

AGENDA



For a meeting of the
RESOURCES POLICY DEVELOPMENT GROUP
to be held on
THURSDAY, 31 MAY 2012
at
2.30 PM
in the
WITHAM ROOM, COUNCIL OFFICES, ST. PETER'S HILL, GRANTHAM. NG31 6PZ
Beverly Agass, Chief Executive

Group Members:	Councillor Jean Bevan, Councillor Michael Cook, Councillor Nick Craft (Chairman), Councillor Phil Dilks, Councillor Bob Sandall, Councillor Trevor Scott (Vice-Chairman) and Councillor Jacky Smith	
Portfolio Holders:	Strategic Resources Portfolio Holder – Councillor Mike Taylor Good Housing Portfolio Holder – Councillor Terl Bryant	
Support Officer:	Jo Toomey	Telephone: 01476 40 61 52 E-mail: j.toomey@southkesteven.gov.uk

Members of the Group are invited to attend the above meeting to consider the items of business listed below.

1. COMMENTS FROM MEMBERS OF THE PUBLIC

To receive comments or views from members of the public at the Group's discretion.

2. MEMBERSHIP

The Group to be notified of any substitute members.

3. APOLOGIES

4. DECLARATIONS OF INTEREST

Members are asked to declare an interest in matters for consideration at the meeting.

5. ACTION NOTES FROM THE MEETING HELD ON 29 MARCH 2012

(Enclosure)

6. UPDATES FROM PREVIOUS MEETING

7. FEEDBACK FROM THE EXECUTIVE

8. UPDATE ON VOID PROPERTIES

The PDG will receive an update on the Council's position in relation to voids

9. LOCALISATION OF COUNCIL TAX BENEFIT

A presentation will be given on the localisation of council tax benefit.

10. FEES AND CHARGES STRATEGY

Report number HOF199 by the Head of Finance.

(Enclosure)

11. WORK PROGRAMME

Report number LDS070 by the Chairman of the Resources PDG.

(Enclosure)

12. ANY OTHER BUSINESS, WHICH THE CHAIRMAN, BY REASONS OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT.

MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

THURSDAY, 29 MARCH 2012 2.30 PM



GROUP MEMBERS PRESENT

Councillor Bob Adams
Councillor Nick Craft (Chairman)
Councillor Bob Sandall

Councillor Trevor Scott (Vice-Chairman)
Councillor Ian Selby
Councillor Jacky Smith

OFFICERS

Head of Finance (Richard Wyles)
Revenues and Benefits Service Manager (Craig Scott)
Principal Democracy Officer (Jo Toomey)

52. MEMBERSHIP

The PDG was notified that Councillor Selby was substituting for Councillor Dilks and Councillor Adams was substituting for Councillor Cook for this meeting only.

53. APOLOGIES

An apology for absence was received from Councillor Bevan.

54. DECLARATIONS OF INTEREST

No declarations of interest were made.

55. ACTION NOTES FROM 19 JANUARY 2012

The action notes from the meeting held on 19 January 2012 were noted, subject to the amendment of "Lincolnshire Policy Authority" in minute number 47 (page 3), to "Lincolnshire Police Authority".

56. UPDATES FROM PREVIOUS MEETING

Minute number 48: The Local Authority Mortgage Scheme, about which the

PDG had made a number of recommendations, was approved at Council on 1 March 2012.

Minute number 49: Any updates or additional items fed by the PDG into the draft Asset Management Plan would be included in the final version for approval.

57. FEES AND CHARGES UPDATE

At previous workshop meetings, the PDG had worked with Deloitte to begin reviewing the Council's fees and charges strategy. The work benchmarked South Kesteven District Council's fees and charges against other authorities in Lincolnshire and the East Midlands. Access was also provided to data about fees and charges nationally. Report number HOF195 included a list of considerations that could support councillors in formulating a policy on local charging.

One area on which the working group had requested further information was charging for pre-planning advice. A separate working group had been formed to produce a range of proposals on charging for the service. The group was working with officers to research and consider the practice within other authorities, its impact and lessons learned. Final recommendations would be produced by the end of April.

The Council's current fees and charges strategy, which was produced in 2008/9 was appended to the report for the information of members. Key objectives were identified and listed in the report; these needed considering in the development of the new Fees and Charges Strategy for 2013/14. Of particular note for the PDG was the principle that charging should not primarily concern raising revenue but identifying and influencing behaviours to help the Council achieve its priority outcomes.

To form the basis of the strategy, the PDG would need to consider the Council's main areas of income and an appropriate charging strategy. To support this, officers were tasked with providing a breakdown of the current charging structure, the current policy for fee setting, subsidised costs (broken down by town where available), payment methods available and the corporate priority to which the charge relates. This information would be considered at a working group meeting.

As an example, discussion ensued on the charging strategy around markets and their performance in different towns, opportunities for driving behaviour, local competition and opportunities to optimise stall occupancy.

Action Point:

Officers to organise a working group and provide PDG members with a breakdown of fees and charges information.

