

COUNCIL MEETING – 19 JANUARY 2016
REPORT OF THE RESOURCES COMMITTEE

9 December 2015

Present: Councillors Bell, Chairman, Griffiths, Vice-Chairman, Allebone, Bailey, Carr, Emerson, Francis, Hallam, 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, Mrs S Knowles, Principal Finance Manager, Mr N Robinson, Principal Revenue and Benefits Manager, Mr R Watson, Business Rates Manager, Mr G Hollands, Solicitor District Law and Mrs C A Mundy, Democratic Services Officer.

1. APOLOGIES

RESOLVED to note that an apology for absence was received from Councillor Harrington.

The Chairman, Councillor Bell, had been delayed at another meeting and the Vice-Chairman; Councillor Griffiths took the chairmanship of the meeting until he arrived.

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 21 OCTOBER 2015

RESOLVED that the minutes of the Resources Committee held on 21 October 2015, be confirmed and signed.

4. LOCAL COUNCIL TAX SUPPORT SCHEME 2016/17

The annexed circulated report of the Head of Finance was received in relation to the Borough Council of Wellingborough's local council tax support scheme (CTS) for 2016/17 and subsequent years.

The report detailed the consultation that had taken place on eight amendments to the scheme, taking account of national welfare changes, to mitigate financial pressures already identified within the budget. The results of the consultation and the officer's recommendations were outlined in the report.

The council tax support scheme provides help for people on low incomes with their council tax bill and replaced the national council tax benefit scheme in

April 2013. The funding changed to a fixed grant which forms part of the overall funding of the council.

In 2014/15 the local council tax support scheme for the borough was amended so a maximum of 80% of the council tax liability was used in the entitlement calculation for working age claimants, requiring them to make a contribution of at least 20%. There was no change to the scheme for 2015/16.

An award of CTS is a 'discount' against a council tax liability, where all precepting authorities (i.e. county council, police and crime commissioner and parishes) are affected by decisions to amend the scheme. This puts financial pressure on the collection fund and future reductions in the council tax base calculation.

Those of pensionable age are protected from the changes and continue to be entitled to support of up to 100%. The burden of funding reductions is therefore borne by working age benefit claimants, it is estimated that working age claimants would need to make a contribution of at least 20% to their council tax charge. Income from certain other benefits e.g. DLA is fully disregarded and no changes were proposed to that provision.

The report detailed the current scheme along with the consultation options one to eight, along with the findings of the consultation.

Based on the information collected, it was the recommendation of officers that option two, to make no change to the maximum amount of help working age people may receive, be retained, along with options four to eight to align the CTS scheme with national changes being made to housing benefit and those in receipt of Universal Credit. This would mitigate the pressure on the budget.

Members discussed the options in detail, asking for the timescale of when a decision was required and for what period of time the scheme would run; and what the financial implications for each option would be for the council.

The Principal Revenue and Benefits Manager responded stating that a decision was required by 31 January 2016 and that it could be in perpetuity, but realistically would be looked at annually. He also clarified the figures for each option.

Concern was expressed that the percentage paid in Wellingborough was high compared to other areas in the country. The Head of Finance clarified that it related to the financial position of each authority and that 20% of Wellingborough's average band D council tax would be considerably less in financial terms than 20% of another authority's band D council tax.

The Principal Revenue and Benefits Manager explained that the scheme was extremely technical and suggested that he provide a members' briefing note explaining the detail to some of the questions asked.

Councillor Scarborough proposed the following amendment:

- (i) That option three, to increase the maximum amount of help working age people may receive from 80% to 85%, be adopted and that options four and five be omitted.

This was seconded by Councillor Emerson.

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

(Councillor Emerson, Francis, Henley and Scarborough each asked that their vote in favour of this be recorded.)

The vice-chairman put the substantive motion to the committee, that option two, to make no change to the maximum amount of help working age people may receive, be retained and the amendments in options four to eight be adopted.

