

**COUNCIL MEETING – 20 DECEMBER 2016**  
**REPORT OF THE RESOURCES COMMITTEE**

7 December 2016

Present: Councillors Griffiths (Chairman), Carr, Emerson, Francis, Graves, Gough, Hallam, Henley, G Lawman, L Lawman, Morrall, Scarborough, Simmons and Ward.

Also present: Mr J T Campbell (Chief Executive), Mrs L Elliott (Head of Finance, Mrs B Gamble (Head of Resources), Miss J Thomas, Head of Planning and Local Development, Mrs C Taylor, (Solicitor, District Law), Mrs S Knowles, (Principal Finance Manager), Mr N Robinson (Principal Revenue and Benefits Manager) and Mrs C A Mundy (Democratic Services Officer).

**1. APOLOGIES**

**RESOLVED** that apologies were received from Councillor Partridge-Underwood

**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 following declaration was made.

<b>Councillor</b>	<b>Min. no.</b>	<b>Report Title</b>	<b>Reason</b>
Scarborough	13/16	Wellingborough Norse Business plan	Other – School of which he is a chairman of governors has contract for cleaning with Norse.

**3. CONFIRMATION OF THE MINUTES OF THE MEETING HELD ON 2 NOVEMBER 2016**

**RESOLVED** that the minutes of the Resources Committee held on 2 November 2016 be confirmed and signed.

**4. FINANCIAL MONITORING AND POSITION STATEMENT FOR 2016-17**

The annexed circulated report of the Head of Finance was received in relation to the monitoring position for revenue expenditure.

The revenue monitoring position as at 31 October 2016 was appended to the report. This was the second of four monitoring reports for the 2016-17 financial year.

The report detailed the revenue budget, which had been set in February 2016, at £9.936m, using £619k of general fund reserves and £44k of ear marked reserves to support the revenue spending. The monitoring of the revenue budget reports the variance to the use of reserves to show any under or over spending on the budget.

The current forecast indicated an overall increase in the budgeted level of reserves required of £45k, giving a revised use of general reserves of £664k.

The main contributing factors in the changes in the use of reserves included savings on business rates on empty properties, slippage of work on the local plan and establishment savings. These had partly been offset by a reduction in benefits subsidy as a result of homelessness cases taking longer to resolve. Investment income was less than anticipated due to a drop in interest rates. Further costs were also expected in relation to The Castle.

**RESOLVED** that the position on the revenue monitoring and the reasons for the variance be noted.

## **5. CAPITAL PROGRAMME MONITORING**

The annexed circulated report of the Head of Finance was received regarding the capital programme monitoring information to 31 October 2016.

The total revised capital budget for 2016-17 was £4.438m; subsequent movements in the budget in respect of re-profiling into 2017-18 were detailed in the report.

The capital outturn report to 31 October 2016 and the summary of capital resources were appended to the report.

A member asked if the vacancy for an external funding officer had been filled as he believed there was a considerable amount of external funding available for projects. Officers clarified that the job description was being reviewed and a recruitment exercise would take place.

Members questioned whether the forecasted spend of £3.3m would materialise. Officers clarified that this was the current estimate and that external factors could change this figure. Members stressed the importance of officers ensuring that capital spend was reviewed and amended in the financial year.

**RESOLVED** that:

- (i) the projected outturn and anticipated variances as at 31 October 2016 and detailed in the report be noted;
- (ii) the external funding, as detailed in the report, be noted;
- (iii) approval be given to the scheme re-profiling of the capital programme, as detailed in the report.

## **6. DRAFT CAPITAL PROGRAMME 2017-18 TO 2021-22**

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

The following were appended to the report:

- A list of proposed capital schemes for 2017-18;
- A list of capital schemes 2017-18 awaiting further information;
- Key capital projects in development.

The report made particular reference to the Disabled Facilities Grant (DFG); the capital community grants and key projects update; the unapplied capital grants and contributions; the capital receipts and reserves and the flexible use of capital receipts.

Members raised a number of issues regarding the proposed Community Capital Grants fund and whether the allocation of funding would be recommended by a working group. The Head of Finance confirmed that she was currently putting a process in place and confirmed that this would be considered by a member working group. Parish council and community group schemes would also be put to the member group for consideration.

Reference was made to appendix three and the key capital projects in development. Members were keen to support the development of the Tithe Barn building to ensure that it was used to its full potential. Members also suggested various other buildings or areas that could be included on the list.

The chairman informed members that this list had come about following a tour of the town he had undertaken with officers approximately a year ago as well as from a workshop evening where all members had the opportunity to put ideas forward; there were many more items on the list but officers had been asked to prioritise the schemes within the appendix first.

