

COUNCIL MEETING – 13 OCTOBER 2015
REPORT OF THE RESOURCES COMMITTEE

16 September 2015

Present: Councillors Bell (Chairman), Griffiths (Vice-Chairman), Allebone, Francis, Hallam, Henley, Harrington, Morrall, Partridge-Underwood, Scarborough, Ward and M Waters

Also present: Mr J T Campbell, Chief Executive, Mrs L Elliott, Head of Finance, Mrs B Lawrence, Head of Resources, Miss J Thomas, Head of Planning and Local Development, Miss S Lyons, Monitoring Officer/Solicitor District Law, Mrs S Knowles, Principal Accountancy Manager, Mrs T Cave, Service Accountant, Mrs J O'Connell, Service Accountant, Mr N Robinson, Principal Revenue and Benefits Manager, Mr R Watson, Consortium Business Rates Manager and Miss K Denton, Principal Corporate Support Manager

Councillor G Lawman attended as an observer

1. APOLOGIES

RESOLVED to note that apologies for absence were received from Councillors Bailey, Carr and Emerson.

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, the under-mentioned councillors declared an interest in the following items:

Councillor	Minute	Report Title	Reason
Griffiths	8	Discretionary non-domestic rate relief policy	Personal – former acquaintance of the speaker.

3. CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 24 JUNE 2015

RESOLVED that the minutes of the Resources Committee held on 24 June 2015 be approved.

The Chairman advised the committee that Agenda Item 10 – High Street Development Agreement – had been withdrawn.

4. FINANCIAL MONITORING AND POSITION STATEMENT FOR 2015-16

The annexed circulated report of the Head of Finance was received in relation to the revenue position at 31 July 2015.

The report detailed the revenue budget for 2015-16, set in February 2015 at £10.046m, using £575,000 of general fund reserves and £95,000 of ear marked reserves to support the revenue spending.

The revenue monitoring was currently forecasting a £58,000 reduction in the use of reserves, made up from a number of net savings and efficiencies which were detailed in the report. It was noted that throughout the year budget movements were monitored and reported once they materialised.

The report also highlighted the budget approach and key risks for 2016-17 referring to the government's spending review due to take place on 25 November 2015 and further details on that would be presented to this committee in December.

Councillor Henley referred to the £14,000 reduction in contributions to voluntary bodies and questioned the context of this. The detail of this wasn't available at the meeting and it was agreed that the Principal Accountancy Manager would provide this information under separate cover.

Councillor Allebone enquired about the increased cost of Travellers sites and the Waendel Walk. It was clarified that these were due to enforcement action and increased running costs such as room hire, respectively.

RESOLVED to note the position on the revenue monitoring and the reasons for the variances reported.

5. CAPITAL PROGRAMME MONITORING

The annexed circulated report of the Head of Finance was received in relation to the capital programme monitoring information as at 31 July 2015.

The total capital budget for 2015-16 of £10.377m was reported at Resources Committee on 24 June 2015. Subsequent movements in the budget in relation to re-profiling were detailed within the report and the revised capital budget for 2015-16 was now £8.458m.

The report detailed the current position for approved schemes, including delays and the reasons for these, as well as an update on the key projects including the Crematorium; Photovoltaic panels; the project cost of compulsory purchase orders and the Bassets Park Skate Park.

In relation to the replacement of the roof, with Collyweston slate, on Croyland Hall there had been an increase to the costs and as there was no remaining budget a virement of £12,185 had been agreed to cover this.

Additional funding was requested to complete the following:

- (i) the roll out of superfast broadband across the borough in the sum of £27,000.

- (ii) Enhancements to the Waste Transfer station in the sum of £100,000, the committee was requested to agree, in principle, that subject to a viable business case being in place that the funding be made available;
- (iii) Swanspool House Boilers – these had reached the end of their life and a capital budget of £30,000 was requested.
- (iv) Waendel Centre - Health and safety repairs were required. These were the responsibility of the council and an initial survey estimated that the budget for this would be in the region of £150,000.

