



BUDGET COUNCIL

7.30 p.m. – 11.25 a.m.

24 February 2009

Present: Councillors Hooke (Lord Mayor), Arthur, Banham, Bearman, Blower, Bradford, Bremner, Brociek-Coulton, Cannell, Collishaw, Divers, Driver, Dylan, Fairbairn, Fisher, George, Gihawi, Gledhill, Holmes, Jago, Jeraj, Lay, Little (A), Little (S), Llewellyn, Lubbock, Makoff, Morpew, Morrey, Offord, Ramsay, Read, Sands, Stephenson, Waters, Watkins and Wright

1. LORD MAYOR'S ANNOUNCEMENTS

The Lord Mayor announced that he had attended a number of engagements since the last meeting including –

- A visit to Novi Sad, Norwich's twin city in Serbia, where he was made most welcome and the Mayor of Novi Sad had sent his greetings to all councillors in Norwich.
- The launch of the Dragon Festival.
- Corton House Residential Home.
- The opening of the King's Lynn Mart on Valentine's Day.
- A Citizenship ceremony at County Hall.

The Lord Mayor also announced that he had received a card from Eileen Wyatt, wife of the late councillor John Wyatt thanking councillors for their sympathy and kind words at her sad loss.

At the invitation of the Lord Mayor, Councillor Sands commented on the terrible bush fires that had occurred recently in Australia. She said that many people in Norwich had relatives and close friends living in the area and expressed deepest sympathy on behalf of the City.

The Lord Mayor then led the Council in a moment's silence in tribute to those who had lost their lives in the Australian bush fires.

2. DECLARATIONS OF INTEREST

The following declaration of interest was made –

Councillor Ramsay – personal interest in Item 5.

3. QUESTIONS FROM THE PUBLIC

Public Question 1

Phil Bloom to the Executive Member for Corporate Resources and Governance:-

‘Could the Council provide an objective explanation as to how West Norwich Community Transport was selected to receive a £26,000 budget cut in its grant, which throws into question its financial future? There is no indication that any other community transport organisation in the city is receiving a similar cut.’

Councillor Alan Waters, Executive Member for Corporate Resources and Governance’s reply:-

‘With the advent of the English National Concessionary Fares scheme the Council has to find an additional £1 million on top of its £2.4 million original budget to fund concessionary bus travel in 2008/09. Next year this additional amount is likely to increase to £1.4 million.

This is a major cost increase and along with a variety of other very significant financial pressures it is forcing the Council to review all areas of discretionary funding. This includes the discretionary funding to community transport operators within the City.

The proposal to cut all of the Council’s support to West Norwich Community Transport (WNCT) has been made in light of these financial pressures. In particular it is felt difficult to sustain the specific WNCT funding as WNCT provides services to residents of only part of the City (Earlham, Larkman and Marlpit) and not to other areas in equal need.

The funding to WNCT allows reduced fares to be charged to members. Regrettably its withdrawal may affect members – whereas the impact on WNCT is less clear. However any question over WNCT’s financial future is of concern and I will ask officers to discuss how any effect can be mitigated. We will be keen to discuss this with the County Council as well.’

Phil Bloom said, as a supplementary comment, that unlike many of its peers, WNCT generated income to cover all of its own costs and was therefore able to offer a high level service at lower cost. Withdrawal of the Council’s grant aid would potentially destroy a very good value organisation. **Councillor Waters** reiterated that he would ask officers to discuss, together with Norfolk County Council, how any effect on WNCT could be mitigated.

4. MINUTES

RESOLVED to agree the accuracy of the minutes of the meeting held on 27 January 2009, subject to –

- (1) Councillor Cannell being added to the list of those present;

- (2) Councillor Offord's supplementary question to question 8 being amended to read ".....and asked, as a supplementary question, doesn't this show the need for government to allow local authorities to consider these factors when writing up procurement policies and would Councillor Waters join him in requesting government to change this rule?'

5. BUDGET 2009/2010 – GENERAL FUND

The Lord Mayor announced, that, as detailed in the covering report, this matter had been considered by the Executive on 18 February, 2009 and the following changes to the recommendations were made –

“Recommendation (1) be amended to read – council tax Band D be set at £220.93 (3.85% increase)

Recommendation (2) be amended to read – the Council's budgetary requirement to be set at £24,764,462

A new Recommendation (6) be inserted – to authorise the transfer from the General Fund reserve a sum of £4,250,600 to support expenditure during 2009/10 financial year.”