58. LOCALISATION OF COUNCIL TAX BENEFIT

Report number HOF194, which was presented by the Revenues and Benefits Service Manager provided an update on the localised council tax support scheme from 2013/14. At its last meeting the PDG received a presentation from the Benefits Manager. Local authorities would need to design schemes for working age claimants, taking into account available funding for preserving current levels for pensioner claimants.

Officers were still waiting for information from government. Preliminary grant figures were due to be released in May/June 2012. The necessary software had been purchased to enable the modelling of different scenarios.

Countywide discussions were underway about a Lincolnshire scheme, which would allow authorities to share the level of risk. The grant funding would be split on a pro rata basis between the agencies that receive income from Council Tax. The feasibility of a countywide scheme was unclear because of widely varying demographics across the county. 32% of the City of Lincoln Council's Caseload were pensioners, while in South Holland, 58% were pensioners.

Concern was expressed that the Council would not be able to meet the required reduction in the scheme's first year. No in-year adjustment to the scheme could be made. 49.6% of the caseload were pensioners, so the 10% saving would need spreading across the remaining claimants (minus any further groups determined as vulnerable people).

Councillors suggested that benefit payments should be based on a sliding scale, rather than by bands. The suggestion was made that in order to qualify for council tax benefit, an individual had to receive a minimum level of other benefits. PDG members also expressed concern about the potential impact of changes to housing benefit on people who also faced a reduction in council tax benefit.

59. BUDGET MONITORING

The Head of Finance presented report number HOF193, which provided financial reports for 2011/12 – monitoring information to the end of January 2012. Work was underway to identify capital and revenue spending proposals that could be put in place in the 2011/12 financial year to support the delivery of priority projects and prevent the risk of an underspend.

The report highlighted key variances and provided a summary explanation for these.

General fund (Revenue)

Of particular note were savings on salary related budgets, which was budgeted

at 3% however a 6% saving was achieved through departmental vacancies, sharing senior officers with other authorities and reviewing working arrangements.

Housing Revenue Account

There was a forecast surplus against the HRA. Returns against dwelling rents were better than projected because of the improvement in the void rate. Salary related savings were also achieved. The re-profiling of projects and re-tendering led to savings on the repairs and maintenance programme.

General fund (Capital Programme)

The Head of Finance reported that there had been movement of £2m against budgeted levels. Spending had been incorporated in the capital programme for 2012/13.

HRA (Capital Programme)

An underspend was forecast against the HRA capital programme, with outstanding works being incorporated within the programme for 2012/13. Re-profiling of capital works to ensure financial efficiencies meant schemes of work were due to commence in February 2012 and would not be completed within the current financial year.

Councillors briefly discussed the report, particularly noting savings in the telephony contract, grants for disabled facilities adaptations, non-domestic rates and work force size.

60. ICT STRATEGY

The Head of Finance made a brief presentation on the draft ICT strategy. The Council's first ICT Strategy was approved in 2005 and required regular updates as a result of changes in the environment. The most recent version of the strategy was updated in 2008.

The revised ICT Strategy was scheduled for consideration by Cabinet in July 2012. The document promoted ICT as an enabler that helped support changes within the organisation, delivering better services to members of the public and using innovative solutions to support better service delivery. The draft strategy underpinned key Council strategies including the corporate plan, service plans, the culture change programme, corporate and business transformation projects, the People Strategy, corporate training plan, the customer access strategy (including web development) the Medium Term Financial Plan and the Procurement Strategy.

The strategy would cover a number of key themes:

- Supporting the delivery of priority themes
- Partnerships
- Governance and underpinning structures
- Supporting elected Members and officers fulfil their roles in delivering the council's priorities

61. WORK PROGRAMME

A working group meeting to discuss fees and charges was agreed for Thursday 26 April at 2:30pm in the Witham Room.

62. CLOSE OF MEETING

The meeting was closed at 16:10.

REPORT TO RESOURCES PDG

REPORT OF: HEAD OF FINANCE

REPORT NO: HOF199

DATE: 31 MAY 2012

TITLE:	Fees & Charges Strategy - Draft	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	Councillor Mike Taylor Resources and Assets Portfolio Holder	
CONTACT OFFICER:	Richard Wyles – Head of Finance 01476 406210 Email: r.wyles@southkesteven.gov.uk	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below:	Full impact assessment Required: this will be undertaken as part of the implementation of fees and charges
Equality and Diversity	N/A	
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS		

1. RECOMMENDATION

Members are asked to review the proposed draft fees and charges strategy and recommend it's approval by Cabinet subject to any agreed amendments.

2. PURPOSE OF THE REPORT

Resources PDG are developing a coherent charging strategy that compliments and supports the Council in its delivery of its priority themes and underpins the medium term financial plan. It is anticipated that the review will be complete by summer 2012 and will therefore be incorporated into the budget proposals from 2013/14.

Resources PDG has reviewed fees and charges as a key element of their 2011/12 workplan and commissioned Deloittes to undertake an income review benchmarking study which compared fees and charges across a number of East Midlands' councils. This review has also given exposure to over 50 local authorities charging regimes outside of the geographical boundaries of the East Midlands.

