

**BUDGET STATEMENT BY COUNCILLOR R JACKSON
LEADER OF THE COUNCIL**

Madam Mayor, honoured guests, fellow councillors, ladies and gentlemen, it gives me great pleasure to present to you tonight the first budget under the present 4-year term of this Council and the first budget under my leadership. In preparing it I have been ably assisted and supported by Cllr Paul Simpson, the Finance Portfolio Holder and my fellow councillors on the Conservative group, to whom I express my thanks from the start, and the members of the Budget Advisory Committee and Cabinet who are, of course, drawn from across the political spectrum.

This is very much an evening for looking forward. After a long period of uncertainty over funding we have, finally, a clear path towards a future of self-sufficiency and self-financing. By the end of the financial year 2018/19 of this administration, we will receive no Revenue Support Grant directly from central government and be entirely dependent on Council Tax, Business Rates and our own income-generation to fund the essential services on which our communities rely. To help us on this road we have put in place a new Corporate Plan with fewer, more direct objectives, and a clear determination to make Broxtowe a better place for people to live, work and enjoy their leisure time. We will focus on Housing, by supporting appropriate development and continuously improving our own stock; on Business Growth by, for example, making the most of the HS2 opportunity at Toton and continuing to help our town centres to thrive; on Health by helping people to enjoy healthier lifestyles through making plans to create a new Leisure company; on the Environment by preserving the green belt and making the Borough a cleaner, greener place through the forthcoming Green Infrastructure Strategy; and on Community Safety by working hard with our partners to continue to reduce crime and abuse.

But to do this we have to learn to stand on our own two feet.

As you will all be very well be aware, this year has seen, yet again, a very difficult Government finance settlement for Broxtowe. The Council's 'spending power' as estimated by Government in the provisional settlement fell by £545,200 or just over 5%. This was the third largest year-on-year reduction of all Councils in England behind only Barrow-in-Furness (6.02%) and Eastbourne (5.41%). I won't hide my disappointment at our poor funding settlement from you this evening but I can report tonight that last week I met with DCLG Minister Marcus Jones MP to press our case for a fairer settlement. Whilst the Minister listened to us it is clear that they are unable to reopen this year's settlement and we have to cut our cloth accordingly

DCLG has though offered us a small 'transitional grant' of £5,531 in the coming financial year and £5,509 the following year. And yet, even with these proposals, by 2019/20 our 'spending power' will have fallen by almost 12% which is the 41st largest decline out of all 383 authorities in the country. All of this is in the context of an overall decline in direct funding of 66% or £4.734m since 2010/11.

We did not, however, take over the administration to go back on our manifesto commitments. We will not be increasing Council Tax in 2016/17 or in 2017/18. The reductions in grant will not be passed on to local people but will be dealt with by a robust and committed approach to seeking real efficiencies and reductions in costs and by an entrepreneurial approach to income generation. By these means we will put ourselves, for the first time in many years, in a position where our finances are not reducing but growing.

It will not be easy to turn the Council's finances around but we have already begun this journey. In September Cabinet approved a Business Strategy which, when implemented in full, will reduce costs and increase income by up to £1.4m over the next two years. Already £679,000 in running costs have been saved between 2015/16 and 2016/17 and further measures are in the pipeline.

Of course some of the changes necessary are not easy, such as the closure of the cash offices in Beeston, Eastwood and Stapleford. Madame Mayor since 2008 no less than four reports were brought forward demonstrating that the offices were no longer viable and that supporting a cash economy is by no means the best way of helping people to make payments to the Council. We have grasped that nettle and will save £140,000 every year by doing so. To make it happen, last summer we established the e-store which allows residents and businesses to register for an account to which they can log in to make regular payments, from garage rent to garden waste subscriptions. Now you can pay these bills no matter what time of day or where you are. We have introduced e-forms for housing benefits and council tax support so that people can manage their applications all the way through without needing to visit offices and process paper claims. A resident actually used the on-line claim form on the day that the Council went live with the new service. The subsequent take-up has exceeded all expectations and can dramatically reduce processing times by taking a risk-based approach. We have procured a kiosk to maintain a cash facility where there is no alternative. We have put in place arrangements for making cash payments in emergencies in partnership with our new bankers, Barclays, and we are doing all we can to help those who need support to get online. .