With no member objecting, these changes became part of the substantive motion.

Councillor Morpew moved and Councillor Morrey seconded that Council procedure rule 14.5 of appendix 1 of the constitution be suspended to enable members to speak as long as was required on this important agenda item and it was –

RESOLVED unanimously.

Councillor Waters, Executive Member for Corporate Resources and Governance, gave a presentation on the Executive's recommended budget.

Councillor Waters moved and Councillor Morpew seconded the Executive's recommendations (as amended).

Councillor Ramsay moved and Councillor Stephenson seconded the following amendment:-

‘To remove the following proposed cuts:-

- | | |
|--|---------|
| • Donation to Community Rail Partnership | £4,000 |
| • Cycling initiatives | £17,000 |
| • Play equipment maintenance | £8,000 |
| • Litter bins | £34,500 |

To be funded by:-

- (1) £21,000 (rail line grants and cycling initiatives) from the ring-fenced Transformation and efficiencies budget;
- (2) play equipment maintenance funded through Section 106 monies;
- (3) an additional £34,500 savings from the CityCare re-let.'

Councillor Waters and Councillor Morpew indicated they were happy to accept the amendment and with no member objecting this became part of the substantive motion.

Councillor Watkins moved and Councillor Fairbairn seconded the following amendment:-

'That:-

- (1) the Band D Council Tax be set at £212.73 (0% increase).
- (2) the Council's Budgetary requirement to be set at £24,436,700, lower by £328,000 than that set out in the report.
- (3) the following proposed savings be amended, increasing costs by £7,000:
 - Maintain - Liftshare budget - £2,000
 - Reverse - Freeze maintenance budget on signage, bus shelters, seats, road names etc - £5,000
- (4) the total change of £367,000 is met by:
 - Reducing the budget for 'transformation and efficiency' (General Fund stream) from £400,000 to £200,000 - saving £200,000;
 - Increasing the use of balances to support the 2009/10 budget by £167,000.
- (5) the prudent level of reserves for the Council be set at £4,374,800'

Barry Marshall, the Section 151 Officer, informed members that if the amendment was carried it would bring the level of reserves below the minimum prudent level that he had recommended to the Executive.

On being put to the vote, with 5 voting in favour, 31 against and no abstentions, the amendment was rejected.

Councillor A Little moved and Councillor Collishaw seconded the following amendment:-

'That:-

- (1) the Band D Council Tax be set at £210.60 (1% decrease);
- (2) the Council's Budgetary requirement be set at £24,404,100; £360,500 lower than that set out in the report;
- (3) the following proposed savings be amended, increasing costs by £92,500:

Reverse reduction in Highways ground day responsive works	£10,000
Reverse reduction in responsive works in Highways trees contract	£10,000
Reverse freeze maintenance budget on signage, bus shelters, seats, road names	£5,000
Reverse freeze responsive works within the grounds maintenance contract (Parks)	£15,000
Reverse freeze responsive parks tree works budget within the trees contract	£10,000
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	£50,000

- (4) the total change of £432,000 is met by:-

Reducing the budget for 'Transformation and efficiency' from £400,000 to £179,000	£179,000
An extra 36% reduction in the training budget	£180,000
Removal of the Political Assistants' posts	£57,000
Reduction in the cost of postage to Councillors	£2,000
Reduction in newspapers and periodicals to City Hall	£4,000
Reduction in Councillor's allowances	£10,000
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	£432,000

On being put to the vote, with 4 members voting for, 32 against and no abstentions, the amendment was rejected.

