

MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

THURSDAY, 2 AUGUST 2012 2.30 PM



GROUP MEMBERS PRESENT

Councillor Jean Bevan
Councillor Michael Cook
Councillor Nick Craft (Chairman)
Councillor Phil Dilks

Councillor Bob Sandall
Councillor Trevor Scott (Vice-Chairman)
Councillor Jacky Smith

OFFICERS

Strategic Director – Corporate Focus (Daren Turner)
Head of Finance (Richard Wyles)
Property Development Manager (Neil Cucksey)
Community Engagement and Policy Development Officer (Carol Drury)
Principal Democracy Officer (Jo Toomey)

8. DISCLOSURE OF INTERESTS

No interests were disclosed.

9. ACTION NOTES FROM THE MEETING HELD ON 31 MAY 2012

The action notes from the meeting held on 31 May 2012 were agreed as a correct record and noted.

10. UPDATES FROM PREVIOUS MEETING

At its meeting on 31 May 2012, the PDG asked officers to investigate using a single utilities supplier for all council-owned properties and, if possible, all Council owned/leased buildings.

Following the PDG's recommendation on the cycle centre, its use was under review. Some PDG members suggested that following recent successes in the Tour de France and Olympic games, it would be a good time to advertise. The facility would be examined as part of the asset rationalisation programme where potential alternatives for its use would be considered. The PDG asked

for an update at its next meeting.

Action Points

- ***The Head of Community Assets to update the PDG on the possibility of using a single utilities provider for all council-owned or leased properties/buildings.***
- ***The Property Development Manager to provide an update on considerations in respect of the cycle centre.***

11. FEEDBACK FROM THE EXECUTIVE

At a working group meeting on Monday 18 June 2012, the PDG considered a policy for the localisation of Council Tax and made recommendations to Cabinet. The proposed scheme was scheduled for consideration by Cabinet on Monday 20 August 2012. Feedback to date had been positive, however members noted that new guidance had been circulated on technical changes (Class C discounts and exemptions). The Cabinet had asked officers to model further scenarios taking account of the changes.

12. FEES AND CHARGES STRATEGY

The Head of Finance summarised report number HOF203 on the draft Fees and Charges Strategy, which was appended to the report. The revised draft reflected recommendations made by the PDG at its meeting on 30 May 2012. A further addition to the strategy was a requirement that charges should, as a minimum, increase with the Retail Price Index to ensure income levels are kept in line with inflationary expenditure. The strategy was designed as a framework that the Council could use as part of the budget setting process.

A template was included at appendix 3 of the draft strategy to guide the process of revising or introducing fees and charges. The template would test whether the service was subsidised and whether it supported and complemented the Council's priorities.

The other area the PDG had discussed previously was concessions. In introducing or revising any concessions, the Council needed to consider equality impact issues.

The PDG agreed to recommend the draft strategy to Cabinet for adoption. The Cabinet was scheduled to consider the draft strategy on 1 October 2012.

Recommendation:

That Cabinet adopt the draft Fees and Charges Strategy as appended to report HOF203.

13. CAR PARKING STRATEGY UPDATE

A Communities PDG working group was producing a car parking strategy; the Property Development Manager gave a presentation on its progress. He explained that the Communities PDG had held a number of workshops, considering parking arrangements in Grantham and Stamford. A further meeting would be held to consider availability in Bourne and the Deepings. The working group had also considered potential implications of the introduction of civilian parking enforcement (CPE) and residents' parking schemes.

As part of their considerations, the working group had taken account of income/cost per space, car park utilisation on weekdays and at weekends, a traffic movement study for Grantham, representations from residents' groups in Stamford and submissions by Stamford town council and the Chamber of Trade and Commerce.

The working group had considered potential opportunities for introducing other parking locations to prevent people driving through the town centre. Members were also investigating whether car parking arrangements ensured turnover of spaces and promoted movement. This work included considering whether there was a sufficient differential between short-stay and long-stay to encourage motorists to use an appropriate car park.

