

COUNCIL MEETING – 31 MARCH 2015

REPORT OF THE RESOURCES COMMITTEE

18 March 2015

Present: Councillors Bell (Chairman), Hollyman (Vice-Chairman), Allebone, Carr, Emerson, Graves, Griffiths, Harrington, Hawkes, Henley, Morrall, Partridge-Underwood, Scarborough, Ward and M Waters.

Also present: Mr J T Campbell, Chief Executive, Mrs L Elliott, Head of Finance, Miss J Thomas, Head of Planning and Local Development, Mr J Casserly, Managing Director, Wellingborough Norse, Mr G Jermyn, Director, Wellingborough Norse, Mr B Gallyot, Operations Director, Wellingborough Norse, Mr G Hollands, Solicitor - District_Law, 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 G Lawman attended as observers and Councillor Bass as a speaker.)

1. 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 councillors declared an interest in the following items:

Councillor	Minute	Report Title	Reason
Allebone		Sywell Aerodrome	Personal – knows Mr Bletsoe-Brown and he has his aircraft maintained by a company based at Sywell.

2. CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 4 FEBRUARY 2015

RESOLVED that the minutes of the Resources Committee held on 4 February 2015 be approved.

3. SYWELL AERODROME

The annexed circulated report of the Chief Executive was received to update members on matters relating to Sywell Aerodrome.

The chairman had received three requests from the public to address the meeting and one from Councillor Bass.

Each public speaker addressed the meeting for 3 minutes. The speakers referred to their views on a number of matters including air traffic movements

and the requirement for logs to be kept of all such movements, a perceived failure by the aerodrome to provide monthly reports to the borough council, an alleged lack of enforcement of planning conditions and the perceived requirement, as a licensed airfield, to provide a Joint Consultative Committee in accordance with government guidelines which would be key to communication between the aerodrome and the local community. Reference was also made to surface water drainage and a speaker's view that there was a failure to comply with condition 11 of the planning permission requiring details of the surface water run-off to be provided to the council for approval. It was stated that this had not been done and the surface water drainage arrangements were considered to be inadequate and there was concern over the flood risk and pollution control.

Councillor Bass addressed the meeting for five minutes making reference to his, and his constituents, continuing concerns over the runway, the flight path, the oil interceptor, the perceived lack of sensors to monitor pollutants, noise pollution, the failure of the joint consultative committee and the duties placed on the aerodrome under section 35 of the Civil Aviation Act 1982 which required them to have consultation arrangements in place to include the local community and the council and non-compliance with the section 106 agreement.

Councillor Hawkes raised a constitutional query over whether this item should be discussed by the Resource committee, or whether it should be referred to the Planning committee to deal with. He sought legal advice on this.

Mr Hollands, Solicitor, considered that the report dealt with a lot of issues not just the planning implications and that this did fall within the remit of the Resources committee.

Councillor Hawkes also referred to correspondence that he and other councillors had received informing them that the West Ward and Local Communities Aviation focus group had submitted a complaint to the Local Government Ombudsman regarding the perceived failure of the borough council to provide a satisfactory service in not addressing several problems relating to enforcement of the planning conditions attached to the Secretary of State's permission to allow Sywell Aerodrome Ltd to replace the grass runway with an all-weather surface, and asked if the council was aware of this.

The Chief Executive clarified that he was aware of the complaint, which was referred to at paragraph 5.7 in his report. He reported that the Local Government Ombudsman was not currently investigating this complaint and was awaiting the outcome of the committee before proceeding further.

The chairman thanked the speakers and referred members to the report before committee.

The Chief Executive added 3 points of clarification in relation to his report:

- The resident who has complained to the Ombudsman has asked for paragraph 5.7 to be clarified. The report is not saying that the complaint is about the hard runway. The complaint is about a perceived failure to enforce the planning conditions, a lack of service from the council and the main concerns are the JCC issue which is, in any case, a section 106 matter, and the flight protocol. The position on both of these is clearly set out in the report.
- At 5.5 (and 5.11) there is reference to the letter to the aerodrome on 5 March 2015. A reply has now been received and the Managing Director has agreed to meet with the Chief Executive. This seems positive in reopening a dialogue.
- When further discussion takes place then, as set out in 5.11 of the report, the matter of consultation arrangements can be raised in relation to section 35 of the CAA Act and it may be possible to mutually agree some positive consultation arrangements involving the aerodrome, the council and the local community but an important point is that this would need to be agreed.