RESOLVED, with 14 members voting in favour, 9 members voting against and 13 members abstaining, that:-

- (1) Council Tax band D be set at £220.93 (3.85% increase);
- (2) the Council's Budgetary requirement be set at £24,764,462;
- (3) the Council authorises the Chief Executive Officer to transfer from the General Fund during the 2009/10 financial year an amount up to £579,000 to meet the costs of funding the Council's transformation and efficiency programme (£379,000) and the General Fund element of the re-provision of the CityCare contract (£200,000); and a further £600,000 to be identified within the Council's reserves to fund the next stages of the transformation and efficiency programme;
- (4) that the prudent level of reserves for the Council be set at £4,541,800 in accordance with the recommendation of the Head of Finance;
- (5) the Council authorises the Head of Finance in consultation with Portfolio Holder for Resources and Governance, to transfer such sums as are deemed necessary from the element of the General Fund Reserve identified as contingency in annex 5;

- (6) the Council authorises the transfer from the general fund reserve the sum of £4,271,600 to support expenditure during 2009/10 financial year;
- (7) that the precept of the collection fund for 2009/10 be calculated in accordance with Sections 32-36 of the Local Government Finance Act 1992 as per the determinations (as shown in the Annex attached to these minutes);
- (8) the following proposed cuts be removed:-

(a)	Donation to Community Rail Partnership	£4,000
(b)	Cycling initiatives	£17,000
(c)	Play equipment maintenance	£8,000
(d)	Litter bins	£34,500

To be funded by:-

- £21,000 (rail line grants and cycling initiatives) from the ring-fenced Transformation and efficiencies budget;
- play equipment maintenance funded through Section 106 monies;
- an additional £34,500 savings from the CityCare re-let.

Two hours having passed since the start of the meeting, the Lord Mayor asked whether any remaining items could be taken as Any Other Business.

6. CAPITAL STRATEGY

RESOLVED, as unopposed business, to adopt the Capital Strategy detailed in the report.

Three hours having passed since the start of the meeting, with the majority voting in favour, it was –

RESOLVED to continue the meeting.

7. NON-HOUSING CAPITAL PROGRAMME 2009/2010

Councillor Waters moved and Councillor Morpew seconded the recommendations of the Executive.

RESOLVED, with 15 voting for, 1 against and 15 abstentions, that Council:-

- (1) notes the forecast position on the Non Housing Capital Programme for 2008/09 as set in Appendix 1 of the report;
- (2) approves the following increase in expenditure of £4k for Norwich Airport Health and Safety Works (demolition of H Block);
- (3) notes the resources and investment plans for the Non Housing Capital Plan as detailed in the report;

- (4) approves the following discretionary S106 expenditure provisions, and delegate to the Capital Programmes Board the approval of detailed proposals in the form of Project Mandates when requirements have been fully worked up in conjunction with Members and other stakeholders:

Play and Open Space provisions:-

- (a) Bowers Avenue play area: increase in costs of new footpath £10,000;
- (b) St James Hollow Skate park; improvements to access and Natural area £4,061;
- (c) Stylman Road Play Area: natural play area £40,000;
- (d) The Runnell: upgrade equipment £30,000;
- (e) Thurlby Road Play Area; refurbishment £20,000;
- (f) Jay Gardens: refurbishment £15,000;
- (g) Waldegrave/Clover Hill: new toddler area(s) £48,233;
- (h) Ranworth Road play area: reallocation of £30,000 previously approved for Gypsy Close to rebuild part of play area in partnership with Future projects;
- (i) Wensum View and St Bartholomew's play areas: reallocation of £35,000 previously approved for West End park and Sector 9 for junior play;
- (j) Wensum Community Centre/Sector 9 Improvements: new play and recreation area, in partnership with Lovell £45,000, plus work to improve other sites in locality;
- (k) Belvoir Street: multi use games area and toddler improvements £60,000;
- (l) King Street/Castle Gardens: teenage open space/piazza £68,000;
- (m) Argyle Street: improvements to boundary £10,000;
- (n) Marion Road: rebuild play area £70,000;
- (o) Hamlet centre: new supervised high dependency disabled children's play area in partnership with the Hamlet Centre, subject to appropriate safeguards regarding access and financial risk being in place £40,000;

Transportation provision:-

- (p) Hurricane Way: installation of Bus Lane £50,000;
- (q) Thorpe Road Harvey Lane junction: improvements to pedestrian routes £1,057;
- (r) Bowers Avenue junction with Lefroy Road: installation of new bus shelter £2,805;
- (s) Maidstone Road/Greyfriars Road: highway improvements £20,988;
- (t) Whitefriars development: improved pedestrian access £32,000

8. COUNCIL RENTS AND OTHER HOUSING CHARGES FOR 2009/2010

Councillor Arthur moved and Councillor Morphew seconded the recommendations of the Executive.