3. DETAILS OF REPORT

Charging is not primarily concerned with raising revenue but identifying and influencing behaviours to help the Council achieve its priority outcomes. Strategies should consider service users and their motivation for using the service and their ability to pay.

When making local charging decisions, the following considerations were highlighted as a guide that could support councillors:

- How could the charges be used as a policy driver in the key areas?
- What customer group(s) does charging policy affect?
- Does / should ability to pay be a factor in setting the charge?
- Could / should the Authority incentivise different payment methods (e.g. discounts for direct debit customers)?
- Does the Council want to offer a concession rate to certain user groups in order to meet its priority outcome?
- What unintended consequences could lowering or raising the charges have?
- Who are the main beneficiaries of the service and who therefore is responsible for paying for the service (service user or general tax payer)?

These questions form the basis of the fees and charges fee setting template that will be completed by each service area on an annual basis as an integral part of the budget setting process.

The draft fees and charges strategy is appended to this report and its format and content reflects the work the Resources PDG has undertaken. The strategy establishes a number of key principles that

the setting of fees should follow and adopt in order to provide a consistent and coherent approach to the process. The main headings of the framework are:

Approaches to fees and charges setting:

- A clear corporate charging policy
- Clarity over full cost or subsidy level (defined as £ per head)
- A perspective on fairness in charging
- Adopting a more commercial approach to fee setting

Proposed framework for charging

- Recovery of cost
- Concessions for certain service users
- Identifying new opportunities for charging
- Contribution to corporate priorities
- Annual review of charges

Members are asked to review the following areas of the strategy:

The charging principle for each of the published fees and charge categories (shown at page 8 of the strategy)

The definition of a concession (page 4 of the strategy) and the charge headings for concessionary rates

The introduction of a commercial approach to fee setting under the charge headings (page 10 of the strategy)

The introduction of a toolkit to be used for all charging and charging opportunities to be completed on a cyclical basis as an integral part of the budget setting process (page 12 of the strategy)

4. OTHER OPTIONS CONSIDERED

None applicable

5. RESOURCE IMPLICATIONS

None applicable

6. RISK AND MITIGATION (INCLUDING HEALTH AND SAFETY AND DATA QUALITY)

None applicable

7. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

None applicable

8. CRIME AND DISORDER IMPLICATIONS

None applicable

9. COMMENTS OF FINANCIAL SERVICES

Financial considerations are included in the report.

10. COMMENTS OF LEGAL AND DEMOCRATIC SERVICES

The Council has the power to charge for the delivery of discretionary services in accordance with s.93 of the Local Government Act 2003. The power to charge is available provided the income received does not exceed the cost of the provision of the service.

11. APPENDIX: Appendix A – Draft 2012 Fees & Charges Strategy

FEES AND CHARGES STRATEGY

1. Introduction and Purpose

The Council provides a wide range of services to the local community and visitors for which it is able to make a charge – either under statutory powers (set by the Government) or discretionary (set by the Council).

This charging strategy outlines the key principles to be considered in charging for services in a transparent and consistent manner.

In the current economic climate, grants from central government do not offer any prospect of real-term growth. Council tax settlements remain at risk of a referendum if increases are more than a prescribed Government limit.

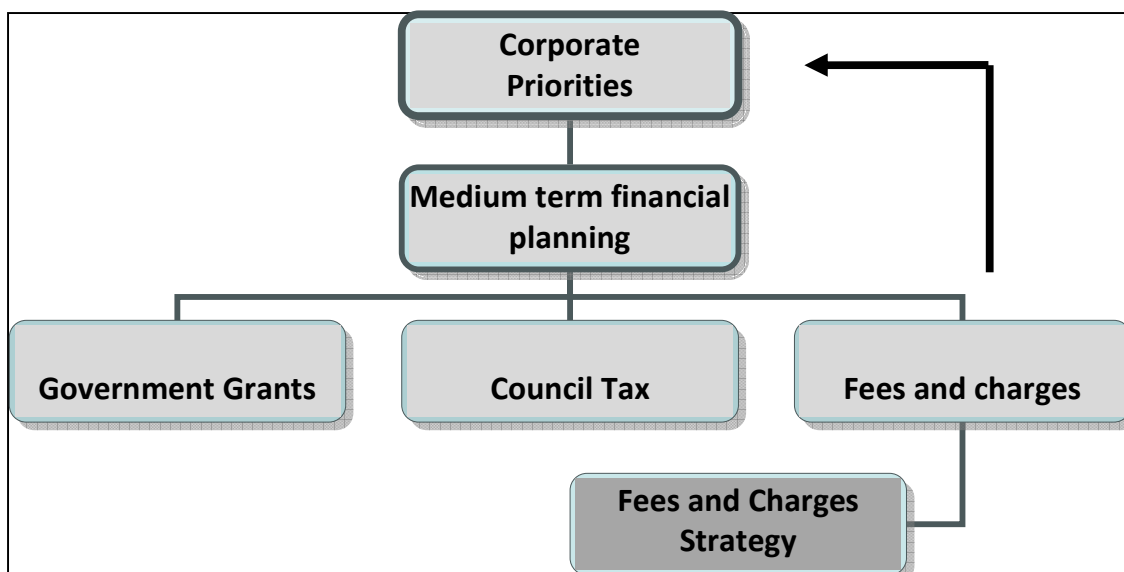
Fees and charges offer an opportunity for the authority to maximise its financial position in the current economic climate, and to achieve policy objectives, for example by encouraging or discouraging the use of a service or to alter patterns of behaviour.

