

## **COUNCIL MEETING – 30 JULY 2013**

### **REPORT OF THE RESOURCES COMMITTEE**

17 July 2013

Present: Councillors Bell (Chairman), Hollyman (Vice-Chairman) Allebone, Bailey, Dholakia, Graves, Henley, Morrall, Partridge-Underwood, B Patel, Scarborough and Waters (12).

Also present: Mr J T Campbell, Chief Executive, Mr R Micklewright, Director of Resources, Mr T Wright, Director of Services, Mr C Pittman, Monitoring Officer, Mrs L Elliott, Head of Finance, Mrs B Lawrence, Head of Resources, Mr S Wood, Head of Planning and Local Development, Mr N Robinson, Principal Revenue and Benefits Manager, Mrs S Knowles, Principal Accountancy Manager, Mr P Burnett, Principal Property and Facilities Manager, Mrs V Phillipson, Principal Planning Policy and Regeneration Manager and Mrs C A Mundy, Democratic Services Officer.

(Councillors Bass, Hawkes, G Lawman and Simmons also attended as observers).

#### **1. APOLOGIES**

**RESOLVED** to note that an apology for absence was received from Councillor Ward (1).

#### **2. CONFIRMATION OF MINUTES**

**RESOLVED** that the minutes of the meeting held on 12 June 2013 be confirmed and signed.

#### **3. DECLARATIONS OF INTEREST**

There were no verbal declarations made.

#### **4. PROPERTY DISPOSALS**

The annexed circulated report of the Head of Resources was received on the possible disposal of council owned land to gain a capital receipt.

The report outlined the consultation undertaken with ward members to date and detailed various plots which could be sold, as follows:

- Residential land in Hardwick;
- Land to rear of 74-79 Fulmar Lane, Wellingborough;
- Land adjacent to Diamond Learning Community;
- Land at Wordsworth Road - 22-28 Grasmere Green;
- Plots at Windmill Close, Wollaston and Holme Close, Wellingborough.

The Chairman allowed Councillor G Lawman to address the meeting.

Councillor Lawman expressed his concern over the potential sale of the land adjacent to the Diamond Learning Community. He was concerned as this was public open space for community use. He believed the footpath was used and was of value to the community, and was concerned about car access through Guillemot Lane. He considered that this item should be deferred for a fuller report with options for the school to possibly lease the land which would enable the council to achieve some revenue funding. He also made reference to Holme Close where he had concerns about issues with drains, services and the lack of consultation. He believed this item should also be deferred.

The Head of Resources advised that all land sales would be subject to the receipt of planning permission, and issues such as access and drainage would be highlighted via planning consultation. They would then be taken into account by the Planning Committee.

Members discussed the options for each of the plots. Some considered that amenity land should be retained and not sold. It was suggested that the item relating to land adjacent to Diamond Learning Community be deferred for more detail. Concern was expressed that the land could be disposed of and that the school could potentially make a large capital gain. Other members believed that there should not be a deferral and referred to 6.5 (f) of the report which stated that covenants would be placed to restrict the sale of land for development.

The Monitoring Officer advised any members who were involved with Wellingborough Homes that they should refrain from voting on recommendation (iv).

Councillor Bailey left the meeting prior to the vote being taken on this item.

**RESOLVED** to dispose of the following areas of land at best consideration in order to gain a capital receipt:

- (i) residential land in Hardwick;
- (ii) land to the rear of 74 to 79 Fulmar Lane, Wellingborough;
- (iii) land adjacent to Diamond Learning Community;
- (iv) land to rear of 22 to 28 Grasmere Green, Wellingborough;
- (v) Plot at Windmill Close, Wollaston;
- (vi) Plot at Holme Close, Wellingborough.

Councillor Bailey returned to the meeting.

## **5. REVENUE MONITORING FOR THE PERIOD 1 APRIL 2013 TO 31 MAY 2013**

The annexed circulated report of the Head of Finance was received to inform members of the forecast of the year and revenue budget position for 2013-14 based on the financial information available at 31 May 2013.

The monitoring statement gave an additional projected overspend at the end of 2013-14 of £156,000 (1.50% of net budget). The report detailed the main reasons for the movement, which was caused due to a mixture of budget pressures and savings and these were listed in more detail within the report.

One of the most significant changes since the budget had been set was the anticipated reduction in investment income as a result of the drop in the average rate of return the council is earning on its investment income portfolio.

