

COUNCIL MEETING – 14 JANUARY 2014
REPORT OF THE RESOURCES COMMITTEE

11 December 2013

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

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

(Councillors Elliott and Emerson also attended as observers.)

2. CONFIRMATION OF MINUTES

RESOLVED that the minutes of the meeting held on 30 October 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
Bell	12	The W3 bus service	Other interest – knows a number of users of the service.

4. WELLINGBOROUGH LOCAL PLAN

The annexed circulated report of the Head of Planning and Local Development was received on the resources required to prepare an up to date Local Plan for the borough.

The Development Committee of 23 October 2012 resolved that a borough wide Local Plan should be prepared, and that a review of the Town Centre Area Action Plan (TCAAP) also needed to be undertaken. To do this additional staff resources were required to ensure that the review process would take place within a reasonable timescale and that the evidence base was up to date.

The report detailed the staffing level prior to the restructure in 2011 and the current levels, and detailed the functions that the service in general provided.

A broad outline of the stages of the plan preparation was appended to the report. The timetable was dependent on resources being available to bring the plan forward to the 'Examination in Public' (EiP) stage. The report also detailed the time it had taken to produce the TCAAP and the resources that had been put into achieving it.

The full financial implications were detailed in the report and included two additional Planning Officers, additional time for the Planning Policy and Regeneration Manager, employment of a specialist consultant along with the costs of a public consultation. It was believed that this would be in the region of £536,000, which once the current level of reserves had been used would equate to the sum of £330,200 being required to complete the plan.

The Local Plan would need to be adopted and would act as a defence of decisions made by the Planning Committee which would be based on more robust policies and be more likely to be successfully defended, reducing the cost of appeals.

Members expressed concern over the additional funding that was required for the provision of a Local Plan and particularly over why this had not been included in the medium term financial plan. They also asked why, following the decision of the Development Committee in 2012, it had taken so long for any action to be taken on the development of the plan, and for the request for additional funding to come forward. Members also asked what the average number of staff dealing with this type of work was in other authorities and whether an alternative option would be to use consultants. If the additional funding was agreed, members asked how long it would be before another plan was required.

The Principal Planning and Regeneration Manager responded to the queries explaining that since the decision of the Development Committee, work had commenced on evidence gathering. Consultancy work had been undertaken for the preparation of the town centre health check and this had been paid for from funds already available in budget.

The need for the additional staffing resource was to progress the plan to ensure that the evidence gathering was timely for the examination in public.

Staffing levels at other councils in the county varied between five and eight per team. Consultancy work had been considered but it was thought that this would be better carried out 'in house'. The plan, when completed, would be used for a ten year period, although there would be partial reviews during this time.

RESOLVED that approval be given to the use of £214,000 of current reserves in 2014-15, and to include the additional resources of £330,000 needed in 2015-16 and 2016-17 in the medium term financial plan.

5. REVENUE MONITORING FOR THE PERIOD 1 APRIL 2013 TO 31 OCTOBER 2013

The annexed circulated report of the Head of Finance was received on the forecast of the year end revenue budget position for 2013-14 based on the latest financial information available at 31 October 2013 (Period 7).

The monitoring statement showed an additional use of reserves at the end of 2013-14 of £90,000 (0.87% of net budget). This represented a downturn of £26,000 on the previous forecast additional use of reserves of £64,000, which had been reported to the committee on 18 September 2013. The main reasons for the movement were detailed within the report and a summary of budget monitoring at 31 October was appended to the report.

Members queried the Communities for Health Post and asked for an explanation of the role. The Head of Planning and Local Development confirmed that he would send a members briefing note detailing this.

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

6. CAPITAL PROGRAMME MONITORING

The annexed circulated report of the Head of Finance was received on the capital programme monitoring information to 31 October 2013.

The total capital budget for 2013-14 was £6,669,000. Appended to the report was a full assessment of the capital monitoring. This gave the current position, profiling information and outturn estimates. The report also detailed the movements that had taken place in 2013-14.

The report detailed the current position for approved schemes along with up-to-date profiling information and outturn estimates.

A request had been made for a virement of budget between capital schemes in order to complete the compulsory purchase of 66-74 Lea Way within this financial year and details were set out in appendix 2 of the report.

Members asked questions, for the purpose of clarity, regarding the budget for the Lea Way compulsory purchase, which was confirmed to be £547,580 in total.

There was also a question over whether monies would be spent before the end of the financial year. The Principal Accountancy Manager informed members that the information contained in the report had been provided by each project officer, and she believed that £500,000 would be spent within the next week. The Head of Finance clarified that she was reliant on the information provided by the project manager to ensure accurate profiling.

RESOLVED that:

- (i) the projected outturn and anticipated variances as at 31 October 2013 as detailed in the report be noted;
- (ii) approval be given to the variations as detailed in the report;
- (iii) the external funding as detailed in the report be noted.