Councillor Henley thanked the officers for adjusting the forecast and enquired about the activity on spend not relating to the crematorium. The Principal Accountancy Manager advised that the project updates were as per the officer's estimate at this point in time.

Members made a number of enquiries about some of the projects including:

- Clarity on the figure quoted in paragraph 6.8 – Additional Funding – relating to the potential costs at Waendel Centre. The Head of Finance confirmed that this figure should read as £150,000 and advised that there were a number of defects from the original build with some items becoming obsolete at the centre as well as anything of a health safety concern remaining the council's responsibility. The Head of Finance also advised that this matter was still under investigation, that the original builder had become insolvent and as such the building had become an unfunded liability. The Head of Finance would report back to this committee once the exact details and costs had been identified.
- Further details about the Castle Fields Park S106 project. The Head of Finance advised that the audit and survey were still being analysed and the spend at this point was unknown. A report would be presented to a future Services Committee or Resources Committee if there were financial implications.
- Clarity on the funding for the Hind Hotel. The Head of Finance confirmed that the funding was still available but that there was a new owner who was required to undertake a procurement exercise before this could progress any further.
- Further information on superfast broadband. The Head of Finance explained that the funding for this was intended to be received from previously funding with Northamptonshire County Council but the funding stream was removed from the County Councils budget before the full drawdown for this scheme could be made. The council was now required to make up the shortfall as the scheme had already been committed.

Councillor Allebone referred to the Photovoltaic Panels and expressed his support for the scheme.

RESOLVED that the:

- (i) projected outturn and anticipated variances as at 31 July 2015 be noted;

- (ii) variations as detailed within the report be noted;
- (iii) external funding as detailed within the report be noted;
- (iv) inclusion of the schemes for additional funding outlined in the report be agreed.

6. LOCAL COUNCIL TAX SUPPORT SCHEME 2016-17

The annexed circulated report of the Principal Revenue and Benefits Manager was received in relation to the Local Council Tax Support scheme (CTS) for 2016-17 and subsequent years.

The report detailed the total current council tax support expenditure which was predicted to be in the region of £4,350,000 for 2016-17 and more than the existing budget. The scheme was designed to be self-financing and not an additional burden on the revenue budget. There had been several changes to the calculation of entitlement, including the introduction of Universal Credit and the proposed welfare changes in the summer budget, as well as some relevant case law since the scheme was last reviewed. It was considered necessary and best practice, therefore, to consult on the scheme for 2016-17.

The report detailed how CTS worked and the proposal to consult on three potential schemes as follows:

- a. Retaining the existing liability calculation of 80%;
- b. Reducing the amount of liability used in the scheme to 75%;
- c. Increasing the level used to 85%.

Consultation would take place using the council's website, correspondence to various welfare groups, and those of the council's consultation database, direct surveys of benefit claimants and the general public in supermarkets and outside the Swansgate Centre.

The Principal Revenue and Benefits Manager emphasised to the committee that the purpose of the report was to seek agreement for a consultation exercise in relation to the scheme. A further report would be submitted to the December meeting of the committee detailing the outcome of the consultation.

Members asked about the introduction of Universal Credit timescale and the effect this may have on some individuals as well as the potential to increase arrears. The Principal Revenue and Benefits Manager advised that the scheme was gradually being rolled out in Wellingborough, by post code, and affected a small number of people at present. The timeframe for completing the rollout was currently unclear and affected working age claimants only.

RESOLVED that consultation on technical changes to the Borough Council of Wellingborough's Local Council Tax Support Scheme (CTS) for 2016-17 be agreed.

7. LAND AND PROPERTY ISSUES

The annexed circulated report of the Head of Resources was received in relation to developing a property asset management strategy and associated objectives, whilst dealing with specific land and property operational issues.

The Head of Resources advised that the report was a further step towards putting together a property asset strategy that could be developed and presented to members. The report proposed three main aspects that needed to be considered as follows:

- (i) The establishment of objectives which could be applied to recommendations on property management, acquisition and disposal;
- (ii) The categorisation of property so that members had flexibility in supporting the local community;
- (iii) An option to look at an alternative way of disposing of land to facilitate the development of additional housing, whilst still maintaining best consideration for the council.