Members also considered and agreed that it would be useful to hold a member capital review meeting in the new year.

**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 re-profiling schemes in line with available resources, based on the funding schedules and scheme priorities;
- (iii) officers be asked to arrange a member capital review meeting.

## **7. CALCULATION OF THE COUNCIL TAX BASE 2017-18**

The annexed circulated report of the Head of Finance was received in relation to the council tax base for 2017-18.

The council tax tax base calculation for parish councils and Wellingborough town was appended to the report.

A member asked for clarity on the date when a property became chargeable. The Principal Revenue and Benefits Manager clarified that properties needed to be completed by August and then banded in the valuation list by mid-September in each year.

**RESOLVED** that:

- (i) the amount calculated by the Borough Council of Wellingborough as the council tax base for the year 2017-18 be £23,849 (band D equivalent);
- (ii) approval be given to the council tax bases for parish councils and Wellingborough town.

## **8. LOCAL COUNCIL TAX SUPPORT SCHEME**

The annexed circulated report of the Head of Finance was received in relation to the local council tax support scheme (CTS) for 2017-18 and subsequent years.

Following a report to the Resources Committee on 2 November 2016, and regardless of the scheme remaining unaltered, a public consultation had been undertaken; the results of the consultation were appended to the report and supported the recommendation.

- R1** **RECOMMENDED** that no change be made to the Borough Council of Wellingborough's Local Council Tax Support scheme (CTS) for 2017-18.

## **9. DRAFT REVENUE BUDGET 2017-18 AND THE MEDIUM TERM FINANCIAL PLAN PROJECTIONS**

The annexed circulated report of the Head of Finance was received in relation to the medium term financial plan projections for revenue spending and to present the detail of the 2017-18 draft revenue budget for consultation.

The medium term financial projections 2016-17 to 2020-21; the 2017-18 draft opening budget for consultation; the consultation methodology; and the draft fees and charges schedule were appended to the report.

The report presented the medium term financial outlook and underlying budget deficit which detailed the need to save around £664k in 2017-18, rising to £2.0m per annum by 2020-21. This amounted to £4.3m over the four years which potentially would need to be met from reserves if further savings options were not identified and delivered.

The anticipated level of general fund reserves for 2017-18 was £3.9m, with the minimum level of reserves allowed, as per policy, being set at £1.75m. If no further action was taken to address the underlying budget deficit, the council

would breach its minimum level of reserves in 2019-20 with there being insufficient funds in 2020-21 to balance the budget and provide services.

The report referred to the previous use of general fund reserves in 2012-13 to create a 'budget implementation reserve' and detailed how this had been utilised in 2013-14, 2014-15 and 2015-16. This reserve was now depleted and budget deficits needed to be met from general fund reserves.

Revenue reserves would need to be used to support the current levels of service delivery and quality and to allow for the continued identification, development, consultation and implementation of savings proposals.

There was a need to address the underlying budget deficit in the coming year, to allow for full development of proposals and the lead in time for implementation.

Choices and options for changes to service delivery and quality would need to be further developed and consulted upon to match spending levels to the funding available and reduce the pressure on revenue reserves. Robust decisions on service delivery and quality would need to be made to ensure a balanced and sustainable position over the medium term.

Reference was made to central government funding and four year settlement which were summarised in the report.

The report detailed the new homes bonus funding, from which the government intended to transfer at least £800m (nationally) to adult social care in 2017-18. This would have an impact, as currently 100% of the monies from the new homes bonus was used to support revenue spending. It was anticipated that £1.6m of funding would be lost.

With regard to council tax it was recommended by the Head of Finance/ Section 151 Officer, that for a band d property, a council tax increase of £5, for 2017-18, 2018-19 and 2019-20, and a band d increase of 1.99% for 2020-21 be agreed, this would keep the council tax below the potential referendum level and would benefit the council's finances by providing a cumulative increase, not only in 2017-18, but also in the medium term.

Reference was also made to the current retention of business rates and the future of the Business Rates Retention Scheme.

It was proposed that a full review of fees and charges would be undertaken in the new financial year but the proposed fees and charges were appended to the report.

The report also detailed the consultation process which was proposed to be carried out via a series of workshop meetings and briefing sessions, and was further detailed in appendix three to the report.

**RESOLVED** that approval be given to:

- (i) the indicative level of council tax increase to be included in the budget assumptions as part of the consultation, after considering the S151 officer's advice at section 9 of the report;
- (ii) consultation taking place on the use of reserves to support the underlying revenue budget deficit over the short term to allow for more robust service delivery options to be developed and implemented;
- (iii) the proposed draft fees and charges schedule being included in the information for consultation;
- (iv) the draft 2016-17 revenue budget being consulted on;
- (v) the methods of consultation proposed in the report.