7. LOCAL COUNCIL TAX SUPPORT SCHEME 2014-15

The annexed circulated report of the Principal Revenue and Benefits Manager was received on the Local Council Tax Support scheme (CTS) for 2014-15 and subsequent years.

The Resources Committee on 18 September 2013 agreed that a consultation be undertaken on the three options for the scheme. Full details and illustrations of how each option would affect an average couple were given in the report.

A public consultation exercise began on 1 October and ended on 26 November. The results showed that the majority of respondents supported a scheme whereby at least 20% of the council tax would be payable. Full details were appended to the report.

Based on the evidence and advice of officers the recommendation was for option 2 to be selected. This would mean that the maximum percentage of working age claimants council tax liability that could be met under the borough council's CTS scheme for 2014/15 would be set at 80%, leaving 20% to be paid. It was considered that this option should mitigate the financial pressures on the revenue budget.

The Head of Finance advised members that any decision would also impact on the Police Authority and Northamptonshire County Council.

Members asked questions about each of the options, particularly querying why option 1 was not being recommended.

The Principal Revenue and Benefits Manager explained that option 1 presented a higher risk with regard to the impact on the collection rate and as such it was considered more financially prudent to go with option 2.

Members asked if they could have 'actual' figures so they could further understand the implications for each option.

The Head of Finance informed the meeting that she was not expecting to receive the financial settlement until 19 December so it was difficult to provide exact figures. She estimated that should option 3 be chosen the cost to the council would be in the region of between £13,000 to £20,000.

A question was asked about what other councils were doing across the county.

The Principal Revenue and Benefits Managers responded to say that each council was in a different financial situation so it was difficult to compare.

The Head of Finance would issue a members briefing note, once confirmation of the financial settlement was received and prior to the Council Meeting on 14 January 2014.

Councillor Scarborough moved an amendment which was seconded by Councillor Dholakia as follows:

The committee is invited to recommend to adopt option 3 as outlined in section 6.1 of the report.

On being put to the vote the amendment was declared lost.

(Councillors Dholakia, Henley and Scarborough asked that their vote in favour of the amendment be recorded.)

R1 RECOMMENDED that option 2, as detailed in the report, be adopted.

(Members commended the report and thanked officers for an excellent paper.)

8. CALCULATION OF THE COUNCIL TAX BASE 2014-15

The annexed circulated report of the Principal Revenue and Benefits Manager was received to approve the council tax base for 2014-15.

The report detailed how the council tax base had been calculated by taking into account the present occupancy situation, new dwellings becoming chargeable, the ratio of the bands to band D, the estimated collection rates, local council tax discounts and the local council tax support scheme.

The council tax, tax base calculation, would enable precepting authorities to determine their financial requirements for the coming year.

A member asked for clarification over whether the financial assistance given to parish councils by the council last year would be repeated in the coming year. The Head of Finance clarified that the funding had been for one year only and had not been factored into the medium term financial plan.

R2 RECOMMENDED that:

- (i) the amount calculated by the Borough Council of Wellingborough as the council tax base for the year 2014-15 be 21,834 (Band D equivalents);
- (ii) the council tax bases for the parish councils and Wellingborough town be approved.

9. DRAFT REVENUE BUDGET 2014-15 AND THE MEDIUM TERM FINANCIAL PLAN PROJECTIONS

The annexed circulated report of the Head of Finance was received to provide members with details of the medium term financial plan projections for revenue spending and to outline more details of the 2014-15 draft revenue budget for consultation.

The report also outlined the progress made on identifying proposals to match spending to available resources, and the potential use of reserves whilst proposals were being developed and fully implemented.

The projections included assumptions made on the levels of council tax and government funding, which would be updated and amended prior to formal agreement in February 2014.

The report summarised the huge financial challenges the council faced in matching its current spending levels with the levels of future forecasts for funding. A saving of approximately £1.7m was required in 2014-15 to give a fully balanced position. Significant efficiencies had already been made in previous years which made finding these savings even harder.

The initial budget assumption for 2014-15 had been to roll forward current budgets and to adjust for any known savings proposals as and when they arise. The Council would continue to need reserves to fund its revenue budget whilst more robust and deliverable solutions are developed.

The report detailed the council's priorities for 2014-15 which were set in the Corporate Plan 2011-14, the medium term financial outlook, the council's approach to the budget pressures for 2014-15 and the medium term, and the consultation process.

Also appended to the report was a draft fees and charges schedule.

A member asked for clarification on the amount of increase that was proposed for the fees and charges. The Head of Finance clarified that this was 2.5%.

A further question was asked regarding the future of Glamis Hall. Members were aware that there were alternative potential uses, and users, for the site which needed further discussion.

The Chief Executive clarified that he had recently had a meeting with Northamptonshire County Council and changes were taking place over how care was provided. He would be arranging a meeting of the working party for early in the new year and would notify members of the date in due course.