The report set out the resolutions of council on 26 June 2012. Progress had been made on most of the resolutions but some had not been fully implemented and a brief summary was included in appendix A.

The report informed members that few complaints had been received regarding the aerodrome. Some complainants have raised concern about the lack of a joint consultative committee (JCC), though the aerodrome had argued that this requirement of the section 106 agreement had been complied with. Legal advice had been sought from counsel which supported the aerodrome's view on this. This advice had also suggested that the council could try to engage with the aerodrome about their approach to meeting the duties under section 35 of the Civil Aviation Act 1982 which requires them to have consultation arrangements in place and to include the local community and council in those.

The report contained three options which were put to the meeting:

- (a) To take no action as the level of concern is localised to a small number of local residents and is not a wider issue affecting the local community;
- (b) To continue to pursue a constructive dialogue with the aerodrome;
- (c) To reconvene a member working party to reconsider all of the detailed issues once again and to make further recommendations to council.

Councillor Allebone addressed the meeting. He commented on the number of years and hours that discussions had been taking place over various aspects relating to the aerodrome. He considered that a considerable amount of tax payer's money had been used to fund legal advice and that the time spent on this subject by senior officers was no longer sustainable. The advice of counsel concluded that Sywell Aerodrome had complied with requirements. He saw little point in continuing to repeat the exercise. The council was

encouraging businesses to move into the area and some were international businesses, the aerodrome should be an asset to the borough and the county, not a liability. He proposed that a constructive dialogue be pursued with the aerodrome.

A lengthy debate ensued with members asking questions for the purpose of clarity. The majority agreed that enough time had been spent on various discussions and though the concerns from the community had been heard the legal advice was clear. It was considered that the best way forward was to enter into a dialogue with the aerodrome.

Councillor Morrall said that a number of people were to blame for the failure of the JCC, and counsel's advice had concluded that the aerodrome had complied, he seconded Councillor Allebone's proposal.

On being put to the vote the motion was declared carried.

RESOLVED that the Chief Executive should continue to pursue a constructive dialogue with Sywell Aerodrome Ltd and meet further with the Managing Director.

(Councillor Bass left the meeting.)

4. WASTE COLLECTION

The annexed circulated report of the Chief Executive relating to the waste collection service was received.

The chairman took the opportunity to congratulate Mr Casserly on his forthcoming retirement and to introduce Mr Bernard Gallyot, as Operations Director, to the committee.

The report detailed the current position with regard to the county council being the waste disposal authority (WDA) and the borough council being the waste collection authority (WCA) and the fact of how any changes by one would affect the other. The report also explained that the Northamptonshire Waste Partnership group currently included all the collection authorities in the county and the disposal authority. Two collection authorities have indicated they will leave the partnership in the near future and this raises concern that the group will be incomplete or may even cease to exist.

The WDA is under severe financial pressure and as part of their approved budget has agreed to save £7million from their disposal costs in the new financial year. The WDA had failed to discuss its budget proposals but this would potentially present severe financial difficulties for the collection authorities in general.

At present the refuse and recycling service operates an alternate weekly collection system introduced as the "3 ways with waste" scheme, details of which were contained within the report. The current garden waste service

collection season runs from March to October inclusive. A number of requests from residents have been made for the collection season to also include November. The estimated net cost to providing this additional collection would be approximately £12,000 and it was suggested that a trial take place to include a collection in November 2015 to see if it would be cost effective to run for an additional month. Alternatively the season could be shifted by one month so it ran from April to November.

The WDA had informed the council that they will close the Wollaston Household Waste Recycling Centre at the end of March 2015. Wellingborough Norse has been in discussion with the WDA and their current contractors about taking over the site. The net cost for a year is estimated at £75,000. Wellingborough Norse may be able to increase income from the site which could reduce the net cost. Should Wellingborough Norse decide to take on this additional role, it is unlikely to be positive in cost terms, at least in the early stages and may never be cost effective. The implications of this are that any loss will erode the profit share element of funding that comes via the Norse joint venture arrangement.

The report also detailed the immediate change being introduced by the WDA which related to a technical aspect of waste collection and disposal known as schedule 2 waste. Changes to the regulations following a review by DEFRA of the Controlled Waste Regulations 1990 came into force on 6 April 2012 and mean that properties previously listed under schedule 2 were those for which waste disposal was to be provided free by the WDA, though a collection charge could be made by the WCA at its discretion. Changes to the regulations mean that residential homes, nursing homes, hospitals and schools can now also be charged for the disposal of their waste at the discretion of the WDA. There are also properties that may be charged for collection only such as charity shops; community interest and charity reuse premises, residential hostels and premises used wholly or mainly for public meetings.