The decision on charging levels requires market knowledge, benchmarking of costs against other public sector bodies and sometimes the private sector, and also an understanding of the impact such charges have on the use of a service.

The Local Government Act 2003 introduced wide ranging powers to charge for all discretionary services including those services provided under the well being powers (Local Government Act 2000). The only exceptions are where charging is specifically prohibited or a special charging regime exists. Any charges should be limited to a level that covers the costs of providing that service.

The introduction and implementation of fees and charges is an integral element of the medium term financial planning of the Authority and should be used as a key driver for the delivery of the Council priorities. This is demonstrated in the positioning of the strategy as shown in the diagram below:

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Fees and charges fall into three categories:

Statutory prohibition on charging. Local authorities must provide such services free of charge at the point of service. Generally these are services which the authority has a duty to provide.

Statutory charges. Charges are set nationally and local authorities have little or no opportunity to control such charges. These charges can still contribute to the financial position of the Authority. Income cannot be assumed to increase in line with other fees and charges.

Discretionary charges. Local authorities can make their own decisions on setting such charges. Generally these are services that an authority can provide but is not obliged to provide and this charging strategy will apply to discretionary services. This strategy focuses on this particular category type.

The current fees and charges are shown at **Appendix 1** and this outlines of the current main charging areas and associated principles in order to provide local context.

2. Key principles and proposed framework for charging

The following are the key principles that should be adopted in order to ensure the Authority maximises its income generation potential:

A clear corporate charging policy

South Kesteven District Council

- Which services should be subject to full cost recovery and which should be met from the General Fund
- Which services should be eligible for concessions within a broader equality and fairness framework
- How charges relate to and support wider corporate priorities
- The impact of any competition and whether the Council is or should be competing with local businesses in the economy

Clarity over full cost recovery or subsidy level.

There should be a clear definition for each service against the criteria of full cost recovery (service users pay for the service directly) or subsidised (a combination of service users and council tax payers). This should be measured as £ per head of population.

- Where possible, the total cost of providing a discretionary service should be fully recovered through charges except where the council makes a positive decision to the contrary. The council defines total cost as all costs attributable to the service, including allocated overheads and costs of administration and collection but excluding income. Where a subsidy element is introduced by Council this should be stated £ per head of population.
- The council could aim to maximise the potential to generate income, for example, through differential charging to tap into the value placed on the service by different users.
- Where a service is 'demand-led' and/or competes with others based on quality and cost the charge should be determined by the maximum that users are prepared to pay and take account of competitor pricing.

A perspective on fairness in charging.

It is important to segment groups of service users and assess the impact of changes to the full range of council charges on specific groups to make sure that no single individual or group is adversely affected by large fee increases.

Adopting a more commercial approach to fee setting.

There are a number of ways the Council can promote a more commercial approach to fee setting. Specifically these are:

- Trading – the Council can sell their expertise in certain service areas to other Authorities or public bodies. These include payroll, legal and ICT where a cost recovery funding model can be developed

South Kesteven District Council

- Applying a flexible charging approach. Maximising income may not always mean increasing fees and charges. Sometimes it may be more appropriate to reduce fees in order to stimulate the market or gain a greater share of the market. This approach has been introduced in respect of building control fees from 2012.
- Payment for services. In order to maximise income, services have to consider the options that users have open to them to pay for services. Payment systems that minimise cash transactions and require upfront payments are more efficient to operate and result in lower risk of bad debts or service defaults.
- An approach to premium charging. It is possible to apply a premium rate to reflect either an enhanced service or to meet additional demand. This could be introduced for customers specifying their particular delivery time for a bulky waste item, or for fast tracking an application or reflecting particular demand for a service.

The policy framework would apply to any service that the council has a power and discretion to provide to the community, or has a statutory duty to provide, and has discretion to set a charge.

Concessions for certain service users

Decisions to exempt a particular service from the full cost recovery requirement may be taken by the Council: –

