

# REPORT TO RESOURCES P.D.G.

**REPORT OF:** Chairman of Committee – Cllr. Nick Craft

**REPORT NO:** LDS070

**DATE:** 31<sup>st</sup> May 2012

<b>TITLE:</b>	End of year review of Resources Policy Development Group – 2011/12 Work Plan	
<b>KEY DECISION OR POLICY FRAMEWORK PROPOSAL:</b>	N/A	
<b>PORTFOLIO HOLDER: NAME AND DESIGNATION:</b>	N/A	
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<b>INITIAL IMPACT ASSESSMENT:</b>	Carried out and Referred to in paragraph (7) below	Full impact assessment Required:
<b>Equality and Diversity</b>	N/A	N/A
<b>FREEDOM OF INFORMATION ACT:</b>	This report is publicly available via the Your Council and Democracy link on the Council's website: <a href="http://www.southkesteven.gov.uk">www.southkesteven.gov.uk</a>	
<b>BACKGROUND PAPERS</b>	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 16<sup>th</sup> June 2011:

- I. New Homes Bonus – The PDG members considered this issue at their meeting of 16<sup>th</sup> 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 1<sup>st</sup> 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 16<sup>th</sup> June and 16<sup>th</sup> 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 1<sup>st</sup> 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 16<sup>th</sup> October and the 19<sup>th</sup> 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 16<sup>th</sup> 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 26<sup>th</sup> 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 19<sup>th</sup> 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 1<sup>st</sup> 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