Members also asked a number of questions regarding pensions, over when the next re-evaluation of the pensions would be, the fact that assets were

increasing and that liabilities were also increasing, and how much the council contributed.

The Head of Finance responded and informed the committee that the re-evaluation would take place in April 2014. The council made a contribution of 13.9% plus a further 2% of pay base for previous liabilities.

RESOLVED that:

- (i) the indicative level of council tax increase to be included in the budget assumptions as part of the consultation be agreed, after considering the S151 officer's advice in the report;
- (ii) the use of reserves to support the revenue budget over the short to medium term to allow for more robust service delivery options to be developed and implemented be agreed;
- (iii) the proposed draft fees and charges schedule be included in the information for consultation;
- (iv) the draft 2014-15 revenue budget, including the initial proposed savings suggestions, be included in the consultation;
- (v) the consultation method, as proposed, be agreed.

10. DRAFT CAPITAL PROGRAMME MEDIUM TERM FINANCIAL PLAN

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

The report detailed the funding for the capital programme which was based on the assumption that at any one time a balance of £5million in its capital resources would be available for future years.

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

The report detailed the scoring of each scheme and how they were prioritised.

A question was asked as to whether any of the capital schemes would result in a revenue gain.

The Head of Finance clarified that some of the schemes, such as the CPO fund, would result in capital receipt.

Members commented generally on the priority of some of the schemes. The Head of Finance clarified that the ordering could be revisited and she would take comments on board.

RESOLVED that:

- (i) approval be given to the list of capital schemes to progress to the next stage of prioritisation, when resources are available;
- (ii) approval be given to officers to re-profile schemes in line with available resources.

11. IRRECOVERABLE COUNCIL TAX, NON-DOMESTIC RATES, SUNDRY DEBTS AND HOUSING BENEFIT OVERPAYMENTS

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

The appendices gave the detail of the irrecoverable sums and reasons why they had not been recovered.

RESOLVED that:

- (i) the write off of £75,392.11 irrecoverable council tax, non-domestic rates and housing benefit overpayments be noted;
- (ii) it be noted that the amount of £41,933.23 has been written off under the delegated powers of the Section 151 officer.

(Councillor Bell left the meeting, having declared an interest, and Councillor Hollyman acted as Chairman for the next item.)

12. W3 BUS SERVICE

The annexed circulated report of the Chief Executive was received to provide an update on the financial support given by the council for the W3 bus service.

In September 2012 grant aid had been given to the W3 bus route to ensure a continuing service during “off peak” hours. Funding was authorised for a period of 12 months to a maximum of £47,750. In October 2013, this was extended for a further three months until 11 January 2014.

Discussions have been held with the bus company who have confirmed that the off peak services, and possibly the whole service, is not commercially viable without financial support. The council’s financial position is such that it can no longer continue to give grant funding. Notice was given on 16 November 2013 and funding will cease on 11 January 2014.

The county council is exploring alternative options for the service and the Chief Executive will continue to liaise with county council colleagues.

A member asked if figures were available giving the actual cost of each journey per person, to ascertain whether the grant funding had been well spent.

The Chief Executive responded that for information purposes the data collected indicated that at particular times on some days the service had been well used, on other days the usage was not so good. The bus company considered that it was not a commercially viable service.

RESOLVED that:

- (i) the grant funding to support the W3 bus service will cease with effect from 11 January 2014;
- (ii) it be noted that the Chief Executive will continue to discuss alternative arrangements with county council colleagues on the basis that there is no cost to the borough council.

(Councillor Bell returned to the meeting.)

13. 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
14	Exempt appendices - Irrecoverable Council Tax, Non-Domestic Rates, Sundry Debts and Housing Benefit Overpayments	E3
15	Discretionary rate relief – Phoenix Resource Centre (Northampton) Limited	E3

14. IRRECOVERABLE COUNCIL TAX, NON-DOMESTIC RATES, SUNDRY AND HOUSING BENEFIT OVERPAYMENTS

The exempt circulated appendices were received.

RESOLVED that the exempt appendices be noted.

15. DISCRETIONARY RATE RELIEF – PHOENIX RESOURCE CENTRE (NORTHAMPTON) LIMITED

The annexed circulated exempt report of the Head of Finance was received on an application for discretionary rate relief from the Phoenix Resource Centre (Northampton) Limited.

The borough council had the discretionary power to grant relief to non-profit making organisations providing they satisfied specified criteria.

The report detailed the amount of non-domestic rates payable on the warehouse and detailed the work of the organisation. Details of the financial implications of awarding the discretionary relief were also given in the report.

RESOLVED that discretionary rate relief not be awarded to the Phoenix Resource Centre (Northampton) Limited, 28 Vaux Road, Finedon Road Industrial Estate, Wellingborough, NN8 4TG.

Chairman.....

The meeting concluded at 8.50pm.