Appended to the report was a summary of revenue budget monitoring as at 31 May 2013.

Members asked why the investment rate had fallen so much over such a short period of time. The Principal Accountancy Manager clarified that the income last year was 2.1% and the projection had been 1.4%. This had not happened and the actual return had been 0.4%.

**RESOLVED** that the projected outturn and explanations for the forecast variations at 31 March 2014 be noted.

## **6. TOWN AND COUNTRY PLANNING ACT SECTION 106 PLANNING OBLIGATIONS**

The annexed circulated joint report of the Head of Planning and Local Development and the Head of Finance was received to identify Section 106 monies held by the council and to identify the priority areas for the monies to be spent.

The council held £770,519 of Section 106 monies which were identified in appendices 1, 3 and 4. The monies were held in trust and are outside of all current budgets and not included in the medium term financial plan.

The description of what the various amounts of Section 106 had been acquired for was shown in appendix 1. Appendix 2 provided information about the works that the council had undertaken using Section 106 monies during the last 12 months. Appendix 3 identified the committed sums, monitoring fees or projects that are committed to, or are seeking approval. This included four projects which had completed capital programme forms being Irchester play equipment, Croyland Park footpaths, pitch improvements and Croyland Park adult play equipment. These were schemes that needed to be undertaken as urgent improvements for reasons such as health and safety, submitted for consideration by the parish council or were restricted due to seasonal deadlines.

Members were asked to approve the following five improvement categories:

- Wellingborough park and open space improvements
- Sports changing facilities and playing pitch improvements
- Town centre improvements
- Rural projects
- Affordable housing projects.

The report detailed each of the five categories.

Members asked a number of questions including whether and when ward councillors would be consulted. They also raised concern that monies set down for certain schemes would be used in other areas.

The Head of Planning and Local Development explained that some of the Section 106 monies were deemed to be for borough wide use whilst others were specific to certain areas and for set use. A further analysis of specific projects together with any recommended projects from the parishes would be collated and reported to a future Resources Committee.

**RESOLVED to:**

- (i) agree that the five categories detailed in the report be used to allocate the Section 106 monies as identified in appendices 1 and 4;
- (ii) note that a further report be submitted to the next Resources Committee detailing projects that could be financed by using Section 106 monies using the five categories for the committee's approval and subsequent monitoring.

(Councillor Scarborough voted against this item.)

**7. CAPITAL PROGRAMME MONITORING & SECTION 106 REPORT 2013-14**

The annexed circulated report of the Head of Finance was received to inform members of the capital programme monitoring for the two months to 31 May 2013.

The total capital programme budget, as agreed at Resources Committee on 20 March was £3,391.604. In addition £3,253,948 capital spend had been re-profiled from 2012-13 giving a total budget for 2013-14 of £6,645.552.

The capital monitoring report up to 31 May 2013 was appended to the report along with the variation requests and the external funding schedule.

Concern was raised by a member that funding, which was specified for use in Stanley Road, Great Park Street and 1-9 Newcomen Road, was being used to improve a footpath in Croyland Park. Members believed that the Section 106 monies should have been allocated to the ward/area specified. The Head of Planning and Local Development clarified that a further report on Section 106 allocations would be submitted to the next Resources Committee. He would also issue a members briefing note regarding allocations.

Concern was also raised about the reclassification, of maintenance work needed to be carried out on the multi storey car park, into revenue. Officers explained that any reclassification would be reflected in the revenue monitoring once the figures had been finalised. Members considered that rather than reclassifying, a supplementary estimate should be sought. The Director of Resources clarified that he would provide a members briefing note explaining the reason for this in detail.

Members continued to raise concern about the request for additional projects to be funded from Section 106 monies and the Chairman suggested that this part of the resolution be deferred until September. One member was concerned about the health and safety aspect of the footpath repairs. The Chairman suggested that if this became an issue an urgent action be brought forward for consideration.

**RESOLVED** to:

- (i) note the projected outturn and anticipated variances as at 31 May 2013 as detailed in appendix 1 to the report;
- (ii) agree the variations as detailed in appendix 2 to the report;
- (iii) agree the external funding as stated in appendix 3 of the report;
- (iv) defer the requests for additional projects to be funded from Section 106 monies as outlined in the report until the Resources Committee in September.

**8. NOTIFICATION OF URGENT ACTION – SECTION 106 SPEND**

The annexed circulated joint report of the Head of Planning and Local Development and Head of Finance was received on the urgent action taken to approve spending some of the Town and Country Planning Action Section 106 monies which the council held.

