

COUNCIL MEETING – 21 JULY 2015

REPORT OF THE RESOURCES COMMITTEE

24 June 2015

Present: Councillors Bell (Chairman), Griffiths (Vice-Chairman), Bailey, Emerson, Francis, Hallam, Henley, Morrall, Partridge-Underwood, Scarborough, Ward and M Waters. (Councillor Carr joined the meeting at 8.40pm but did not participate in the meeting.)

Also present: Mr J T Campbell, Chief Executive, Mrs L Elliott, Head of Finance, Mrs B Lawrence, Head of Resources, Miss S Lyons, Monitoring Officer/Solicitor District Law, Mrs S Knowles, Principal Accountancy Manager, Mrs V Phillipson, Principal Planning Policy and Regeneration Manager, Mr R Watson, Consortium Business Rates Manager and Mrs C A Mundy, Democratic Services Officer.

(Councillors Graves and G Lawman attended as observers and Councillor Ekins joined the meeting at 8.35pm also as an observer.)

1. APOLOGIES

RESOLVED to note that apologies for absence were received from Councillors Allebone and Harrington.

2. 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, no declarations were made.

3. CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 18 MARCH 2015

RESOLVED that the minutes of the Resources Committee held on 18 March 2015 be approved.

4. REVENUE OUTTURN 2014-15

The annexed circulated report of the Head of Finance was received to present members with a summary of the the council's outturn position on revenue expenditure against approved budget for the financial year 2014-15.

The report detailed the final outturn position as follows:

Total net service underspends of £1.208m (an increase of £1.010m)
Unbudgeted external funding of £1.177m (an increase of £0.229m)

The council had set its revenue budget in February 2014 at £10.922m for expenditure with associated ongoing sustainable funding of £9.342m. This was

supported by revenue reserves of £1.580m. It was considered that the continuing use of reserves was unsustainable and that expenditure needed to be reduced and income increased.

Appended to the report was the revenue monitoring position to 31 March 2015.

The majority of the increase related to the business rates retention scheme and the benefit of pooling (£183,000). Under the business rates retention scheme rules all authorities must pay a 50% levy on any growth shared. For the council this would have been £397,000. By pooling with other districts this levy is reduced to approximately 25% and is now £214,000 for the council. This gave a benefit of pooling of £183,000.

It was recommended that this be transferred to the NNDR earmarked reserve to help provide resilience to the collection fund balances for future years and also to mitigate against the unpredictable nature of the business rate retention scheme and any cash flow timing differences. This is reviewed annually as part of the year end process.

Members raised a number of queries in relation to the information provided on national non domestic rates (NNDR) appeals and whether there was a designated balance in respect of reserves.

The Head of Finance and Principal Accountancy Manager responded to these queries explaining that there was a designated earmarked reserve of £892,000, which had been created to offset a timing difference with NNDR cash flow. Officers then explained how the timing difference came about.

In January each year an estimate had to be given of the balance of the NNDR collection fund account, which was a deficit of £700,000. There had, however, been an increase of £1.2m to £1.9m at year end as a result of significant increases in the number of businesses which had submitted appeals. The situation was being closely monitored.

The Head of Finance explained how the business rates were collected and that if there was less commercial activity this would have an effect on finances. It was agreed that she would provide a members' briefing note to further explain some of the more detailed points.

The Consortium Business Rates Manager informed the committee that there were 2,500 business properties which had last been valued in 2010 and were due to be revalued in 2017. In the government's Autumn Statement a cut-off date of 31 March 2015 had been given for appeals. As a consequence over 1,700 appeals had been received and this was around 70% of businesses.

Members queried the maintenance of revenue reserves for certain schemes such as a boiler replacement and ICT infrastructure.

The Head of Finance stated that she would hope to be able to capitalise some of the schemes, however it depended on how the schemes progressed.

These would be closely monitored and moved from revenue to capital if appropriate.

Members asked for clarification on the service underspend of £250,000 regarding changes to the welfare reform system and where the earmarked reserve could be found.

The Head of Finance explained that the earmarked reserve for welfare reform was created last year and was shown on the balance sheet. The statement of accounts would show this in detail and she would provide members with a members' briefing note when the accounts were finalised.

The Head of Finance also clarified that any contingency funds that should no longer be detailed will be moved and this will be shown in the next budget monitoring.

The chairman thanked the Head of Finance and her team for all the work that they had done in improving the accounts and for the achievement of an unqualified audit.

RESOLVED that approval be given to:

- (i) the creation of new earmarked reserves as shown in the report at 6.11, 6.12 and 6.14c;
- (ii) the utilisation to existing reserves as shown in the report at 6.14a;
- (iii) the contribution to existing reserves as shown in the report at 6.14b;
- (iv) the outturn position being noted, subject to audit, along with the projected outturn variations at 31 March 2015.