This was declared carried with eight votes in favour and four votes against.

(Councillor Emerson, Francis, Henley and Scarborough each asked that their vote against this be recorded.)

- R1** **RECOMMENDED** that option two be retained, to make no change to the maximum amount of help working age people may receive, and that the amendments in options four to eight be adopted.

(Councillor Bell joined the meeting and took his place as chairman for the remainder of the meeting.)

5. CALCULATION OF THE COUNCIL TAX BASE 2016/17

The annexed circulated report of the Head of Finance was received in relation to the council tax base for 2016/17.

Each year the council has to set a council tax base in accordance with the Local Authorities (Calculation of Tax Base) (England) Regulations 2012. This enables precepting authorities to determine their financial requirements for the coming year. The calculation takes into account the occupancy of every banded property in the borough and is adjusted for growth factors, local council tax support and an estimated in year collection rate.

Appended to the report was the council tax tax base calculation for the parishes and for Wellingborough town.

RESOLVED that:

- (i) approval be given to the amount calculated by the Borough Council of Wellingborough as the council tax base for the year 2016/17 be £23,480 (band D equivalents);
- (ii) the council tax base for the parish councils and Wellingborough town be approved.

6. CAPITAL PROGRAMME MONITORING

The annexed circulated report of the Head of Finance was received in relation to the Capital Programme monitoring information to 31 October 2015.

The total capital budget for 2015-16 was reported to the committee on 24 June 2015 as being £10.377m. Movements in the budget were detailed in the report and had resulted in a revised the budget of £8.524m.

A member asked for an explanation of the overspend on Croyland Hall/Abbey. The Head of Finance clarified that this was due to the cost of the Collyweston tiles used for the roof costing more than originally anticipated.

Another query was raised regarding the Waste Transfer Station and whether there was any progress in this regard. The Principal Finance Manager confirmed that this was still progressing and that she was hopeful that a revised business case would be brought forward shortly.

Reference was made to the photovoltaic panels and the information in the report that the Trafalgar House site was proceeding. Members asked what was happening regarding the proposal to use the Swansgate car park. The Head of Finance clarified that it would not be possible to use the roof of the Swansgate car park. The top floor of the car park was the subject of a lease and there were technical issues with the panels. She would provide a members briefing note on the detail.

Members also made reference to other variances to which the Principal Finance Manager responded.

With regard to additional funding requests a query was raised over the requirement for an electronic data records management system in addition to the expenditure already listed for the service.

The Head of Finance clarified that there had been a restructure within the revenue and benefits service and this was an 'invest to save' project which would assist with the implementation of changes. Councillor Scarborough considered that the costings should have been the subject of a business case and presented to committee. The Head of Finance confirmed that she could provide members with the business case and would send the information in a members briefing note.

RESOLVED that:

- (i) the projected outturn and anticipated variances as at 31 October 2015 be noted;
- (ii) the external funding be noted;
- (iii) the analysis of the 2015/16 capital programme budget at 31 October 2015 be noted;
- (iv) approval be given to the inclusion of the Revenue and Benefits electronic data records management system being included in the agreed capital programme;
- (v) the supplementary budget of £665, approved under delegated powers, be noted.

7. DRAFT CAPITAL PROGRAMME 2016-17 TO 2020-21

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

The funding for the capital programme is based on an assumption that the council will, at any one time, maintain a balance of £5 million in its capital resources available for future years.

Appended to the report was a list of proposed capital schemes for 2016-17; a list of capital schemes 2016-17 awaiting further information; and a summary of capital resources.

The report detailed the capital programme 2014-15 to 2018-19; the unapplied capital grants and contributions; capital financing requirement (CFR); and capital receipts.

The Head of Finance asked members if they wished her to arrange a Capital Programme Review meeting. Members agreed that they needed to review the lists and would welcome this being arranged for early 2016.