Lincolnshire County Council had received feedback from the Department for Transport (DfT) on their CPE application. The target for confirmation was October 2012 however some slippage was possible. In response to Councillors' questions, officers explained that the DfT was responsible for determining the confirmation date and there was nothing county or district councils could do to influence their deadline. Members noted that in other parts of the country car park usage increased after the introduction of CPE.

PDG members welcomed the work that was underway with the community groups and town councils and were assured that further consultation would be carried out with a wider selection of groups, including disability groups.

The working group had considered other payment methods for car parking, including telephone or text. Resources PDG members supported this. People without a mobile phone would still be able to pay at ticket machines in car parks.

When considering parking availability for tourists in the district, Councillors suggested that the strategy could include providing suitable parking facilities for motor homes.

Members were advised that the draft strategy would be presented to Cabinet for their consideration at the meeting on 5 November 2012.

Action point

- **Resources PDG asked for modelling of both one and two hours free parking in Grantham and Stamford.**
- **That the car parking review should consider the provision of car parking facilities suitable for motor homes.**

14. LATEST FINANCIAL SETTLEMENT PROPOSALS

The Strategic Director for Corporate Focus gave a presentation on the retention of non-domestic rate receipts and potential implications on future grant funding.

During 2011, the Department of Communities and Local Government ran a consultation on the retention of non-domestic rates collected by local authorities. A series of technical papers was also produced with proposals for the scheme:

- The multiplier would be set by the government, which meant local authorities would not be able to determine their own non-domestic rates.
- 50% of rates collected would be sent to government, while the remainder would be split between district (80%) and county (20%) authorities.
- Retention of non-domestic rates receipts would replace formula grant. Authorities whose total receipts collected are less than the grant they would have previously received would receive a top-up from a new revenue support grant.
- Revenue support grant would include a number of other grants, including the New Homes Bonus, council tax freeze grant and council tax support grant.
- A baseline would be calculated based on an average of previous levels of non-domestic rates collected together with a needs baseline based on 2012/13 grant allocations.
- Councils that generate receipts above the baseline would be tariff authorities, their surplus would top-up authorities whose receipts fell below the baseline. SKDC would be a tariff authority.
- The baselines would be reviewed from time to time (likely to be every 10 years).
- If during a year an authority lost a significant amount of non-domestic rates there was a safety net, however this would only be available when receipts dropped 7.5-10% below the baseline.
- On additional receipts (due to growth) in tariff authorities, government proposed to set a proportional levy ratio of 1:1 (for every 1% increase in business rates base, an authority would see no more than a corresponding 1% increase in income as measured against its spending baseline).
- Pooling arrangements would allow for the combining of top-ups/tariffs within a group of authorities. A pool would be treated as a single authority. A single levy rate would apply to income and growth levels and

the availability of the safety net would be calculated on an aggregate pool level.

Further slides showed modelling of the council's potential future position. In December 2012 the council would be notified of its provisional grant settlement. The new arrangements would take effect from April 2013.

15. BUDGET MONITORING INFORMATION AND OUTTURN SUMMARY

Report number HOF204 provided a summary of the Council's financial position at the end of the first quarter. The Head of Finance highlighted the key variances noted in the report.

General Fund Revenue Budget

- Public events celebrating the Olympic torch relay were funded from priority reserves
- Market rights in Grantham had been renegotiated, providing a £5k saving a year for the next three years.
- Income from development management and land charges was ahead of the budgeted position for the first quarter
- Take up for the green waste scheme was budgeted at 50%, however 85% of former customers had opted to participate in the scheme
- Building control income was down against the budgeted position for the first quarter
- The workforce efficiency target for the General Fund was forecast to be achieved by the end of the financial year

One Councillor queried the year to date budget, the net spend to date budget and the forecast outturn for Finance. The Head of Finance explained that the net spend to date exceeded budgeted levels because of a time lag between the payment of benefits to recipients and reimbursement from government. Councillors requested the addition of a note explaining this.

