

**Resources Committee Minutes
5 February 2014 and Budget Setting
2014/15**

COUNCIL MEETING – 25 FEBRUARY 2014
REPORT OF THE RESOURCES COMMITTEE

5 February 2014

Present: Councillors Bell (Chairman), Hollyman (Vice-Chairman), Bailey, Dholakia, Henley, Morrall, Partridge-Underwood, Scarborough, Ward and Waters.

Also present: Mr J T Campbell, Chief Executive, Mrs L Elliott, Head of Finance, Mrs B Lawrence, Head of Resources, Miss J Thomas, Interim Head of Planning and Local Development, Mr N Robinson, Principal Revenue and Benefits Manager and Mrs C A Mundy, Democratic Services Officer.

(Councillor G Lawman attended as an observer.)

1. APOLOGIES FOR ABSENCE

RESOLVED to note that apologies for absence were received from Councillors Allebone, Carr and Graves. The best wishes of the committee were sent to Councillor Graves for a speedy recovery following an eye operation.

2. CONFIRMATION OF MINUTES

RESOLVED that the minutes of the meeting held on 11 December 2013 be confirmed and signed.

3. DECLARATIONS OF INTEREST

RESOLVED to note that in accordance with the Localism Act 2011, the council's code of conduct and the council's constitution, the under-mentioned councillor declared an interest in the following items:

Councillor	Minute No	Subject	Reason
Bailey	10	Review of discretionary non-domestic rate relief 2014/15	Registerable – Member of Wellingborough Old Grammarians and Finedon Local History Society.
Dholakia	10	Review of discretionary non-domestic rate relief 2014/15	Other interest – Life member and past chairman of Wellingborough District Hindu Association and Trustee of Sofawise.
Partridge-Underwood	10	Review of discretionary non-domestic rate relief 2014/15	Registerable – Vice-President of the District Scouts.

Scarborough 9	Authorisation of officers to represent the council in the Magistrates Court	Other – chairman of Wellingborough bench and trustee of the Victoria Centre.
---------------	---	--

4. INSTALLATION OF PHOTOVOLTAIC PANELS

The annexed circulated report of the Head of Resources was received on a proposal to fit photovoltaic panels on a number of operational and investment properties owned by the council.

A report had been commissioned on the potential for recouping some property maintenance costs from solar energy. Early indications demonstrated that a return on capital of 8% could be achieved if panels were attached to existing properties. The report detailed some of the advantages that may be achieved.

Sites at Saxon Court, Trojan Centre and Swansgate Shopping Centre had been identified as suitable. The report indicated the initial capital expenditure that would be required.

An additional option was to consider siting ground mounted panels which would provide a higher return. Sites at land to the south of Rixon Road, land to the west of Finedon Road Industrial Estate and land south of Northern Way had been identified. The report also detailed the investment costs and potential return.

Members discussed the options with the majority expressing support.

RESOLVED that:

- (i) the installation of photovoltaic panels on existing and new council-owned structures following satisfactory structural surveys be approved;
- (ii) officers consult ward members and residents' associations on the desirability of applying for planning permission for the installation of photovoltaic panels on land owned by the council, as identified in the report;
- (iii) a further report on the potential for investing capital receipts in renewable energy projects outside the borough be requested.

(Councillor Bailey asked that his vote against resolution (ii) above be recorded.)

5. REVENUE BUDGET 2014-15 AND THE MEDIUM TERM FINANCIAL STRATEGY PROJECTIONS

The annexed circulated report of the Head of Finance was received on the detailed proposals for the revenue budget 2014-15 together with an updated forecast of the projected position for the subsequent financial years. It also included a proposal in respect of council tax for 2014-15 in line with the proposals approved by the committee on 11 December 2013.

The Head of Finance gave a verbal update informing the committee that the referendum level had been set at 2% with the S151 officer's recommendation being to increase the council tax by 1.99% for 2014-15.