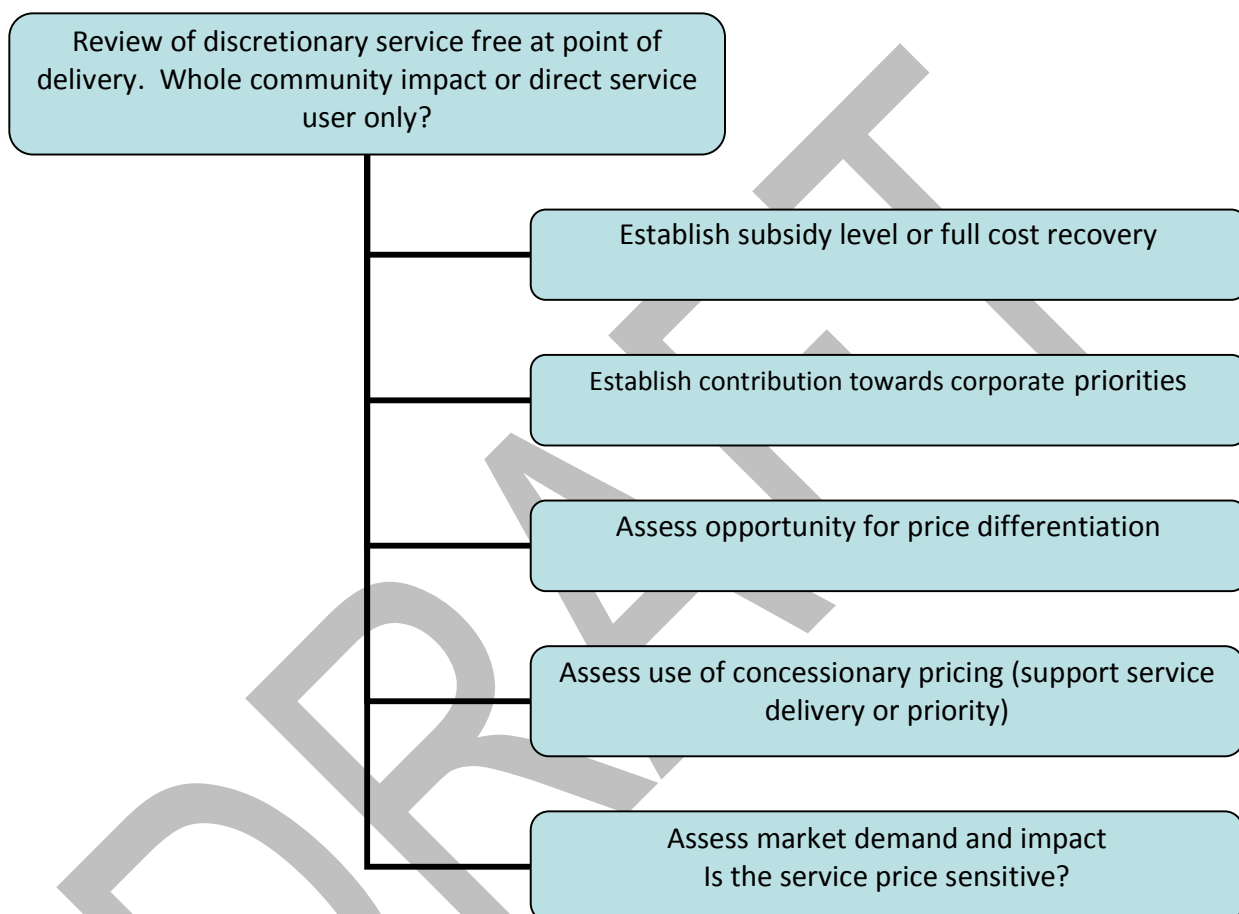
- To support a particular group or group of users in support of achieving its corporate objectives
- Where it would be impractical (e.g. public access to parks)
- Where charging would not be cost effective
- To users on low incomes. This will normally be defined as those in receipt of housing or council tax benefit, pension credit or working tax credit
- Where a business case is made to support a short-term reduction in charges aimed at increasing take-up and the overall income yield for the service in the long-term.

Concessionary charges may be available in the following circumstances:

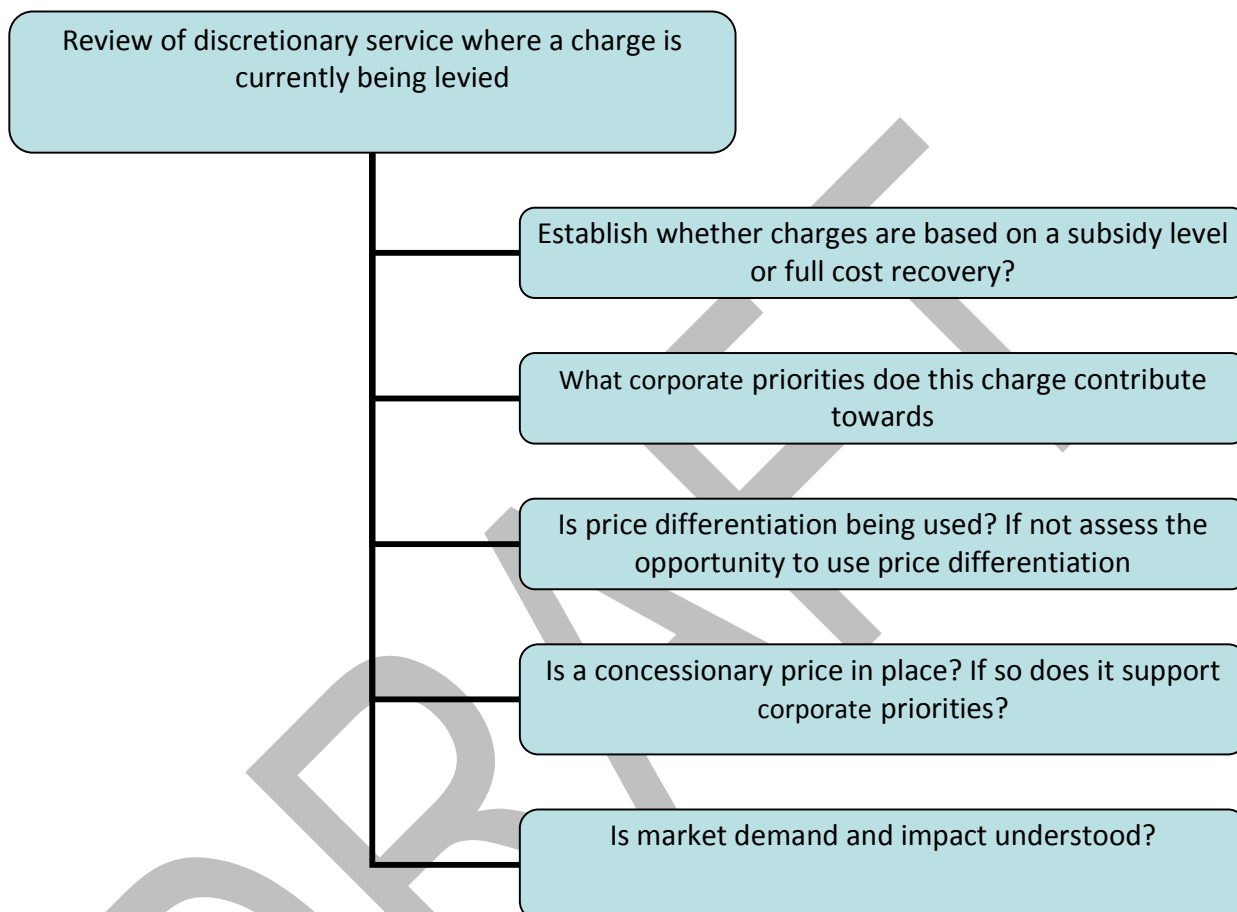
- Where a service is subsidised as a result of a positive decision by the council, the level of subsidy will be made explicit and the decision will be subject to regular review.

A summary of potential opportunities for the Council to consider adopting a commercial approaches to charging and concession charging is shown at **Appendix 2.**

Summary of review - discretionary services with no charges



Summary of review - discretionary services with charges



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Charging Area	Current Charging Policy	Budgeted Gross Income 2012/13	Charging Principle	Corporate Priority
Car Parks	Discretionary - traffic management	£1,185,880	Surplus for reinvestment into town centre regeneration	Grow the Economy
Markets	Discretionary - benchmarked with other local authorities	£308,910	Subsidy	Grow the Economy
Bus Stations	Discretionary – moving towards cost recovery	£63,295	cost recovery	Grow the Economy
Cycle Centres	Discretionary	£205	Subsidy	Keep SK Clean, Green and Healthy
Arts Centre	Discretionary - income generation	£94,700	Subsidy	Promote Leisure, Arts and Culture
Bourne Corn Exchange	Discretionary - income generation	£28,800	Subsidy	Promote Leisure, Arts and Culture
Green Waste Collection service	Discretionary – service user pays	£343,500	Subsidy	Keep SK Clean, Green and Healthy
Bulky Waste	Discretionary – Service user pays	£27,000	Cost recovery	Keep SK Clean, Green and Healthy
MOT testing station	Discretionary – based on VOSA recommended fees	£5,210	Cost recovery	Keep SK Clean, Green and Healthy
Air Pollution	Statutory set	£27,000	Cost Recovery	Keep SK Clean, Green and Healthy
Liquor Licensing	Statutory set	£114,000	Cost Recovery	Keep SK Clean, Green and Healthy
Premise Licensing	Statutory set	£28,940	Cost Recovery	Keep SK Clean, Green and Healthy
Gambling Licensing	Discretionary	£11,770	Cost Recovery	Keep SK Clean, Green and Healthy

South Kesteven District Council

Hackney Carriage	Discretionary	£118,560	Cost Recovery	Keep SK Clean, Green and Healthy
Other Licensing	Discretionary	£27,926	Cost Recovery	Keep SK Clean, Green and Healthy
Outdoor Recreation	Discretionary	£6,910	Cost Recovery	Keep SK Clean, Green and Healthy
Cemetery	Discretionary	£52,920	Cost Recovery	Keep SK Clean, Green and Healthy
Building Control	Discretionary – follows CIPFA guidance on fee setting	£349,000	Cost Recovery	Support Good Housing for All
Land Charges	Discretionary – fees are set following guidance in the local land charges act 1975 and CLG Guidance.	£195,000	Cost Recovery	Support Good Housing for All
Planning Applications	Statutory set	£525,445	Subsidy	Support Good Housing for All
Helpline	Discretionary	£958,430	Subsidy	Support Good Housing for All