It was proposed within the report that a property located at 9/10 Oxford Street, Wellingborough, which was in a poor state, and land at Milner Road, Finedon, both be offered for sale at best consideration.

Reference was also made to land at Fulmar Lane which did not meet its reserve price when it went to auction. Discussions were taking place with Wellingborough Homes regarding the possible acquisition of this land. These details were commercially sensitive and further information was contained in a confidential appendix to the report.

Members referred to confidential Appendix C to the report and sought clarification on the last bullet point in relation to the overall cost. The Head of Resources advised that this was the value to the council.

R1 RECOMMENDED the approval of the following objectives for a property asset strategy forming the basis of a detailed report to members in due course:

- (i) Property acquisitions or disposals will be considered by the council only if there is a clear business case which demonstrates that the proposed action will:
 - (a) Provide revenue income for the council or one of its wholly owned companies; or
 - (b) Reduce existing revenue costs, and thereby demonstrate best value; and
 - (c) Contribute to the regeneration, redevelopment and improvement of the borough.
- (ii) In order to support the council's overall objectives, land or property will be identified within the strategy as intended for operational, investment or community use.

RESOLVED that approval be given to the:

- (I) disposal of 9/10 Oxford Street, Wellingborough and land at Milner Road, Finedon at best consideration in order to gain a capital receipt for the council, and
- (II) option of a “land for property swap” with Wellingborough Homes on any suitable sites approved for disposal, so long as best consideration is ensured, with a further report to members on whether to retain or dispose of any properties acquired in this way.

8. DISCRETIONARY NON-DOMESTIC RATE RELIEF POLICY

The annexed circulated report of the Head of Finance was received to review the discretionary rate relief policy for businesses, charities and not-for-profit organisations in the borough.

The council has the discretion to grant relief to charities and not for profit organisations. Appended to the report was the Discretionary Rate Relief Policy, a summary of the policies of neighbouring authorities and organisations benefiting from an award.

The chairman allowed Mr Andrew Richardson from Phoenix Resource Centre to address the meeting for three minutes. Mr Richardson expressed his concern over the proposed changes to the policy and explained the work done by his organisation and how the council had previously assisted financially by way of rate relief. Mr Richardson advised that the council's proposal to retract the 20% discretionary relief received by the organisation, had led to Phoenix Resource Centre having to downsize its accommodation and asked for the council to reconsider its decision.

The Consortium Business Rates Manager explained that the committee decision of two years ago was taken in order to safeguard the public purse and that a number of recent applications for rate relief had been deferred pending a further review of the policy. He also explained that government guidance on other matters had determined small or medium sized property of a 50,000 rateable value, and this was considered by officers an appropriate cut off level for allowing discretionary rate relief. He also advised that awarding relief above this level could set a precedent and lead to a review of other awards. The Consortium Business Rates Manager also clarified that there was no allocated budget for rate relief and that this was a cost directly to the council, via the government funding associated with Business rates.

RESOLVED that the Discretionary Rate Relief Policy, as appended to the report, be introduced with immediate effect and qualifying organisations be awarded relief backdated to 1 April 2015.

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 approve the write off of irrecoverable debts.

The details of the accounts to be written off were appended to the report.

Members enquired as to why two of the specific cases had been allowed to reach such levels of debt.

The Consortium Business Rates Manager explained that in one case both individuals refused to pay and were self-employed and as a result it wasn't possible to apply an attachment to earnings, as would normally be the case. The matter had been passed to the bailiffs but the value of items in the property were not enough to cover the fees. Committal action was taken but the debtors went in to Individual Voluntary Arrangement (IVA) and there were no other options to pursue. The other case was an individual in receipt of housing benefit and was paying £3 per week but they then disappeared and couldn't be traced.