Appended to the report was the 2014-15 budget analysis, the pressures and savings included as part of the 2014-15 budget, future year's financial projections, proposals for future years savings, consultation response, fees and charges schedule and Section 25 report.

Members considered the proposals before them and concluded that the use of reserves was the right strategy and that this was the right time to increase council tax and fees and charges. The public would still be getting good value for money and the increase equated to 6p per week for the borough council's share of the council tax.

The Head of Finance clarified that the Police and Crime Commissioner had also confirmed its increase to be 1.99%.

R1 RECOMMENDED that:

- (i) approval be given to an increase in the council's average band D council tax in 2014-15 for Wellingborough town and the borough by a percentage that is marginally below the referendum level, currently 2%, and as such the increase would be 1.99%;
- (ii) approval be given to the revenue budget for 2014-15 and financial plans as appended to the report;
- (iii) approval be given to the fees and charges schedule appended to the report.

6. POLICY ON RESERVES AND BALANCES

The annexed circulated report of the Head of Finance was received to outline the current position on both revenue reserves and capital reserves, and to review the reserves policy used for the governance of the balances.

The council at 1 April 2013 held approximately £4m of general fund revenue reserves, £3.5m of earmarked revenue reserves, a total of approximately £7.5m total revenue reserves, and £13m of capital reserves. These balances would be utilised in the year and were currently estimated to be at approximately £5.5m of revenue reserves and £8m capital reserves. In 2014-15 the revenue budget would be reliant on the use of approximately £1.6m of

reserves to maintain a balanced position. In future years, if no further savings or efficiencies were identified, this reliance would rise to approximately £2.4m per annum and at that rate of expenditure the reserves would fall below the minimum level in 2015-16.

Capital reserves were estimated to be £8m at the end of 2013-14. The current minimum level of reserves is set at £5m. This allows for approximately £3m of capital expenditure from reserves with the addition of approximately £1.2m capital receipts each year, a total of approximately £4.7m over the period up to 2017-18. This is approximately £1.5m of additional capital expenditure per year over the medium term.

The use of reserves should be governed by a policy agreed by members. The reliance on reserves to balance the revenue budget in future years should be reduced so that the revenue budget is fully funded from other forms of income.

Members welcomed the report and discussed the reserves and balances policy. They made particular reference to earmarked reserves and the necessity of keeping these to a minimum. The Head of Finance clarified that a number of earmarked reserves had been moved to the general fund. A question was also asked about whether capital reserves could be used to meet PRIDE objectives. The Head of Finance confirmed that capital had to be spent on something that was an asset for over a year.

RESOLVED that approval be given to the revised Reserves Policy as appended to the report.

7. CAPITAL PROGRAMME MEDIUM TERM FINANCIAL PLAN

The annexed circulated report of the Head of Finance was received on the capital financing available for the medium term, together with a list of proposed capital schemes.

The funding of the capital programme was based on an assumption that the council would maintain a balance of £5m in its capital resources available for future years.

Proposed schemes continued to exceed available resources and had been re-profiled accordingly to ensure the minimum reserve balance is maintained.

Appended to the report was a summary of capital resources, list of capital schemes and the capital strategy.

Members asked for clarity that £3.18m was available for capital projects. The Head of Finance confirmed that this was the case for 2014-15, although of that £3.18m, £1.3m was already recommended for release for schemes in the capital programme, which had already been approved. Members considered that some of the projects already recommended for release, as detailed in schedule one, were of less importance than some recommended for release when resources were available, as detailed in schedule two.

The Head of Finance reminded members that the Capital Programme was brought to committee each year for approval. The scoring was carried out using an approved matrix and officers based their recommendations to committee on this process. This matrix could be reviewed should members so wish.

Members also raised concern over the frustrations that they felt when some of the projects, such as the multi storey car park, were slow to progress.

The chief executive confirmed that he and the senior management team were conscious of the need for a root and branch review of the Capital Programme and that this would be carried out.

Members welcomed the comments and the proactive work that the officers had been doing. They complimented officers on the quality of the information they were being presented with which was much improved and assisted members in the decision making process.