The Environmental Protection ACT (EPA) 1990 entitles WDAs to be reimbursed by WCAs for costs incurred in arranging the disposal of commercial/industrial waste. The WDA has confirmed that it intends to exercise its discretion to make a waste disposal charge to those property types listed in the new Waste Control Regulations from April 2015 (schools from September 2015). The financial implications are difficult to quantify although Wellingborough Norse initially advised an additional estimate of £22,000. In addition the council would no longer receive recycling credits in respect of properties moved to schedule 2. The legislation allowed for the levy of collection and disposal charges 'at cost'. Should the council wish to consider the introduction of a collection charge alongside the WDA disposal charge it would provide additional income to the council for a service which is already being provided.

The report recommended the setting up of a members working group to consider all the issues and report back to Resources Committee in due course.

The suggested terms of reference for such working group were appended to the report.

Members discussed the report in detail and expressed their concern over the decisions which had been taken by the WDA which would potentially have a serious impact on the council. They supported the proposal that a working group be established to report back on any developments. Members were supportive of an additional month being added to the garden waste collection service and to Wellingborough Norse operating the Wollaston Household Waste Recycling centre for a 12 month period. The unanimous view of the committee was that everything possible should be done to defend the borough's waste collection service.

R1 RECOMMEND that a Waste Collection Working Group be set up.

RESOLVED that:

- (i) Wellingborough Norse be requested to operate the Wollaston Household Waste Recycling Centre initially for a period of 12 months from 1 April 2015;
- (ii) agreement be given to an additional garden waste collection in November 2015;
- (iii) the development of a strategic approach to schedule 2 waste be referred to the Waste Collection Working Group.

5. PAY POLICY STATEMENT 2015-16

The annexed circulated report of the Head of Resources was received to seek approval on the council's pay policy statement, to enable it to be published by 1 April 2015.

The draft pay policy statement was appended to the report.

RESOLVED that approval be given to the pay policy statement for 2015-16 being published.

6. FINANCIAL MONITORING AND POSITION STATEMENT FOR 2014-15

The annexed circulated report of the Head of Finance was received on the combined monitoring position for both revenue and capital expenditure to give members a total view and understanding of the financial position of the borough. The forecast outturns are estimated as at 31 January 2015.

The report detailed the 2014-15 revenue budget and the capital programme 2014-15 to 2018-19. Appended to the report was the revenue monitoring position to 31 January 2015, the capital monitoring position to 31 January 2015 and the capital programme funding position.

Members thanked officers for the information and asked if the waste transfer station at Trafalgar House would still be required. The Head of Finance

responded to the query and considered that this was an 'invest to save' scheme that could be used to 'trade' with other authorities for its use, so in some ways would be more important to do.

RESOLVED to note the position on the:

- (i) revenue monitoring and the reasons for the variances reported and shown in appendix 1;
- (ii) capital programme and the reasons for the variances and re-profiled budgets as shown in appendix 2;
- (iii) funding of the capital programme in appendix 3;
- (iv) the supplementary estimates as outlined in the report relating to the Waste Transfer Station at Trafalgar House, the repairs to Nest Farm Road wall of £15,000 and £10,000 respectively and give agreement thereto.

7. RESERVES POLICY 2015-16

The annexed circulated report of the Head of Finance was received in relation to the current position on both revenue reserves and capital reserves and also reviews the reserves policy used for the governance of these balances.

As at 1 April 2013 the council held approximately £4m of general fund revenue reserves, £3.7m of ear marked revenue reserves, a total of approximately £7.7m total revenue reserves and £13m of capital reserves. These balances needed to be utilised in the year and are currently estimated to be at £6.9m of revenue reserves and £12m capital reserves to the end of the financial year.

In 2015-16 the revenue budget is reliant on the use of approximately £575,000 of reserves to maintain a balanced position. In future years, if no further savings or efficiencies are identified, this reliance rises to approximately £1.15m per annum and at that rate of expenditure the reserves would fall below the minimum level in 2017-18.