Two projects had been identified for pitch improvements and adult gym improvements.

**RESOLVED** to note the urgent action taken.

**9. MEDIUM TERM FINANCIAL STRATEGY PROJECTIONS – JULY 2013**

The annexed circulated report of the Director of Resources was received to update members on the projected financial position over the medium term to 2017-18 and detailed the financial pressure facing local government in general and the financial sustainability faced by smaller councils.

A report had been presented to committee in February 2013 as part of the 2013-14 budget report on the medium term financial position. The figures had been refreshed and were appended to the report along with the forecast level of reserves and a summary of the spending round for 2013.

The report also raised the concern that the risk of not delivering a balanced budget was becoming more acute as the level of revenue reserves diminished thus increasing the risk that the council would not be financially sustainable in the future and may not be viable as an independent body of local democracy and governance.

The report detailed the current financial position, the next steps towards a balanced medium term financial position, the financial sustainability and the future of service delivery.

**RESOLVED** to note the revised financial position and the content of the report.

## **10. TREASURY MANAGEMENT – ANNUAL REPORT 2012-13**

The annexed circulated report of the Head of Finance was received on the annual report of treasury management activity for 2012-13.

The report detailed the short term investments, the long term investments for periods greater than one year, the total investments for the year, the investment trusts, the fact that there was no outstanding borrowing, the interest received and future prospects.

The Head of Finance explained that due to the historically low levels and decreases in interest rates; she considered that a revision to the Credit Worthiness policy contained in the previously agreed Investment Strategy was necessary. This would enable a more flexible approach to investments to increase the return. Investments would be made in the top 20 building societies for a period of two years.

Members considered this to be a good way forward.

**RESOLVED** to note the review of treasury management activities in 2012-13.

**R1 RECOMMENDED** that the amended Credit Worthiness policy be incorporated in the council's Annual Investment Strategy.

## **11. NEIGHBOURHOOD PLANNING**

The annexed circulated joint report of the Head of Planning and Local Development and the Head of Finance was received on the financial support that would be required to deliver assistance with neighbourhood planning.

The Development Committee at its meeting on 16 July 2013 had made a recommendation to Resources Committee that it approve the financial support identified in the draft Neighbourhood Planning Protocol which it had approved at that meeting.

**RESOLVED** that the support identified in the Neighbourhood Planning Protocol appended to the report in the sum of £15,000 be transferred from earmarked reserves.

## **12. IRRECOVERABLE COUNCIL TAX, NON-DOMESTIC RATES, SUNDRY DEBTS AND HOUSING BENEFIT OVERPAYMENTS**

The annexed circulated report of the Director of Resources was received to request approval for the write-off of irrecoverable non-domestic rates and to note amounts written off under delegated powers for council tax, non-domestic rates, sundry debts and housing benefit overpayments.

The report detailed that the sum of £18,267.16 of non-domestic rates which needed to be written off due to bankruptcy or insolvency.

The sum of £23,722.41 of irrecoverable council tax, non-domestic rates, sundry debts and housing benefit overpayments which had been written off under delegated powers.

**RESOLVED** that:

- (i) the sum of £18,267.16 be written-off as irrecoverable non-domestic rates;
- (ii) it be noted that the amount of £23,722.41 had been written off under the delegated powers of the Section 151 officer.

### **13. EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that the press and public be excluded from the meeting during consideration of the following items 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:

<b>Minute No.</b>	<b>Item</b>	<b>Paragraph of Schedule 12A</b>
14	Hardship relief.	3
15	Redevelopment of the High Street/Jacksons Lane site – verbal update.	3
16	Restructuring of the Senior Management Team.	3

### **14. HARDSHIP RELIEF**

The annexed circulated exempt report of the Director of Resources was received on the application for hardship relief from Palm Beach Plaza Ltd.

The report detailed the request. The Council needed to consider whether it was satisfied of the following before the decision to grant hardship relief could be made:

- (i) that the ratepayer would sustain hardship if the relief was not granted;
- (ii) consideration be given to the interests of the council tax payers within the borough.

Members considered the above points in making a decision.

**RESOLVED** that hardship relief not be awarded to Palm Beach Plaza Ltd, 3 Commercial Way, Wellingborough, NN8 1ET.

## **15. REDEVELOPMENT OF THE HIGH STREET/JACKSONS LANE SITE – VERBAL UPDATE**

The Chief Executive gave a verbal update of progress since the meeting of the Resources Committee in June 2013.