We are also tackling the long-standing problem of the continuing unviability of Durban House. Everyone at Broxtowe Borough Council is proud of our links to DH Lawrence and his work. The Museum and Heritage Trail remain, of course, and this year we ran the first D H Lawrence Festival of Culture which came to a close in September 2015. With over 30 different events, walks, talks and workshops, the Festival celebrated the wealth of creativity within the Borough. Yet, in spite of the success in hosting the Registrar at Durban House and holding weddings at the venue, it remains unviable. Following the withdrawal of yet another catering business the decision to consolidate our heritage offer on the museum and to look to build up that facility, was the right one. This alone will save another £101,000 Of course, we will work with the Arts Council in the development of their 'Creative Options for Eastwood' appraisal but we have made it quite clear that the brief will not include continued management of this expensive property by this Council.

The Business Strategy, though, is also about internal efficiencies. We will be saving around £100,000 every year over the next five years by simply refurbishing rather

than replacing refuse vehicles; we are saving another £60,000 by working in partnership with Erewash on Building Control and will make further savings through similar partnership working on managing our Revenues and Benefits functions.

At the same time we are creating new ways of doing business. By establishing a Leisure company we will create efficiencies of around £250,000 a year but, more than that, we will establish an organisation that can manage its own affairs, work out new approaches, develop new facilities and new services and take our leisure offer forward in exciting ways. This year, after some years of disinvestment, we have created sufficient financial room to enable capital borrowing of £770,650, of which around £500,000 is for new equipment and improvements in facilities to put the new company on a firm starting foundation. This is on top of the work done in recent times to create new income-generating football pitches, establish new spin bike facilities and, of course, securing at least £409,000 from the Football Foundation to create a state-of-the art 3G football pitch in Eastwood.

We will be following up this entrepreneurial approach with other proposals for a Housing Company, a Bereavement Services company and a Social Lettings Agency; proposals for expanding Trade Waste and cleaning services; increases in garden waste collection; the use of assistive technologies in our homes; and sharing our facilities and working in partnership with bodies across the Public and Voluntary sector through a new Vision for Customer Services. All of these represent significant improvements in service levels tailored to those that want them, and generate income that can be used to offset losses in central government grants.

So efficiency remains our watchword. We are continuing the policy of seeking to reduce staff costs and have set targets of £124,000 and £39,900 for the General Fund and HRA respectively to offset a proposed pay award of 1.2%. The Portfolio Holder for Resources continues to challenge all service departments to reduce costs and increase income. A further revision of the Business Strategy seeking an additional £700,000 in savings will follow in due course and I would welcome suggestions from all members for areas of additional savings. This, when achieved, will finally put us in the position of not planning to make any withdrawals from reserves over the lifetime of the Medium Term Financial Strategy for the first time since 2010/11.

Madam Mayor the need to accelerate the pace of delivery of house building in Broxtowe is fully recognised in our new Corporate plan. I am pleased to say that in 2014/15 there was a significant increase in the number of sites on which planning permissions were granted – a total of 692, whereas the average for the previous 7 years was 222. We have a long way to go to keep pace with housing need but I am confident we have made a good start. But the Core Strategy and the Part 2 Local Plan that is to follow can only shape the ground. We are reliant on many others to bring about the type of development we need if we are to be able to rely on Council Tax, Business Rates income and New Homes Bonus as the main sources of our funding in the future.

I met with The Chairman of HS2, Sir David Higgins, along with lead members and officers from Broxtowe and other East Midlands Councils in July and we are as sure as we can be that Toton will be the site of a station to serve the HS2 development.

This provides the opportunity for Broxtowe to become a focal point for the East Midlands and we must be fully committed to making the most of this once-in a generation opportunity for economic development. I was particularly pleased to bring forward to Cabinet last December a report which now proposes the right mix of development at Toton, including limiting the last administration's open ended commitment to housing on the site and more than doubling the amount of land available for economic development while retaining a substantial green infrastructure. The granting of outline planning permission on 23 February for the development at Toton is a significant milestone. Planning applications for Beeston Business Park and Alliance Boots site are progressing and we are determined to at last bring to a conclusion the long-standing issue of lack of development at Moults Yard. I was also delighted to see the Planning Committee approve the application for Bexhill Court (which is a small development but demonstrates again our commitment to providing specialist housing for the increasing numbers of people that need it) and to approve with Cabinet colleagues in December proposals to move forward with potential developments at Maycliffe Hall, Cliffe Hill Avenue and the former Police Station in Stapleford.