Capital reserves were estimated to be £12m at the end of 2014-15 and the current minimum level of reserves is set at £5m. This allows for £7m of capital expenditure from reserves with the addition of approximately £1.2m ongoing capital receipts each year, and potential to realise some assets to increase these receipts of a further £10m.

The use of reserves should be governed by a policy agreed by members and, as stated in the section 151 officers section 25 report presented to Resources Committee in February 2015, 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.

Appended to the report were details of the current level of revenue reserves as at 31 March 2014 and predicted year end reserves for 31 March 2015 along with the reserves policy.

Councillor Scarborough asked for confirmation of the minimum level of revenue reserves. The Head of Finance clarified that this had been agreed at £1.75m.

R2 RECOMMENDED that the reserves policy be approved.

8. CAPITAL STRATEGY FOR THE MEDIUM TERM

The annexed circulated report of the Head of Finance was received in relation to the capital strategy for the medium term, together with a list of all agreed capital schemes for the coming years.

The report detailed that in the future the capital managers would take responsibility for providing the narrative to be included for their schemes to explain the current position and any variation to the expected timescales.

The finance team would give support and encourage the use of project management techniques, such as key task/milestones and dependencies, to help managers identify readily where the project may be varying from plans.

A proposal to change the way that supplementary estimates are requested would also help in the management of the capital programme. In order to keep projects moving and prevent delay, it is proposed that a tolerance level of up to 10% of the total project costs, but not to exceed £20k in total, can be agreed by the Head of Finance, in consultation with the chairman or vice chairman of this committee to avoid the need for urgent actions between committee dates. These will be reported to the committee at the next available opportunity.

In addition to the enhanced reporting and project management arrangements the finance team will also undertake a balance sheet review as part of the closedown process. It is hoped that this will reconcile the capital funding represented on the balance sheet and could potentially free up further capital funding. This will be completed in consultation with the external auditors and progress will be reported as part of the year end process.

The Capital strategy for the medium term was appended to the report along with the Capital programme for 2015-16 onwards.

R3 RECOMMENDED that:

- (i) the Capital Strategy be agreed;
- (ii) the Capital programme for 2015-16 onwards be noted;
- (iii) the delegation to the Head of Finance in consultation with the chairman and vice-chairman of resources committee be agreed to enable the granting of supplementary estimates to no more than 10% of a projects total cost and to a maximum of £20k.

9. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY 2015/15

The annexed circulated report of the Head of Finance was received setting out the treasury indicators for members to monitor the council's performance over the coming financial year.

Appended to the report was the Treasury Management Statement including Minimum Revenue Provision Policy Statement and Annual Investment Strategy.

R4 RECOMMENDED that:

- (i) the Treasury Management Policy Statement be approved;
- (ii) the Prudential and Treasury indicators be approved;
- (iii) the Annual Investment Strategy be approved;

RESOLVED to note that the council has previously formally adopted the clauses from the 2011 CIPFA Treasury Management Code of Practice.

10. PROCUREMENT REGULATIONS UPDATE AND REFRESHED CONTRACT PROCEDURE RULES

The annexed circulated report of the Head of Finance was received to update members on the recent changes to the procurement regulations and to suggest amendments to the contract procedure rules (CPRs) to reflect these and other recent changes to the council's procurement arrangements.

Appended to the report were the new contract procedure rules.

In 2013 the council joined the Welland Procurement Partnership. This ensured that officers had support on a range of procurement issues from a dedicated team of professional procurement experts. The team have also reviewed and refreshed the current contract procedure rules to reflect modern procurement practices and the recent changes in the EU regulations. The most recent change to the regulations came into force on 26 February 2015.

R5 RECOMMENDED that the new contract procedure rules be agreed.

11. CREMATORIUM UPDATE – COSTINS POST TENDER EXERCISE

The annexed circulated report of the Head of Finance was received on progress with the Crematorium project.

The report detailed the current position in relation to the Crematorium project and detailed the additional costs and rationale for variances.

Members wished to discuss the exempt appendix in more detail and the chairman moved this to the confidential part of the meeting.

RESOLVED that this be dealt with later on in the meeting.

12. DEVELOPMENT OF A JOINT PLANNING DELIVERY COMMITTEE AND UNIT

The annexed circulated report of the Chief Executive was received in relation to the creation of a new joint delivery committee and a joint delivery unit to support that committee.

In 2014 the government invited expressions of interest in the creation of new 'garden cities' throughout the UK. The logic was to generate new housing, of a high quality and sustainable character, to improve the quality of housing in the UK, whilst also addressing the acute under supply that currently exists.

