -                 | -                 | -                 |
| <b>Finance Services</b>                | 100,620           | 50,000            | 50,000            | 50,000            | 50,000            |
| <b>Total</b>                           | <b>25,622,560</b> | <b>48,725,940</b> | <b>23,868,280</b> | <b>23,082,220</b> | <b>18,430,000</b> |
| <b>Exempt Schemes (Major Projects)</b> | 4,809,300         | 24,415,240        | 16,708,000        | 4,284,000         | -                 |
| <b>Total Capital Programme</b>         | <b>30,431,860</b> | <b>73,141,180</b> | <b>40,576,280</b> | <b>27,366,220</b> | <b>18,430,000</b> |



# Major Projects

- Major Housing Projects
- Examples
  - Lynnsport,
  - Marsh Lane
  - NORA phase 4 (modular)
  - Salters road
  - Alexandra Way, Hunstanton
- Enterprise Zone – infrastructure and speculative units

# Operational Schemes

- Private sector housing assistance – Disabled Facilities Grants
- Vehicles
- ICT
- Leisure facilities – equipment and buildings refurbishment

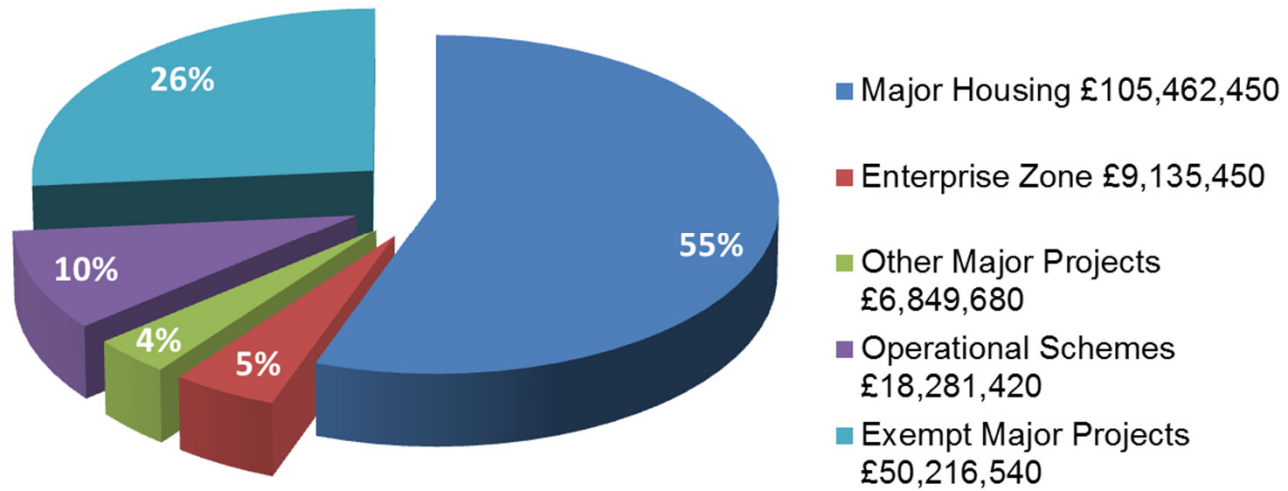


# Corporate Capital Projects and Delivery of Efficiency Plan

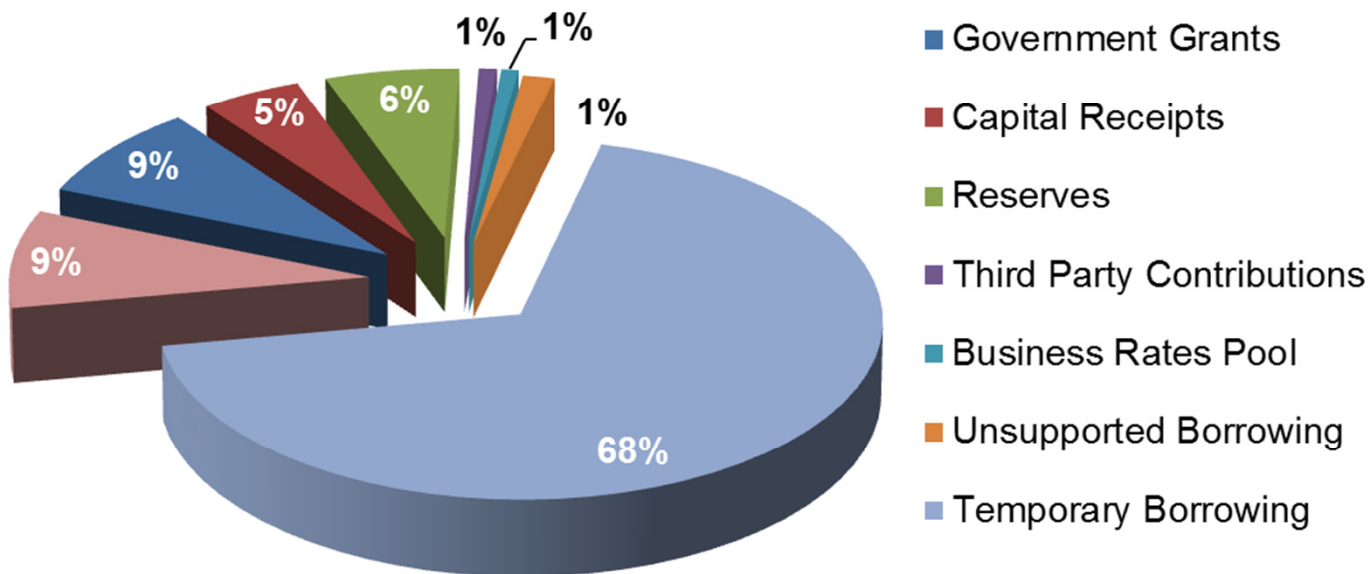
- Estimated new revenue income of £1.7m by 2023/2024 has been identified from capital investment opportunities and achievement is key to meeting the target savings
- Examples:
  - Cinema – Corn Exchange
  - Private rented housing – West Norfolk Property Ltd



## Capital Programme 2019/2024



# Capital Estimates 2019-2024 Funding



# Questions?