Action Point:

- ***The table showing the General Fund Revenue Summary should include a column showing year to date variance***
- ***Councillors asked for further information on an additional income stream identified for street cleaning in Stamford which was referred to in the report (para 3.5)***
- ***Add a note to the General Fund Revenue Budget to explain the variance in respect of benefit payments***

Housing Revenue Account

- Nothing significant of note

- The workforce efficiency target was forecast to be achieved by the end of the financial year
- There was a forecast underspend due to vacancies within the area

General Fund Capital Programme

- The timescales for the Business Innovation Centre/Station Approach schemes had been altered so the majority of the spend would occur in 2013/14
- The outturn for the shop front scheme was reduced to meet demand
- There were two variances in respect of street scene services as a result of purchasing two new vehicles
- An overspend was forecast for Bourne Community Access Point, which would be partly financed by set-asides from 2011/12 underspends

Housing Revenue Account Capital Programme

- The forecast outturn for refurbishment works in Barrowby was reduced following initial tender prices that were lower than anticipated
- The refurbishment of 2 large historic voids in 2012/13 had led to an overspend
- A saving was achieved as budget for a helpline software system upgrade was not required following the transfer of the call centre operation

The Head of Finance also advised members that the headcount was under the budgeted figure (601.7FTE against 626.1FTE) and that collection performance was on target.

PDG members were also provided with a summary of the outturn for 2011/12.

General Fund Revenue Account

The General Fund Revenue Account showed a small underspend. Key variances were highlighted:

- Savings were achieved through the renegotiation of the grounds maintenance contract
- Car parking in Stamford achieved greater income than budgeted
- Stamford markets achieved greater than budgeted income, whereas projections for Grantham were not met
- Neither Provision within the 2011/12 budget for an 'invest to save' reserve and a reserve which allowed provision for any pay settlement were used. The full amount was returned to general reserves
- The building control account returned a trading deficit of £34k which had created a negative building control reserve
- The key variance in the finance service area was a result of changes in

respect of the International Financial Reporting Standards. This was a notional cost which was the result of the changes to pension liability

Housing Revenue Account

- The HRA showed a surplus of £1.284m
- Performance improved in respect of dwelling rent income
- There was an underspend against the repairs and maintenance budget

Action point:

Provide councillors with details of overspend in the repairs and maintenance budget.

Capital Programme

- Overall, the capital programme showed an underspend of £4m
- Work in Bourne Core Area originally scheduled for 2011/12 rolled over to 2012/13
- Funding for Grantham Growth, which was not used rolled to 2012/13 and were likely to roll into 2013/14
- The majority of spend for the Bourne Community Access Point would take place in 2012/13
- The HRA Capital Programme outturn for 2011/12 was £4.709m which represented a variance (surplus) of £0.701m compared with the forecast position and a variance of £2.046m compared to the original budget (this was a result of reprofiling to work more economically and improve value for money)

Members noted variances in repairs and improvements. In response to questions from Councillors, officers advised that the only rights they had to enter a tenant's property was in health and safety related matters (for example replacing boilers or gas servicing).

Councillors asked for an explanation of the entry in appendix A which related to leisure centres, as a 102% variance was shown against Grantham Meres Leisure Centre.

Action Point:

Officers to investigate the variance at the Mere's leisure centre and provide an explanation for PDG members

16. REPORTS FROM WORKING GROUPS

The PDG had a working group that was considering the provision of development management pre-application advice and whether there should be a charge.

Action point

The Development Management Service Manager provides an update report for the PDG on the progress being made in respect of gathering the information for the possible charging for pre-application advice

17. WORK PROGRAMME

A draft work programme for the PDG was circulated and noted. This document would be updated on an ongoing basis.

18. CLOSE OF MEETING

The meeting was closed at 16:58.