Wellingborough's two large urban extensions at Stanton Cross and Wellingborough North and other consented developments in Corby and Kettering East were considered to fit well with this concept. The council has worked with the three other local authorities and relevant developers in considering the North Northants area as a garden community, or a series of linked garden communities.

It is proposed that a Joint Delivery Committee be established for the North Northants area. This would sit alongside the Joint Planning Committee as it would have separate statutory responsibilities. Membership would be appointees from the four district councils and from the county council, with observer status being provided for partner agencies such as the LEPs and the HCA. The joint committee would be accountable to the participating local authorities and, where appropriate in respect of funding, to the Department for Communities and Local Government or the HCA. Voting rights might be limited to those members who have consented urban extensions. An outline of the terms of reference for the joint committee and joint delivery unit were appended to the report along with a timetable.

The Chief Executive informed the meeting that in the chancellor's budget statement, announced today, capacity funding of £750,000 had been agreed to support this initiative. This will be paid in two instalments of an initial £300,000 in year one followed by £450,000 in year two.

Members discussed this and agreed that this was a great opportunity and that the funding was most welcome to move this forward.

RESOLVED that:

- (i) approval be given, in principle, to the establishment of a Joint Delivery Committee to support the potential of the area as a garden community and the creation of a Joint Delivery Unit to support that committee;
- (ii) delegation to the finalisation of terms of reference for the Joint Delivery Committee and Joint Delivery Unit be given to the Chief Executive in consultation with the Chairman of the Resources Committee;
- (iii) Members be appointed to the Joint Delivery Committee at the Annual Council meeting on 19 May 2015.

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

The annexed circulated report of the Head of Finance was received on the write off of irrecoverable debts.

A total of £102,490.11 of irrecoverable council tax, housing benefit overpayments, non-domestic rates and sundry debts have been written off under delegated powers.

Members wished to discuss the exempt appendices so this was moved to the confidential part of the meeting.

RESOLVED that this be dealt with later on in the meeting.

14. 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:

Min. no.	Item	Paragraph of Schedule 12A
15	Irrecoverable council tax, housing benefit overpayments, non-domestic rates and sundry debts.	E3
16	Crematorium update – costings	E3

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

The annexed circulated exempt appendices were received and members asked for clarification regarding two of the amounts proposed for write off to which officers responded.

RESOLVED that:

- (i) the write-off of £39,537.94 of irrecoverable council tax, housing benefit overpayments and non-domestic rates be written off;
- (ii) it be noted that the sum of £102,490.11 has been written off under the delegated powers of the Section 151 officer.

16. CREMATORIM UPDATE – COSTINGS POST TENDER EXERCISE

The annexed circulated exempt appendices were received in relation to the progress with the crematorium project.

The Head of Finance explained the procurement process which had been carried out using the SCAPE framework. The project is being project managed on behalf of the council by Faithful and Gould and the selection process had resulted in the commissioning of Wates Construction to design and build the crematorium. Wates has submitted the full costs that have resulted from the tender process. Faithful and Gould are currently analysing and challenging the costs due to variance from the original cost estimate. A high level summary of the costs is currently showing the need to increase the budget as set out in the report and a supplementary estimate for capital funding was therefore being requested.

Members asked a number of questions for the purpose of clarity in relation to the site and the reason for the increase in the costings and expressed concern over this further request for an increase to the budget.

The Head of Finance and Chief Executive both informed members that they had already expressed concern over the matter raised and that they were disappointed in having to return to committee, however, there was a need to move this project forward and Faithful and Gould had assured the council that this potential increase was the 'worst-case scenario'.

Members considered that there was greater risk in delaying the project and that they did not wish to have an lower specification option to what they had agreed through the design process.

R6 RECOMMENDED that:

- (i) agreement be given to the revised budget requirement for the crematorium project based on the figures provided;
- (ii) the risks be noted and that delegation be given to the Chief Executive in consultation with the Chairman of Resources Committee to release further funding up to the value of £250,000 if any of the risks identified crystallise during the building phase of the project.

(Councillor Henley asked that his vote against this be recorded.)

17. ANY OTHER ITEM THAT THE CHAIRMAN DECIDES IS URGENT

The Chairman commented that it was Councillor Hawkes' last Resources Committee meeting as he was retiring from the council at the next election. He wished him well.

Chairman

The meeting closed at 9.00pm.