He informed the committee that he had met with Quora Developments, along with the Head of Planning and Local Development, on 26 June 2013. Information had been received late on Monday 15 July 2013 on which initial advice had been sought from the council advisers, Pinsent Masons. Further discussion and clarification was required. A key matter that has not been resolved relates to indemnification of the council's costs.

He informed members that whilst there had been some progress there was still a long way to go before a full written report could be presented to this committee.

A lengthy debate ensued. A number of members considered that there were risks involved with the Quora/Asda proposal. Over a period of nine months there had been little progress. Residential development had been agreed for this site and Keepmoat should be encouraged to re-submit a planning application and continue to develop the area.

Other members were concerned that the key issue was the duty of the council to ensure that best consideration was obtained for the site. The issue was not about a particular retail use, it was about mixed housing and retail use for the site.

The Director of Resources advised members, as Section 151 officer, that the agreed intention for the development of the land had been residential; a formal procurement process had taken place and a preferred bidder had been chosen. Should there now be a requirement for retail-led development rather than residential led, a procurement process would need to be carried out again. The land would need to be disposed of at best consideration.

The Chief Executive commented further on the various points made.

The Chairman informed members that, as only guidance was being sought, they were not required to make a decision at this meeting.

Councillor Bailey proposed that officers produce a report with the information that they had to date and that a Special Resources Committee be called. This was seconded by Councillor Partridge-Underwood. On being put to the vote this was declared lost.

The Chairman suggested that a written report be produced for the Resources Committee in September. This was agreed.

**RESOLVED** that the verbal update of the Chief Executive be noted and that a written report will be submitted to the Resources Committee on 18 September 2013.



## **16. RESTRUCTURING OF THE SENIOR MANAGEMENT TEAM**

The annexed circulated exempt report of the Chief Executive and the Head of Paid Service was received on a proposed revision to the senior management structure.

Appended to the report was the current senior level organisational chart, the proposed senior level organisational chart, the information relating to affected employees and an equality impact assessment.

The proposal was to streamline the structure by deleting two Director posts and one Head of Service. The Head of Service role also included the Monitoring Officer role, which is a statutory post. Appropriate revised arrangements for the Monitoring Officer post would need to be in place.

The council's Section 151 officer was also a statutory post and it was recommended that this role be designated to the Head of Finance from the time of the departure of the Director of Resources. There was also a need for a Deputy Section 151 officer and it was proposed that the Principal Accountancy Manager be designated to act as deputy.

The report also referred to officers maintaining registration to a professional body to keep up with current practice. It was recommended that one professional fee, where appropriate, for relevant employees be paid.

In April 2011 it had been agreed that all officers at Head of Service level would be appointed on Chief Officer terms and conditions. This had created an anomaly whereby Heads of Service were not able to receive time off in lieu to compensate for time spent at evening meetings and weekend events etc. The Chief Executive and Director posts have always had an informal arrangement in place and it was proposed that the time off in lieu policy should apply to Heads of Service.

(Councillor Bailey left the meeting at 9.15pm.)

### **R2 RECOMMENDED that:**

- (i) the proposals of the Head of Paid Service relating to the Senior Management Structure be endorsed by full Council;
- (ii) eligible employees identified in Appendix C of the report 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 agreed;
- (iii) eligible employees identified in Appendix C of the report receive pension scheme benefits with effect from their retirement date, in accordance with the provisions of Section 26 of the Local Government Pension Scheme Regulations 1997;
- (iv) with effect from the date of departure of the Director of Resources that the Head of Finance be designated as the council's Section 151 officer.

**RESOLVED** that:

- (i) an additional allowance for the role of Deputy Section 151 officer be introduced as set out in the report;
- (ii) the Chief Officers' terms and conditions of employment be amended to specifically include the provisions of the council's time off in lieu policy with effect from 1 August 2013;
- (iii) a policy of paying one appropriate professional fee for all relevant officers with effect from 1 August 2013 be agreed;
- (iv) all of the proposed changes to terms and conditions be subject to the usual consultation arrangements with a further report bring brought to the committee if necessary;
- (v) the Constitution Working Party be reconvened to consider a review of the council's governance and decision making arrangements.

Chairman.....

The meeting concluded at 9.35pm