## **10. REDWELL LEISURE CENTRE**

The annexed circulated report of the Head of Finance and the Head of Resources was received in relation to Redwell Leisure Centre.

Redwell Leisure Centre (RLC) was currently managed by Places for People Leisure Ltd (PfP) on a contract basis. The contract had been extended and was due to expire on 31 March 2025 with reviews due to take place on the third and sixth years of the contract.

The council had agreed to provide capital funding to make improvements to the building and its equipment and had also changed the opening hours, closing it to casual use during the day. Places for People had let part of the centre for use as a nursery during the day, alongside other groups and clubs who had block bookings.

Wellingborough Norse provided the general grounds maintenance for the football pitches and outdoor areas. Services Committee on 21 March 2016 had made a decision, in principle, to install a 3G pitch, floodlights and tennis/netball courts at RLC and capital match funding of £300,000 had been recommended for approval to Resources Committee for the 3G pitch, floodlights and associated works.

The emerging local plan had identified the need for additional sport/leisure facilities in the borough by 2031 with the increase in development in the borough, although some schemes would be provided at Stanton Cross and Glenvale Park.

The report detailed the process that would now be undertaken in regard to the 3G pitch including the future management, relocation of the cricket square, and possible additional car parking requirements, which were further detailed in the report.

Reference was made to the tennis courts. There were two options, either to put in place a hard-wearing multi-surface area which could accommodate a range of sports or multi-sport courts at an estimated cost of £80,000, or to replace the current site with a car park to support the installation of the 3G

pitch; the tennis courts would then need to be relocated. The report recommended the replacement of the tennis courts with a car park and relocation of the tennis courts as a multi-surface sports area.

Depending on the decision in relation to the tennis courts and the outcome of the 3G pitch investigation the cricket square and the tennis courts may need to be moved to another location. The report detailed some potential locations and it was suggested that options appraisals be carried out. Alternatively additional facilities could be considered at RLC; again feasibility studies would need to be carried out.

The contract with PfP would come to end on 31 March 2025 and tendering for the new contract would need to commence approximately eighteen months before the end of the current contract. There would be an opportunity for any new contractor to provide advice, consultation and project management for a redevelopment of the site – thus enabling the council to potentially fund a new facility with expert advice and funding. PfP had already stated its interest, should they win the contract, identifying the Redwell site as having more potential than the Waendel Centre in the long term.

With regard to repairs and maintenance a report would be presented to council in the near future regarding the monies required to maintain the council's operational buildings. Planned preventative maintenance surveys of all buildings had been carried out and an approximate cost of £1.2m over five years had been identified. It was expected that the cost of repairs and maintenance for RLC would be £50,000 plus costs for replacement equipment which PfP had provided an estimate in the region of £300,000 to refresh, remodel and refurbish the building. This would ensure that RLC was fit for purpose. Continuing issues with vandalism also needed to be addressed with improved CCTV.

Members raised concern over the removal and re-siting of the cricket square; as they considered that the proposed sites for relocation were unsuitable. They also felt that there may be scope and sufficient room for the 3G pitch and the cricket square to both be located at Redwell. Queries were also raised over the usage of the tennis courts which had been in disrepair following vandalism for some time. It was considered that there was good provision at Swanspool Gardens where there were well-maintained tennis courts. The ongoing issues with vandalism of the tennis courts were exacerbated by the damage to fencing, as access was gained from Waterworks Lane.

Concern was also expressed that the borough would have a 3G pitch but could end up with less sporting facilities with the loss of the tennis courts, netball courts and cricket square. Some members felt that more work needed to be undertaken with schools and other sporting facilities in regard to partnership working as school playing fields were frequently under-used.

With regard to additional car parking, members asked whether the current car park could be reconfigured to create additional spaces. Officers confirmed that this had been considered but that this would only create approximately 12

additional spaces; as parking was already an issue this was considered to be insufficient. Members also queried the findings of the emerging local plan considering that the information contained in the report was excessive, particularly in relation to outdoor bowling greens and rugby pitches. There was an abundance of football pitches across the borough which were not fully used.

**RESOLVED** that:

- (i) it be noted that, in due course, a report would be presented to committee in relation to the management of the 3G pitch;
- (ii) in the event that the 3G pitch goes ahead, approval be given to the tennis courts at Redwell Leisure Centre being used as a car park, subject to planning permission and capital funding;
- (iii) it be noted that the future of the leisure centre be reviewed approximately two years before the end of the existing contract;
- (iv) it be noted that a further report would be presented to committee on capital requirements to enable the leisure centre to continue functioning effectively until its future is determined;
- (v) it be noted that a further report be presented to committee on the relocation of existing sporting facilities or the development of further facilities at Redwell Leisure Centre.

