

COUNCIL MEETING – 23 FEBRUARY 2017
REPORT OF THE RESOURCES COMMITTEE

1 February 2017

Present: Councillors Griffiths (Chairman), Partridge-Underwood (Vice-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), Miss S Lyons, (Solicitor/Monitoring Officer, District Law), Mrs S Knowles, (Principal Finance Manager), Mr N Robinson, (Principal Revenue and Benefits Manager), Mr R Watson, (Senior Revenue Officer) and Mrs C A Mundy, (Democratic Services Officer).

(Councillor Allebone (for part of the meeting) and Councillor Skittrall attended as observers.)

1. APOLOGIES

There were no apologies.

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 RESOURCES COMMITTEE MEETING HELD ON 7 DECEMBER 2017

RESOLVED that the minutes of the Resources Committee held on 7 December 2016, be confirmed and signed.

4. PAY POLICY STATEMENT 2017/18

The annexed circulated report of the Head of Resources was received in relation to the council's Pay Policy Statement which, under the Localism Act 2011, had to be published on 1 April 2017.

The draft Pay Policy Statement was appended to the report. The statement referred to all aspects of remuneration and gave background information on arrangements for all officers

R1 RECOMMENDED that the Pay Policy Statement 2017/18 be approved for publication.

5. CAPITAL PROGRAMME MEDIUM TERM FINANCIAL PLAN

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 along with a proposed list of capital schemes.

The report referred to the capital member review meeting held on 5 January 2017 which had reviewed the public realm schemes, most of these schemes had been deleted with two schemes being transferred to appendix B - schemes awaiting further information. The working group had also recommended that the capital strategy be updated to enable the community grants project to commence. The report also detailed the process for new capital schemes. Also appended to the report was a summary of capital resources.

A member asked if the Section 106 funding referred to at Appendix A had to be returned if not spent during a particular timescale. The Principal Finance Manager clarified that the monies were committed and therefore did not need to be returned.

Clarification was sought on the following:

- what the assets for sale referred to;
- the asset held for sale;
- other anticipated receipts and whether this referred to Wellingborough North.

The Principal Finance Manager confirmed that assets for sale was an estimate of income expected from the sale of capital assets; the asset held for sale related to the site at Lea Way. The other anticipated receipts did include Wellingborough North but it was not anticipated that this would be received this financial year.

Clarification was also sought on the balance of available funding and whether this was £23m or £18m. The Principal Finance Manager confirmed that the sum of £23m included the sum of £5m retained to maintain the minimum level of reserves balance.

Queries were also raised about the capital community funding availability and the amount that would be available to bid for.

The Head of Finance informed the meeting that this had been discussed by the working group and she was currently working on establishing a process to present to this committee in March. The working group would meet in early April to set priorities.

Some councillors expressed their concern over the process and the delays in spending and allocating capital funds particularly to community groups. The chairman considered that the system, as agreed, should continue with a review after six months.

Confirmation was sought over when funding, in relation to Wellingborough North, may be expected.

The Head of Finance informed councillors that work in relation to the section 106 monies was ongoing with the developers and it was hopeful that once concluded funding may be available during the next financial year.

R2 RECOMMENDED that:

- (i) approval be given to the capital funding being made available for the financial years 2017-18 to 2021-22 as detailed in appendix A to the report;
- (ii) the list of capital schemes awaiting information, as shown in appendix B to the report, be approved, in principle, to enable schemes to be released into the capital programme at a later date, in line with the council decision making policy, as soon as the information to progress the scheme is received.

6. REVENUE BUDGET 2017-18 AND THE MEDIUM TERM FINANCIAL STRATEGY PROJECTIONS

The annexed circulated report and tabled amended report of the Head of Finance was received to provide members with detailed proposals for the revenue budget for 2017-18 and to give an updated forecast of the projected position for the subsequent financial years.

The report also included a proposal regarding council tax for 2017-18 in line with the draft budget position previously presented at the Resources Committee meeting on 7 December 2016 for consultation along with a recommendation for future council tax increases.

Appended to the report were the following:

- 2017-18 Budget Analysis;
- Pressures and savings included as part of the 2017-18 budget;
- Medium term financial projections 2017-18 to 2020-21;
- Budget 2017-18 consultation response analysis;
- Fees and charges schedule;
- Section 25 report.

The report detailed the continuing challenges facing local government and the need for prudence. The report detailed the savings for 2017-18 that were required amounting to approximately £1,070k. Efficiencies had already been made in many areas and reserves would need to be used to fund the revenue budget.

The public had been consulted on the budget proposed for 2017-18 and the responses were detailed at appendix four to the report. The proposed budget for 2017-18, considered the medium term financial position and included the

proposed council tax for the borough council and a recommendation for future council tax increases.