South Kesteven District Council

Appendix 2

Charging Area	Current Charging Policy	Concession applicable?	Flexible Charging to fee setting?	Premium Charging available?
Car Parks	Discretionary - traffic management	✓		✓
Markets	Discretionary - benchmarked with other local authorities		✓	✓
Bus Stations	Discretionary – moving towards cost recovery		✓	
Cycle Centres	Discretionary	✓	✓	
Arts Centre	Discretionary - income generation	✓	✓	✓
Bourne Corn Exchange	Discretionary - income generation	✓	✓	✓
Green Waste Collection service	Discretionary – service user pays			
Bulky Waste	Discretionary – Service user pays	✓		
MOT testing station	Discretionary – based on VOSA recommended fees		✓	
Air Pollution	Statutory set			
Liquor Licensing	Statutory set			
Premise Licensing	Statutory set			
Gambling Licensing	Discretionary			
Hackney Carriage	Discretionary			
Other Licensing	Discretionary			
Outdoor Recreation	Discretionary	✓	✓	

South Kesteven District Council

Cemetery	Discretionary	✓		
Building Control	Discretionary – follows CIPFA guidance on fee setting		✓	
Land Charges	Discretionary – fees are set following guidance in the local land charges act 1975 and CLG Guidance.		✓	
Planning Applications	Statutory set			
Helpline	Discretionary	✓	✓	

DRAFT

South Kesteven District Council

Appendix 3

Revision of Fees and Charges or introduction of new fees toolkit

Name of service area: _____

Fees and charges title: _____

Question	Comment
What Council priority(ies) does this charge help to meet?	
Is this a new charge or an amendment to an existing charge?	
Is the charge set by Statute?	
Is the level of charge set by Statute?	
Is the level of charge based on full cost recovery?	
How much income will be generated based on the stated level of customer demand?	
Have you consulted with users and potential users on these charges? If so what is the impact either positive or negative on users	
How do these charges compare with other Councils or providers?	
If any concessions are offered to specific users what Council	

South Kesteven District Council

objective will this help to achieve?	
If the authority was given to operate a more commercial approach how would this improve income generation?	
Are there any conflicts with the local economy if a more commercial / competitive approach was taken?	
Would price differential help to achieve more income?	
When were these charges last reviewed in detail?	
How have these charges compare to the previous year?	
Do you consider that these fees and charges meet the objectives of the fees and charges strategy?	
What are the current or proposed methods of charging / collection for this fee (e.g. Direct Debit, credit/debit cards etc)	

Please attach any supporting information that may be useful in considering the fees and charges for this service.

FEES AND CHARGES ACTION PLAN

ACTION	WHO	WHEN
Agree the definition of full cost in order to ensure a clear and consistent approach is taken when calculating subsidy rates etc	Resources PDG	May 2012
Review all current fees and charges with service areas completing charging template in appendix 3.	Service Managers / Heads of Service	June 2012
Identify any new proposed charges and complete charging template for these also	Service Managers / Heads of Service	June 2012
Templates to be presented and reviewed by Resources PDG to confirm the following: <ul style="list-style-type: none"> • Agree cost / charging principle • Where charges are subsidised the level of subsidy • The level to which discretion for service managers or charging rates is allowed • What concessions can be granted where applicable 	Resources PDG with support from Service Managers / Heads of Service	July 2012

Review of deloittes work / benchmarking etc

REPORT TO RESOURCES P.D.G.

REPORT OF: Chairman of Committee – Cllr. Nick Craft

REPORT NO: LDS070

DATE: 31st May 2012

TITLE:	End of year review of Resources Policy Development Group – 2011/12 Work Plan	
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	N/A	
PORTFOLIO HOLDER: NAME AND DESIGNATION:	N/A	
CONTACT OFFICER:	Daren Turner 01476 406301 d.turner@southeaststeven.gov.uk	
INITIAL IMPACT ASSESSMENT:	Carried out and Referred to in paragraph (7) below	Full impact assessment Required:
Equality and Diversity	N/A	N/A
FREEDOM OF INFORMATION ACT:	This report is publicly available via the Your Council and Democracy link on the Council's website: www.southkesteven.gov.uk	
BACKGROUND PAPERS	N/A	

1. RECOMMENDATIONS

- Consider the progress made against the work plan agreed in June 2011 for the civic year 2011/12
- Consider the areas of work which could be contained in the work plan for the 2012/13 municipal year.

2. PURPOSE OF THE REPORT/DECISION REQUIRED

To remind the PDG of the areas of work undertaken during the year and the progress made. The Chairman would also like to consider the options for the 2012/13 year in light of progress made against the last work plan.

3. DETAILS OF REPORT

The Chairman, being cognisant of the vital role this PDG plays in development of the policy relating to resources, has determined that the PDG

should review its 2011/12 work plan to assess progress but also to inform the work plan for 2012/13. The following areas were agreed at the meeting of 16th June 2011:

- I. New Homes Bonus – The PDG members considered this issue at their meeting of 16th June. After considering the NHB process and the amount likely to be received in this and future years, they recommended to cabinet that associated grant funding should be used to support the long term stated objectives of the council. Cabinet agreed this approach and the policy formed part of the 1st March budget report received by Council.
- II. Housing Revenue Account Funding Changes – Members will recall the significant changes in the way in which Councils Housing Accounts are funded brought into place during the year. The critical element for the Council was the need to take on £121m of debt to effectively buy the Council out of the old subsidy regime and take ownership of the future income streams from Council housing rents. The PDG considered this issue at length at their meetings and workshops of the 16th June and 16th February 2012. The PDG recommended a financing package to cabinet that gave the Council considerable flexibility in the short term to support its objective of balanced housing. The Chair of the Committee presented these findings to both Cabinet and full Council and the policy formed part of the Council budget report presented on 1st March 2012.
- III. Asset Management Plan – the Council's Asset Management Plan was due for a refresh during the year. Management of the Council's assets (general fund) are key to the Authority in delivering its stated outcomes. Support was received from property specialists at CIPFA. The work was initially started by the then Cultural services Head of Service but was eventually taken on by the new property Services manager. This change did cause some delay but members considered the item at their meeting of the 16th October and the 19th January 2012. Work continues but Cabinet approved the Asset Strategy document at their meeting of 2nd April 2012.
- IV. Car Parking Review – the Council is committed to a fundamental review of the Council's strategy in relation to its provision of car parking across the District as part of budget setting in March 2012. As the review needs to understand the property-holding element of the strategy, as well as, the income generation needs. Work has been undertaken jointly with our member colleagues sitting on Communities Policy Development Group and the Chairman and Vice Chairman have attended a number of joint meetings and have a watching brief. The scope of the project was discussed at the PDG's meeting of the 16th June. The fees related to car parking have not formed part of the fees and charges review, see below, as yet but will be considered when the Communities PDG have finished their part of the review.
- V. Fees and Charges – Council agreed, when setting the 2011/12 budget, to undertake a root and branch review of fees and charges during 2011/2012 the review was to be cognisant of corporate outcome (e.g. Economic Development) and concessions.

This was a sizable piece of work and one which many Councils in Lincolnshire and the East Midlands were embarking on. SKDC lead in the formation of partnership to compare charging rates across the East Midlands. The Partnership included 11 Councils from Leicestershire, Nottinghamshire and Lincolnshire. Funding was awarded by the East Midlands Councils (previously the East Midlands Regional Improvement and Efficiency Partnership) to support the process. Deliotte were contacted to support the partnership review. The SKDC report following the review was presented to members on 26th October 2011. Further workshops have followed, members have worked with officers reviewing the Deliotte recommendations and refreshing the existing fees and charges strategy. Specific pieces of work have been done on licensing and planning pre-applications advice. (Green waste charging had already begun to be implemented). The Service Managers group have been tasked with looking at the wider implications of the report and continue to be supported by Deliotte. The depth of this work meant that standard inflationary increases were added to fees and charges for the 2012/13 budget round, although as stated green waste charges had already been agreed to be implemented following the SIMALTO (customer consultation) review of the summer of 2010. Work should continue into 2012 with final recommendations being available for cabinet at the end of the summer prior to the 2013/14 budget round.

VI. Local Authority Mortgage Scheme – although not in the original work plan members spent time deliberating the local policy around the LAM's scheme at their meeting of 19th January 2012. Detailed proposals were put forward to Cabinet, these were presented by the Chairman. As a result the recommendations were agreed by Council on 1st March 2012.

VII. Other – Members have also considered the detailed changes coming forward from the coalition government as a result of welfare reform; this has included Universal credit and more importantly the reduction in grant funding for Council Tax Benefit and the shift toward a local scheme. At their August meeting members discussed the latest developments on the proposed changes to Local Authority financing and the changes to retention of localised business rates, this will no doubt be a topic for further debate and policy development in the coming year.

VIII. Summary – This has been a successful year for the PDG, the steps that have been taken to consider key issues and recommend on policy have enabled the Council to move forward with key financial decisions. The workplan has enabled the PDG to focus on its role of policy development and given structure to the year.

4. OPTIONS FOR THE 2012/13 WORK PLAN

Due to their complexity and breadth two specific tasks are unlikely to be completed within a year. These are:-

- Fees and Charges Strategy
- Car Parking Strategy

Other areas have been considered at a high level by the PDG but are now of such importance are worthy of inclusion on a future work plan these include:-

- Council Tax benefit – development of the local scheme
- Localisation of Business rates

A further area for inclusion may be the updating of the HRA business model following the implementation of self financing, the increase in RTB receipts and the development of the HRA asset strategy.

6. OTHER OPTIONS CONSIDERED

Not Applicable.

7. RESOURCE IMPLICATIONS

Costs incurred in relation to the fees and charges review have been fund by EMC. The PDG has budget available to commission further work should it chose to do so. It is likely that additional expenditure may come forward as the work on the fees and charges strategy develops. The impact of future topics on available budget will be considered when the work plan is finalised for 2012/13.

8. RISK AND MITIGATION

Not Applicable.

9. ISSUES ARISING FROM EQUALITY IMPACT ASSESSMENT

Not Applicable.

10. CRIME AND DISORDER IMPLICATIONS

Not Applicable.

11. COMMENTS OF FINANCIAL SERVICES

See resources comment.

12. COMMENTS OF DEMOCRATIC AND LEGAL SERVICES

13. COMMENTS OF OTHER RELEVANT SERVICES

Not Applicable.

14. APPENDICES:

None