And yet, while we strive to fulfil the demand for social housing and maintain and improve our housing stock, we find our efforts undermined by a completely unexpected cut in housing income. The Chancellor's announcement of a 1% reduction in housing rents came as a surprise to everybody and will particularly affect Housing Associations with significant plans for future house-building. So much so that at the last minute the Chancellor decided that the reduction will not apply to sheltered accommodation. Much as we need sufficient income to maintain healthy balances on the Housing revenue Account, it seemed to me entirely unfair that those in sheltered accommodation should see their rent frozen or even increased while those in the rest of our housing stock receive a reduction. Accordingly we have decided to apply the 1% decrease across the board and the balance on the HRA remains healthy.

At the same time we have addressed some other long-standing inequities. Garage rents have been held too low for too long. If we are to address the many challenges facing our garage stock we need to set the rent at a market level. This requires a significant increase but we have staged this over two years to reduce the impact. No longer will all our tenants subsidise the minority who benefit from a garage tenancy. Incredibly our leaseholders have not been charged enough to recover the costs of the services that they receive and they too have therefore been subsidised by our tenants. We have now put this right by applying charges at the right level.

Madam Mayor, this focus on business and housing matters is not quite the detour it might seem. The Government has confirmed that New Homes Bonus will continue for at least four more years and we have to ensure that we can sustain existing levels of income as well as generate more in due course to take advantage of this. At the same time every new property adds to our ability to keep Council Tax down and every new business, or business premises which remains occupied, means that we will be best placed to take advantage of the Government's proposals to increase Council's retention of business rates when those proposals are finally brought forward. We have a further opportunity to make this happen now that the tram work

is largely complete and we will be bringing forward proposals for progressing the development of The Square in Beeston at Cabinet later this month.

Broxtowe continues to be an award winning Council. In the last 12 months, apart from the “Tenant of the Year” awards mentioned earlier this evening, The APSE award for the most improved service for parks, open space and horticultural services was a tribute to the excellent work done by our grounds maintenance team. Broxtowe was a finalist in three other APSE award categories – for Kimberley leisure centre, housing repairs and health and wellbeing – recognising the good work done on making Broxtowe a place where people can live well with dementia. The certificate of excellence from East Midlands Heritage recognised the high quality of work the council does in maintaining the DH Lawrence birthplace. It was good to be recognised in the recent Investors in People inspection with a silver award, and to get a bronze award from the RSPCA for our approach to animal welfare. Other awards included one for a noise reduction initiative, and for the Nottinghamshire wide “Best Bar None” scheme. The South Nottinghamshire Community Safety Partnership has for the last twelve months performed better than any other of the 15 partnerships in its most similar family group. Madam Mayor, we are continuing the tradition of providing good quality services for the people of Broxtowe, but we are doing it at a much lower cost and thereby delivering much better value for money for the taxpayer.

Those matters that we have taken into account have been set out for you in reports to the Budget Advisory Committee, Cabinet and the Overview and Scrutiny and I am, as mentioned previously, very grateful for all the contributions that have been made. I would like to place on record my sincere thanks to members and officers alike for the constructive way in which they have approached this budget at a time of considerable change for the Council.

Even so, Madam Mayor, despite these huge efforts, it has to be said that this year we will need to withdraw around £392,000 from our General Fund balance, which is more than I would like. However this is considerably less than the £715,000 that we expected to have to find in 2015/16 when the budget was agreed this time last year and represents a significant achievement in the light of the accelerated withdrawal of Revenue Support Grant which could not have been anticipated at the time.

It is also proposed to close the Local Council Tax Support Scheme reserve which was established to smooth the transition from direct government funding to reliance on local taxation as the Council’s main sources of revenue. This transition is now fully underway and it is appropriate to utilise the remainder of this earmarked reserve of £87,513 for its intended purpose.

We will, on the other hand, be contributing £57,900 to other earmarked reserves, including £30,000 to the election reserve to meet the cost of future Council elections. Fortunately the Police and Crime Commissioner election and EU Referendum coming up in the spring will be paid for by others, although the organisational headaches will, once again, be entirely ours.

Madam Mayor, the council tax resolution within the Council papers mentions the fact that the County Council and the Fire Authority had still to confirm their figures as at

the time the papers were printed and that Kimberley Town Council had not provided a clear precept intention. I can now confirm that the figures for the County Council and Fire Authority are unchanged from those as printed and that the figures for Kimberley Town Council have now been provided. Additional papers have been made available this evening setting out this information in terms of the full Council Tax applicable to each of the properties in the Broxtowe area. Accordingly I move the resolution as set out at item 15 on the agenda.