RESOLVED that:

- (i) approval be given to the capital funding being made available for the financial years 2014-15 to 2018-19;
- (ii) approval be given to Schedule one for release into the capital programme 2014-15 to 2018-19;
- (iii) approval be given to Schedule two being released into the capital programme as soon as resources are available;
- (iv) the capital strategy as detailed within the report be approved.

8. REDWELL AND WAENDEL LEISURE CENTRES: CONTRACT EXTENSION TO 31 DECEMBER 2014

The annexed circulated report of the Head of Finance and Head of Resources was received to seek authority to extend the current contract between the council and DC Leisure Limited (DCLL) for the management and operation of the Waendel and Redwell Leisure Centres.

An extension of the existing contract between the council and DCLL had been agreed until 31 March 2014 to enable contract negotiations to continue. Work was still progressing on this and members were asked to extend the contract for a further period of nine months to enable completion of negotiations for a new contract to commence in January 2015.

RESOLVED that a nine month extension until 31 December 2014 be agreed for the leisure centres management contract on current terms to afford time to complete negotiations between the council and DC Leisure Limited.

9. TO AUTHORISE OFFICERS TO REPRESENT THE BOROUGH COUNCIL OF WELLINGBOROUGH IN THE MAGISTRATES' COURT

The annexed circulated report of the Head of Resources was received to authorise officers to represent the council in the Magistrates' Court.

The officers and their job titles were detailed in the report.

RESOLVED to authorise Carol Jones, Cathy McKenzie, Nigel Robinson, Richard Watson and Jill Wilkinson to represent the Borough Council of Wellingborough in any proceedings in the Magistrates' Court.

10. REVIEW OF DISCRETIONARY NON-DOMESTIC RATE RELIEF – 2014-15

The annexed circulated report of the Head of Finance was received to review the award of discretionary rate relief to business ratepayers for the 2014-15 financial year.

As part of the review process, ratepayers had been informed that the council would review its applications process each financial year moving forward. As part of the financial review, discretionary rate relief payments would be examined and a new policy introduced. The earliest this could be introduced was from 1 April 2015, as ratepayers had to be given notice of one full financial year, in writing, before any change could be made. A letter would be served when notifying ratepayers of their 2014-15 liability.

Members asked if a members briefing note could be issued detailing the content of the letter, should they receive any queries. The Principal Revenue and Benefits Manager confirmed that this would be possible.

RESOLVED that:

- (i) approval be given to discretionary rate relief totalling £40,938.88 being awarded to organisations as detailed in the appendix to the report;
- (ii) approval be given to notice being served on organisations as detailed in the appendix to the report to inform them that the award of discretionary rate relief would be cancelled on 31 March 2015 and a new scheme introduced.

11. EXCLUSION OF PRESS AND PUBLIC

RESOLVED that the press and public be excluded from the meeting during consideration of the following item in accordance with Section 100A(4) to the Local Government Act 1972 on the grounds that they would involve the likely disclosure of exempt information of the descriptions shown in schedule 12A to the Act:

Min. no.	Item	Paragraph of Schedule 12A
12	Voluntary redundancy and Voluntary Early Retirement	E3

12. VOLUNTARY REDUNDANCY AND VOLUNTARY EARLY RETIREMENT

The annexed circulated exempt report of the Head of Resources was received on the request by an employee for voluntary redundancy linked with early retirement.

The council had in place a Voluntary Redundancy Policy which enabled employees to make a business case for efficiencies through voluntary redundancy. A submission had been received and had been approved by the senior management team as complying with such policy.

Members asked some questions of clarity regarding the future of the service.

RESOLVED that:

- (i) the employee be retired early from the service of the council in the interests of the efficient exercise of the council's functions, with effect from a date to be determined;
- (ii) the employee receives pension scheme benefits with effect from their retirement date, in accordance with the provisions of Regulation 26 of the Local Government Pension Scheme Regulations 1997.

Chairman.

The meeting concluded at 8.00pm.