(Councillor Scarborough abstained from voting on item (i) above.)

5. CAPITAL OUTTURN 2014-15

The annexed circulated report of the Head of Finance was received to present members with an overview of the council's capital expenditure against approved budget for the financial year 2014-15.

The capital programme had been agreed in February 2014. Not all priority projects could be funded but those that could were moved into the approved programme. Schemes still considered as priority were approved to be included in the programme when additional resources were identified. This had produced a total programme for the year of £5.906m.

Appended to the report was the capital programme monitoring position to 31 March 2015; the capital programme funding position and the analysis of significant budget underspends.

Some members expressed concern regarding Tresham College's request for a capital grant of £500,000 to be paid in 2016-17 towards the improvements being made. They considered that they needed further information before

agreeing that the decision to award the grant was delegated to the Head of Finance in consultation with the chairman and vice-chairman of the committee.

Councillor Scarborough proposed an amendment to the resolution contained in the report at 4.5, which was seconded by Councillor Henley and detailed below:

“Agree in principal a capital grant to Tresham College as outlined in section 7.4 of the report with a further report to be submitted to a future Resources Committee once detailed plans are developed”.

The amendment was put to the vote and declared carried with seven votes in favour and three against.

The substantive motion was put to the vote and declared carried.

RESOLVED to:

- (i) note the outturn position on the capital programme and the reasons for the variances as shown in appendix one to the report;
- (ii) note the positions on the funding of the capital programme, including the re-profiling of budgets as show in appendix two to the report;
- (iii) agree the supplementary estimates as outlined in sections 7.1 and 7.2 of the report;
- (iv) note the supplementary budget of £2,635 approved by the Head of Finance under delegated powers as detailed in section 7.3 of the report;
- (v) approve in principal a capital grant to Tresham College as outlined in section 7.4 with a further report to the Resources Committee once detailed plans are developed.

6. TREASURY MANAGEMENT OUTTURN – ANNUAL REPORT 2014-15

The annexed circulated report of the Head of Finance was received in relation to the annual report of treasury management activity for 2014-15.

The report detailed the investments held at 31 March 2015 which included short term investments for periods of less than one year; long term investments for periods greater than one year and detailed the total investments for the year.

R1 RECOMMENDED that the treasury management outturn position be noted.

7. LAND AND PROPERTY DISPOSALS

The annexed circulated report of the Head of Resources was received in relation to the disposal of land to gain a capital receipt.

The report identified land and property which could be disposed of by the council to provide the opportunity to increase the council’s capital receipts.

The chairman proposed that the item relating to the two chapels at London Road be deferred to enable more information to be provided by officers on what the chapels could be used for.

The sites referred to in the report were located at Arthur Street, Croyland Park and Penrith Drive.

Members asked if the land had to be sold for best consideration as it was felt that this could prohibit registered social landlords from being able to purchase the land. Councillor Scarborough wished to propose an amendment to remove "at best consideration" if this was the case.

The Head of Resources confirmed that this condition could not be removed as the council had a legal duty to sell the land for best consideration but that this was not the same as market value. Discussions would be held with registered social landlords where appropriate.

RESOLVED that:

- (i) approval be given to the disposal of land or property being the factory site, Arthur Street, Wellingborough; land adjacent to Croyland Park; and land adjacent to Penrith Drive;
- (ii) a decision relating to the two chapels located in London Road be deferred for further information.

8. TOWN AND COUNTRY PLANNING ACT SECTION 106 PROJECT UPDATE

The annexed circulated joint report of the Head of Planning and Local Development and the Head of Finance was received in relation to the section 106 project list.

As part of the contribution to a development, and to mitigate the impact that a new development has on the community, developers make a contribution known as a Section 106 payment which the council allocate as appropriate.

The council currently holds £514,000 of which £492,652 is committed to projects as detailed within appendix one of the report along with the current status of the projects. Also detailed at appendix two was a list of projects which could be undertaken using section 106 monies.

Members asked how the project list had been drawn up for their wards as councillors wished to ensure that they were consulted.

The Principal Planning Policy and Regeneration Manager explained that the lists had been compiled from information and requests received from community groups and comments made at committees by members; it was an evolving list which needed to be in place to secure section 106 contributions. Without this list it would be difficult to provide evidence to secure the contributions.

Following a lengthy discussion Councillor Scarborough proposed an amendment that reference to the proposed 3G Pitch at Redwell Leisure Centre be removed from appendix two for the time being. This was seconded by Councillor Henley. On being put to the vote the amendment was declared lost with four votes in favour and seven votes against.

Councillor Griffiths proposed an amendment as follows:

“to approve the proposed project list as detailed at appendix two but allow members’ contributions to be added and presented to the next Resources Committee in September.”

On being put to the vote this amendment was declared carried.

The substantive motion was put to the vote and declared carried.