During debate, a councillor referred to the Greyhound Opening issue. Councillor Jeraj declared a prejudicial interest and left the room for this part of the discussion.

RESOLVED, with 14 voting for, 3 against and 16 abstentions, that Council:-

- (1) sets an average rent increase of 6.41%, being £3.75 per week for Housing Revenue Account (HRA) dwellings, and a corresponding average rent increase of £4.34 for General Fund dwellings;
- (2) sets service charges for district heating, premises management, sheltered housing and good neighbour services at levels designed to recover costs;
- (3) agrees that the setting of the exact charges be delegated to the Director of Regeneration and Development, in consultation with the Portfolio holder, when the budgets are finalised and consultation concluded;
- (4) implements an increase of 6.41% in respect of garage and parking bay rents in line with that recommended for dwelling rents.

9. HOUSING REVENUE ACCOUNT BUDGET

Councillor Arthur moved and Councillor Morpew seconded the recommendations of the Executive.

RESOLVED, with 14 voting for, 3 against and 15 abstentions, that Council:-

- (1) approves the Housing Revenue Account budgets for 2009/10, as shown in Appendices 1 and 2;
- (2) approves the minimum level of HRA Balances as £2.5m as advised by the Chief Financial Officer and as shown in Appendix 3;
- (3) notes the closure of the Repairs Holding Account and the transfer of the balance on the Repairs Holding Account into the Housing Revenue Account Balance.

10. HOUSING CAPITAL PLAN 2009/2013 AND CAPITAL PROGRAMME 2009/2010

Councillor Arthur moved and Councillor Morpew seconded the recommendations of the Executive.

RESOLVED unanimously, that Council approves:-

- (1) the Housing Capital Plan 2009-2013;
- (2) the Housing Capital Programme 2009/10 as set out in the report;

- (3) new Capital Allowances of £3.713m and note the extinguishing of £3.991m of Capital Allowances as set out in the report.

LORD MAYOR

ANNEX

Item 5 - Budget 2009/2010 – General Fund

1.1 That it be noted that at its meeting on 24 February 2009 the Council calculated the following amounts for the year 2009/10 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:

(a) 39,997 being the amount calculated by the Council, in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 ('the Regulations'), as its Council Tax base for the year.

2.1 That the following amounts be now calculated by the Council for the year 2008/09 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992 (the Act):

(a) £168,159,573 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act;

(b) £143,395,111 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act;

(c) £ 24,764,462 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year

(d) £15,928,025 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates and revenue support grant increased by the amount of the sum which the Council estimates will be transferred in the year to its general fund from its collection fund in accordance with Section 97(3) of the Local Government Finance Act 1988 (Council Tax Surplus)

(e) £220.93 being the amount at 2(c) above less the amount at 2(d) above, all divided by the amount at 1(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year

(f) Valuation Bands

Band	A	B	C	D	E	F	G	H
	147.29	171.83	196.38	220.93	270.03	319.12	368.22	441.86

being the amounts given by multiplying the amounts at (e) above by the number which is the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band, divided by the number which in that proportion is applicable to dwellings listed in Band D, calculated by the Council in accordance with Section 36(1) of the Act as

the amounts to be taken into account for the year in respect of categories of dwellings listed in the different valuation bands.

2.2 That it be noted that for the year 2009/10 the Norfolk County Council and the Norfolk Police Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings below:

Band	A	B	C	D	E	F	G	H
County	749.16	874.02	998.88	1,123.74	1,373.46	1,623.18	1,872.90	2,247.48
Police	123.72	144.34	164.96	185.58	226.82	268.06	309.30	371.16

2.3 That, having calculated the aggregate in each case of the amounts at 2.2 and 2.1 above, the Council, in accordance with section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts below as the amounts of Council Tax for the year 2009/10 for each of the categories of dwellings shown is

BAND	A	B	C	D	E	F	G	H
County	749.16	874.02	998.88	1,123.74	1,373.46	1,623.18	1,872.90	2,247.48
City	147.29	171.83	196.38	220.93	270.03	319.12	368.22	441.86
Police	123.72	144.34	164.96	185.58	226.82	268.06	309.30	371.16
Total	1,020.17	1,190.19	1,360.22	1,530.25	1,870.31	2,210.36	2,550.42	3,060.50