Members referred to the capital financing requirement and asked for confirmation that £8.6m of additional funds for use on capital projects was correct. The Principal Finance Manager confirmed this.

RESOLVED that:

- (i) the list of capital schemes, to progress to the next stage or prioritisation when resources are available be approved;
- (ii) approval be given to officers re-profiling schemes in line with available resources, based on the funding schedules and scheme priorities;
- (iii) approval be given to release the previously approved capital funding for Kick Start Housing;
- (iv) the Head of Finance arrange a Capital Programme Review meeting for early 2016.

8. FINANCIAL MONITORING AND POSITION STATEMENT FOR 2015-16

The annexed circulated report of the Head of Finance was received in relation to the monitoring position for revenue expenditure only as estimated at 31 October 2015.

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

In September when the monitoring position was last reported it was anticipated that the council would need to use £58,000 less from the budget implementation reserve than it had budgeted for. Further analysis of the spending position and the impact of low interest rates on investment income have meant that the forecast has changed and the council is now anticipating the need to increase the amount of reserve it needs by £50,000 in order to balance the funding position.

This is an increase of £108,000 from the previous position reported and detailed in the report.

The two main areas where there was a net underspend on service budgets which contributed to this change were for planning appeals, where additional costs have been incurred to provide professional support and advice during the planning appeal process and in Investment income. The estimated interest receivable for the year was £237,000, based on an average annual interest rate of 0.84%, the 2015-16 budget was set at £324,000 assuming an average rate of return of 1.20%, therefore anticipated performance for the year is approximately £87,000 below budget and has created a pressure.

Throughout the year budget movements are monitored and reported when they materialise now or in the future. There are some items that potentially will add further pressures or savings and will be reported to a future meeting.

RESOLVED that the revenue monitoring position be noted, along with the reasons for the variances reported.

(Councillor Partridge-Underwood left the meeting at 7.50pm.)

9. DRAFT REVENUE BUDGET 2016-17 AND THE MEDIUM TERM FINANCIAL PLAN PROJECTIONS

The annexed circulated report of the Head of Finance was received to provide members with the medium term financial projections for revenue spending and to outline details of the 2016-17 draft revenue budget for consultation.

Appended to the report were the medium term financial projections 2015-16 to 2019-20; draft opening budget for consultation for 2016-17; initial ideas for savings proposals for 2016-17 and beyond; and the consultation methodology.

The report detailed the medium term financial outlook and spending review; the council's approach to the budget pressures for 2016-17 and the medium term along with the consultation process.

The Principal Finance Manager apologised that the draft fees and charges schedule was not with the papers and confirmed that this would be presented to the next meeting.

RESOLVED to:

- (i) approve the indicative level of council tax increase to be included in the budget assumptions as part of the consultation, after considering the section 151 officer's advice in the report;
- (ii) approve the use of reserves to support the revenue budget over the short term to allow for more robust service delivery options to be developed and implemented;
- (iii) approve the draft 2016-17 revenue budget including the initial proposed savings suggestions for consultation;
- (iv) Approve the method of consultation as detailed in the report.

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

The annexed circulated report of the Head of Finance was received in relation to a request to write off irrecoverable debts.

The appendices were discussed in the exempt part of the meeting.

11. 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
12	Irrecoverable council tax, housing benefit overpayments, non-domestic rates and sundry debts.	E3

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

The annexed circulated exempt appendix of the Head of Finance was received in relation to a request to write off irrecoverable debts.

A Member commented on one of the debts listed to which the Business Rates Manager responded confirming that the council's interest has been registered but it was extremely unlikely that the debt would be paid.

RESOLVED that:

- (i) The sum of £12,930.33 of irrecoverable council tax and housing benefit overpayment be written off;
- (ii) To note that the sum of £63,691.21 has been written off under the delegated powers of the Section 151 officer.

The chairman wished everyone a merry Christmas and happy new year.

Chairman

The meeting closed at 8.10pm.