RESOLVED that:

- (i) the project update in appendix one be noted;
- (ii) the section 106 project list as detailed in appendix two of the report be approved with members adding their contributions and an update being presented to the next Resources Committee.

Councillor Scarborough asked if the Chief Executive could provide a written answer about how the 3G pitch at Redwell Leisure Centre would fit in with the sports strategy.

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

The annexed circulated report of the Head of Finance was received to request approval for the write off of irrecoverable debts.

The report detailed the amount due and the action taken to try to recover the debt of £2,922.30 of non-domestic rates. The debt was deemed to be irrecoverable. It also referred to the amount of £46,538.90 of irrecoverable council tax, housing benefit overpayment, non-domestic rates and sundry debts which had been written off under the delegated powers of the section 151 officer.

RESOLVED that:

- (i) approval be given to the write-off of £2,922.30 of irrecoverable council tax, housing benefit overpayments and non-domestic rates;
- (ii) it be noted that the amount of £46,538.90 has been written off under the delegated powers of the section 151 officer.

10. DISCRETIONARY NON-DOMESTIC RATE RELIEF REVIEW: TEAMWORK

The annexed circulated report of the Head of Finance was received following the removal of discretionary non-domestic rate relief from Teamwork located at 38a Oxford Street, Wellingborough.

Teamwork provides work placed therapy, education and personal care and promotes the preservation of mental health and as such qualifies for an 80% reduction in mandatory rate relief and, since 1999, received a discretionary rate relief of 20%.

The property has a rateable value of £34,000 and the discretionary rate relief policy prohibits the awarding of relief at properties with a rateable value of above £18,000. This limit was set as it is the government's definition of a small organisation under The Non-Domestic Rating (Small Business Rate Relief) (England) Order 2012.

The discretionary rate relief policy was appended to the report.

Due to the concern of members over the policy Councillor Bell proposed that this item be deferred to enable the policy to be reviewed. This was seconded by Councillor Emerson and on being put to the vote was declared carried.

RESOLVED that this item be deferred to enable the policy to be reviewed.

11. DISCRETIONARY NON-DOMESTIC RATE RELIEF: GLAMIS HALL FOR ALL

The annexed circulated report of the Head of Finance was received to consider an application for discretionary non-domestic rate relief from Glamis Hall for All, Goldsmith Road, Wellingborough.

Glamis Hall for All is a registered charity and the premises are used for charitable purposes. The organisation therefore qualifies for 80% mandatory relief. The application requested an additional top up of discretionary relief of 20%.

Appended to the report was the discretionary rate relief policy. The policy allows relief to be awarded at 20% to this size and type of property.

RESOLVED that approval be given to the award of a 20% top up of discretionary non-domestic rate relief to Glamis Hall for All, Wellingborough from 5 January 2015.

12. OPTIONS FOR FUTURE TRAINING COMPANIES

The annexed circulated report of the Head of Finance was received in relation to the development of options on the corporate structures and delivery

vehicles available to the council particularly in relation to trading companies for the commercial operation of services.

The report detailed the ongoing work to commission the service of Trowers Hamlin and KPMG to outline the legal and tax considerations of creating a wholly owned trading company and potential structures that could be considered at a future date. The information would then be presented to members so a decision could be made regarding not only the crematorium but also in relation to the future benefits that other similar companies could bring to different service areas.

Trowers Hamlin had produced a complex draft document outlining the numerous legal and financial implications which is in the process of being finalised. This will be the subject of a presentation by Trowers Hamlin and KPMG to members in the summer of 2015.

RESOLVED that:

- (i) the contents of the report be noted;
- (ii) the findings of the Trowers Hamlin and KPMG reports be the subject of a presentation to members in the summer of 2015;
- (iii) officers undertake further legal and tax research on the options contained in the report and presentation and prepare outline business cases based on the council's preferred option which addresses those considerations;
- (iv) approval be given to the receipt of a report, containing information of a commercially sensitive nature later in the year, outlining the results of the findings and presenting an outline business case for the preferred option, including an implementation timeline.

13. STATION ISLAND NORTH, STANTON CROSS COMPULSORY PURCHASE ORDER

The annexed circulated report of the Head of Planning and Local Development was received in relation to a request for a further compulsory purchase order in relation to the Stanton Cross sustainable urban extension (SUE).

The report sought authority to make the Borough Council of Wellingborough (Station Island North, Stanton Cross) Compulsory Purchase Order 2015 (the order) under Section 226(1) (a) of the Town and Country Planning Act 1990 and the Acquisition of Land Act 1981 and all other enabling powers. Appended to the report was a plan of the area referred to.