Members referred to the excellent collection rates that the council had. The Consortium Business Rates Manager explained that the majority of council tax payers were on direct debit, which in itself was a low cost method of collection. Wellingborough's collection rates were in the top quartile at 99% for Non-Domestic Rates and 98% for Council Tax.

RESOLVED:

- (i) that the sum of £47,822.92 of irrecoverable council tax and non-domestic rates be written off; and
- (ii) to note that the sum of £41,218.08 had been written off under the delegated powers of the Section 151 Officer.

10. HIGH STREET DEVELOPER AGREEMENT

The chairman reported that this item had been withdrawn from the agenda.

RESOLVED that this information be noted.

11. FUTURE SERVICE DELIVERY MODELS

The annexed circulated report of the Head of Finance was received in relation to future service delivery.

The report provided a progress update and recommended future actions as well as building on a number of previous reports to the committee; summarising the future service delivery models under consideration.

The report covered the issue of developing collaborative working relationships and the potential of shared services, as well as the more commercial aspects of service delivery regarding the creation of wholly owned local authority companies.

The Head of Finance referred to the recently held seminar for members that had provided opportunity for discussion on the council's priorities and service delivery options.

Members expressed that the seminar had been helpful, the issues that had been raised at that had been well reflected in the report and welcomed the options outlined. At the same time, Members emphasised the continued importance of governance when progressing these matters.

R2 RECOMMENDED that:

- (i) approval be given to the strategy for shared services and collaborative working being progressed as detailed in the report;
- (ii) the Chief Executive and Head of Finance be authorised, in consultation with the Monitoring Officer, to progress the creation of a wholly owned local authority trading company to deliver the bereavement services provided at the crematorium as detailed in the report;
- (iii) approval be given to the creation of a further wholly owned local authority trading company to deliver the residential rental services for the converted operational borough properties and other potential residential units in the borough's possession, subject to further reports to this committee.

12. 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
13	Appendix C to report 7 – Land and property issues	E1
14	Appendices to report 9 - Irrecoverable council tax, housing benefit overpayments, non-domestic rates and sundry debts	E1
15	Appendix to report 11 - Future service delivery models	E3
16	The Castle	E3

13. LAND AND PROPERTY ISSUES

The annexed circulated exempt appendix was received.

RESOLVED that the detail therein be noted.

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

The annexed circulated exempt appendices were received.

RESOLVED that the detail therein be noted.

15. FUTURE SERVICE DELIVERY MODELS

The annexed circulated exempt appendix was received.

RESOLVED that the detail therein be noted.

16. THE CASTLE

The exempt circulated joint report of the Head of Finance and the Head of Resources was received in relation to the review of the interim arrangement with The Castle (Wellingborough) Ltd.

The review suggested a recommendation to extend the interim arrangements and continue with the six monthly payments, with a further report to the committee in September 2016. It also detailed the current operating position in relation to The Castle (Wellingborough) Ltd.

The Head of Finance advised that the proposal was a continuation of the interim arrangements and that The Castle had made good progress with its management working with the council and The Castle Board challenging the financial situation. The Head of Finance had again reviewed The Castle's accounts ending 31 March 2014 and clarified that these were the most recent accounts available because of the accounting practice in place.

Members questioned the position in comparison to reports that had been presented to Partnerships and Performance Committee and sought assurance that The Castle was able to sustain the reduction in funding that was being applied by the council.

The Head of Finance explained that this would depend on the future business model but that improvements had already been made in terms of food provision at The Castle and that there was already a more business and entrepreneurial approach to operations.

The Head of Resources advised that The Castle had plans that it wished to present to members but it was essential that the committee received this report as an update in advance of that.

The Head of Finance confirmed that this request was to support cash flow management and that the current contract had a further seven years remaining.

RESOLVED that approval be given for the authorised officer to agree the proposal for an interim variation for a further 12 months, to be made to Schedule 4, paragraph 1, of the contract with The Castle (Wellingborough) Ltd to read “the council shall pay the service provider the contract price for the services in accordance with the provisions of this contract on a yearly basis, to be paid six monthly in advance by the council.....”.

Chairman

The meeting closed at 7.55pm