The council had accepted the government's offer of a four year settlement covering the period 2016-17 to 2019-20 and the total provisional funding, comprising of Business Rates Retention Scheme (BRRS) and Revenue Support Grant (RSG) was shown in the report.

Reference was made to the changes to the New Homes Bonus scheme and the introduction of the national baseline for housing growth of 0.4% which would impact on funding. This was reflected in appendix three of the report.

The report also detailed the medium term financial projections and the need to save around £1,070k in 2017-18, rising to £1.6m per annum by 2020-21; a total of £4.1m over four years. This amount would need to be met from reserves if savings had not been identified. The report detailed the current level of general fund reserves and the minimum level of reserves. The level of general fund reserves would be insufficient to create a balanced budget over the four year period, in accordance with the council's reserves policy.

Savings proposals and budget additions were also detailed in the report. Changes to service delivery and quality would need to be further developed and consulted upon.

The report detailed the proposed increases to council tax, as recommended by the Section 151 officer, for the next four years which represented the current maximum increases allowable before a referendum was required.

The economic outlook was also referred to with the expectation that the uncertainty of the post-Brexit era would be reflected in inflation over the next three years.

Reference was also made to the budget for 2017-18 and the budget forecasts for 2018-19 to 2020-21 and these were detailed further in appendix one and appendix three respectively.

The general fund balance for the current financial year indicated that the general fund balance at 31 March 2017 would be £3.9m, which was considered to be prudent, giving the reliance on reserves to balance the current budget.

The report detailed the collection fund deficit and council tax in relation to a Band D property for 2016-17 and 2017-18.

Reference was made to the Business Rates Retention Scheme and the changes that would be expected to this in 2020-21 to encourage business growth.

Details of the budget consultation that had taken place were appended to the report along with the Chief Finance officer's statement.

The report also referred to the appointment of external auditors and the option to 'opt-in' to the national sector led appointment thereof.

Members referred to appendix three and asked questions of officers in relation to the Crematorium, Croyland Hall and Abbey, Business Rates, fees and charges and the costs of delivering services and invest to save projects.

The Head of Finance responded to the queries and confirmed that her statement as appended to the report was a prudent view. She would be able to provide some documentation in regard to service areas and the fees and charges and whether these balanced themselves out or not.

A member commented that the results of the consultation process did not reflect the ethnicity of the borough. The Head of Finance confirmed that efforts had been made to get more people involved in our consultations and that we used Survey Monkey, there had been an increase in responses this year. She would consider various alternative options for future consultations.

R3 RECOMMENDED that approval be given:

- (i) to an increase in the council's average Band D council tax in 2017-18 of £5 (4.96%), as allowed within the referendum levels announced;
- (ii) to the following increases in the council's Band D council tax in 2018-19 to 2020-21, subject to meeting referendum criteria:
 - (a) 2018-19: £5.00 (4.73%);
 - (b) 2019-20: £5.00 (4.52%);
 - (c) 2020-21: £2.30 (1.99%);
- (iii) for funding from reserves, in principle, should this be required following a decision of a future Services Committee (in relation to the operation of Wollaston HWRC within 2017-18);
- (iv) to the revenue budget for 2017-18, as detailed at appendix one of the report, and the financial plan, as detailed at appendix three of the report;
- (v) to the fees and charges schedule 2017-18;
- (vi) to 'opt in' to the national sector led appointment of external auditors as detailed in the Audit Committee report of 13 September 2016 and as outlined in section 13 of the report.

7. COUNTER FRAUD AND CORRUPTION STRATEGY

The annexed circulated report of the Head of Finance was received in relation to the Counter Fraud and Corruption Strategy which was appended to the report.

The key elements of the strategy and were to acknowledge and understand fraud risks, prevent and detect more fraud, and pursue fraudsters by punishing and recovering losses.

A member asked if details regarding the use of the Regulation of Investigatory Powers (RIPA) would be reported to committee. The Principal Revenue and

Benefits Manager responded and confirmed that there had been no use of the powers but that he would provide a members briefing note in this regard.

RESOLVED that the Counter Fraud and Corruption Strategy, as appended to the report, be adopted.

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

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

The report detailed debts over the sum of £2,000 that were now considered to be irrecoverable, The total amount of council tax cases amounted to £25,947.89 and housing benefit overpayments of £10,964.28.

There were no questions and the report was heard in the open part of the meeting.

RESOLVED that:

- (i) approval be given to the sum of £36,912.17 of irrecoverable council tax and housing benefit overpayments be written-off;
- (ii) it be noted that the sum of £32,555.12 has been written off under the delegated powers of the Section 151 officer.

Chairman

The meeting closed at 8pm