R2 RECOMMENDED that:

- (i) subject to Bovis Homes Ltd completing a Deed of Costs Indemnity Agreement with the Council, the Borough Council of Wellingborough (Station Island, Stanton Cross) Compulsory Purchase Order 2015 be made under section 226(1)(a) of the Town and County Planning Act

- 1990 and the Acquisition of Land Act 1981 and other enabling powers, for the acquisition of all required legal estates and interests in the land (except those held by Network Rail) and the acquisition of rights within the areas shown coloured pink on the draft Order map produced and appended to the report for the purposes of facilitating the carrying out of development, redevelopment or improvement of the land for the provision of a new highway and mixed uses including residential, employment, leisure and retail units and other complementary uses together with associated public access and public realm, highway and other infrastructure, drainage, associated servicing and works;
- (ii) the draft Order map (in appendix one) showing areas coloured pink where the intention is for the acquisition of all interests in the land, other than those of Network Rail and the acquiring authority, be noted;
 - (iii) following confirmation of the Order by the Secretary of State, authority be given to the use of the general vesting declaration procedure and notice to treat, notice of entry and conveyance where necessary in accordance with the Compulsory Purchase (Vesting Declarations) Act 1981 and the Compulsory Purchase Act 1965 to implement the Borough Council of Wellingborough (Station Island North, Stanton Cross) Compulsory Purchase Order 2015.
 - (iv) approval be given to the acquisition and appropriation of the land required for the scheme for planning purposes under the provisions of section 122 of the Local Government Act 1972 and section 237 of the Town and Country Planning Act 1990 in conjunction with clause (iii) above to enable the council or to over-ride private rights, easements and interests (including restrictive covenants etc.) affecting the land required for the scheme;
 - (v) delegated authority be given to the Head of Planning and Local Development in consultation with the Chairman and Vice-Chairman of Resources Committee to:
 - (a) take all necessary steps as soon as is reasonably practical to secure the making, submission, confirmation and implementation of the Order (and where appropriate amendments to the Order by way of exclusion of interests in land or the addition of interests in land) including the publication and service of all notices and the presentation of the council's case at any public inquiry and subsequent service of notices to treat and notices of entry or at their discretion the execution of general vesting declarations as the case may be if the Order is confirmed;
 - (b) negotiate to acquire all interests in the land and new rights within the Order and rights and interests affected by the Order either by agreement or compulsorily including prior to the making of the order and where appropriate to agree terms for relocation;
 - (c) approve agreements and undertakings with the owners of any interest in the Order and any objectors to the confirmation of the Order setting out the terms for the withdrawal of objections to the Order including, where appropriate, seeking inclusion in and/or exclusion from the Order of Land or new rights;
 - (d) in the event that the question of compensation be referred to the Upper Tribunal (Lands Chamber), to take necessary steps in relation

thereto including advising on the appointment of appropriate consultants if necessary to assist and advise in this regard.

14. HIGH STREET/JACKSONS LANE SITE

The annexed circulated report of the Head of Planning and Local Development was received to provide an update on the High Street/Jacksons Lane site and gave a number of options to find an appropriate way forward.

Mr Alex Morton of Deloittes attended the meeting to answer any queries raised by members.

For a number of years the council had been working on proposals for the regeneration of the High Street/Jacksons Lane site. The report set out the current position and outlined four options (options A to D) in relation to the future use of the site, Queens Hall, Drill Hall, Derek Hooton Way, affordable housing and section 106 contributions and the development agreement.

The report also detailed the procurement process which had resulted in March 2012 as Keepmoat being identified as the 'preferred developer'.

Appendices 6 and 7 to the report were confidential by virtue of Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 and were not discussed in the meeting.

Members discussed the options before them in detail, with a number of members commenting on the need to ensure there was car parking, suitable appropriate housing and that the right development be put on the site.

Councillor Henley proposed an amendment to include an additional option (option E) as follows:

"To pause all activity and take no action to immediately procure or offer the land for sale, and bring back a further report on this area being a new gateway to the town centre, as part of the local plan."

This was seconded by Councillor Scarborough.

On being put to the vote the amendment was lost with four votes in favour and six against.

Councillor Bailey proposed that option C, to develop new procurement documents, identify a procurement framework and undertake the procurement process, be put to the vote.

On being put to the vote the proposal was lost with five votes in favour and six against.

Councillor Griffiths proposed that option B, to discuss the possibility of a leisure/retail development with operators and Keepmoat, and finalise a

development agreement with Keepmoat which reflects the amended site area and obligations, be put to the vote.

On being put to the vote the proposal was lost with five votes in favour and six against.

There were two abstentions during each of the votes on each of the above.

As the committee was unable to make a decision Councillor Scarborough proposed that a report be submitted to full council. This was seconded by Councillor Partridge-Underwood and on being put to the vote was declared carried.

RESOLVED that the report relating to the High Street be presented to the council meeting on 21 July 2015.

(Councillor Carr joined the meeting for this item but did not participate in the discussion or voting thereon.)

Chairman

The meeting closed at 9.00pm.