(Councillors Francis, Henley and Scarborough voted against (ii) above and Councillor Emerson abstained from voting.)

#### **11. WAENDEL LEISURE CENTRE REFURBISHMENT OF SWIMMING POOL**

The chairman informed the meeting that this item had been withdrawn from this agenda and would be presented to the council meeting on 20 December 2016.

**RESOLVED** that it be noted that this report had been withdrawn.

#### **12. PROPERTY COMPANY**

The annexed circulated report of the Head of Resources was received in relation to the creation of a wholly owned property company designed to manage the council's investment property portfolio, including council-owned private rented residential accommodation.

Attached to the report was a confidential appendix in relation to the existing contract with Underwoods LLP.

The exempt appendix of the Head of Resources was received relating to the amendment of the existing contract by Underwoods LLP.

In 2012, Underwoods LLP, had been awarded the contract for the estate management of the council's investment portfolio. This was a five year contract with the possibility to extend for a further two years.

Agreement, in principle, was given in September 2015 for the creation of a wholly owned property company to take responsibility for proposed private rented residential accommodation with the aim of attaining an increased revenue income from the surplus generated by the company.

CIPFA was currently carrying out a property asset management review to advise on the non-operational property owned by the council. A report in relation to this would be submitted to a future meeting of the committee.

The current contract with Underwoods LLP was due to expire in 2017 and members were asked to consider the creation of a property company to manage both the new private rented property schemes and all other existing council property.

The project to convert Croyland Hall and Abbey into 14 flats would start shortly and negotiations with Wellingborough Homes on the 'homes for land' schemes at Penrith Drive, Fulmar Lane and Milner Road were nearing completion. These would form part of the private rented residential property portfolio of the council.

As the property management contract was coming to end the report recommended the transfer of all the council's property management to one wholly owned company. The report also identified a number of requirements to enable a company to be set up, which could be onerous over a short space of time and could therefore benefit from an overlap between the creation of the company and the end of the property management contract.

Members discussed the proposed amendment to the existing contract by Underwoods LLP. Officers explained the proposals in more detail and members asked questions for the purpose of clarity. It was agreed that the terms detailed in appendix one were acceptable.

Members discussed the report and appendix in more detail in the confidential part of the meeting.

### **13. WELLINGBOROUGH NORSE BUSINESS PLAN 2017-22**

The annexed circulated report of the Head of Resources was received in relation to the business plan of Wellingborough Norse Ltd for the years 2017-22.

Wellingborough Norse Ltd - a joint venture between the Borough Council of Wellingborough and Norse Commercial Services - is governed by contractual specifications via a liaison board and formal company board. As part of the contract an annual business plan must be agreed between the company and the council before the commencement of the financial year to which it relates. Appended to the report was the confidential five year business plan.

Members discussed the report and business plan in the confidential part of 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:

<b>Minute no.</b>	<b>Item</b>	<b>Paragraph of 12A</b>
15	Property company appendix	E3 and E5
16	Wellingborough Norse business plan	E3 and E5

#### **15. PROPERTY COMPANY**

The exempt appendix of the Head of Resources was received relating to the amendment of the existing contract by Underwoods LLP.

Members discussed the detail of the existing contract with Underwoods LLP. Officers explained the proposals for the property company in more detail and members asked questions for the purpose of clarity. It was agreed that the extension to the contract would enable the creation of the property company.

**R2 RECOMMENDED** that approval be given to the creation of a wholly owned property company for the management of all council property.

#### **16. WELLINGBOROUGH NORSE BUSINESS PLAN**

The exempt appendix to the Wellingborough Norse Business Plan was received in relation to the business plan for Wellingborough Norse Ltd for 2017-2022.

Mrs N Holden and Mr B Gallyot of Wellingborough Norse attended the meeting and responded to a number of detailed points raised by members.

Members discussed the business plan and raised queries in relation to health and safety and workplace accidents, fly-tipping, waste collection, cleaning contracts, grass cutting and the general services provided by Norse, to which the Commercial Director, Mrs Holden, responded.

The Chief Executive informed the committee of a meeting he had attended of the Northamptonshire Waste Partnership and the progress that was being made. More information would be available in the new year and this would be reported to members in due course.

Members extended congratulations to Wellingborough Norse on the excellent work that was being carried out across the borough and praised the very good working relationship in place between the council and Norse.

**RESOLVED** that approval be given to the five year business plan 2017-22.

Chairman

The meeting closed at 9.25pm

