

MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

TUESDAY, 8 NOVEMBER 2016 2.00 PM



GROUP MEMBERS PRESENT

Councillor George Chivers
Councillor Michael Cook (Chairman)
Councillor Graham Jeal
Councillor Matthew Lee (Vice-Chairman)

Councillor Adam Stokes
Councillor Brian Sumner
Councillor Paul Wood

EXECUTIVE MEMBER

NONE

OFFICERS

Strategic Director Corporate (Daren Turner)
Community Engagement & Policy Development Officer (Carol Drury)
Strategic Director Environment & Property (Tracey Blackwell)
Executive Manager Environment (Ian Yates)
Corporate Finance Manager (Richard Wyles)
Business Manager Venues & Facilities (Paul Stokes)
Financial Accountant Team Leader (Amy Oliver)
Executive Manager Commercial (Judith Davids)
Business Manager Building Control (Heather Jones)
Admin Assistant Democratic Services (Anita Eckersley)

30. MEMBERSHIP

The PDG was notified that Councillor George Chivers would be substituting for Councillor Mike Exton for this meeting only.

31. APOLOGIES

Apologies for absence were received from Councillors Evans, Exton and Morgan.

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32. DISCLOSURE OF INTERESTS

No interests were disclosed.

33. ACTION NOTES FROM THE MEETING HELD ON 15 SEPTEMBER 2016

The action notes from the meeting held on 15 September 2016 were noted.

34. UPDATES FROM PREVIOUS MEETING

A Member queried whether the information noted as an action point under action note 26 regarding the Financial Report 2016/17 Quarter had been emailed to Members. It was confirmed no information had been received by Members and the Strategic Director would follow this up.

Action Point:

The Strategic Director, Commercial noted he would ensure that Members were emailed an overview of the impact of the introductory reduction in rental income in Broad Street, Stamford and how this would be offset in future years of the lease.

35. FEEDBACK FROM THE EXECUTIVE

The Strategic Director, Commercial noted that the Medium Term Financial Strategy (MTFS) would be on the November Council Agenda. He thanked the Members of the PDG for the work undertaken during the review of the Medium Term Financial Strategy (MTFS).

36. ELECTED MEMBER DEVELOPMENT PROGRAMME

The Community Engagement and Policy Development Officer presented report number LDS188 on the Elected Member Development Programme. The purpose of the report was to provide the PDG with a review of the Member training that had been delivered since the 2015 election to the Council. The report included details of attendance and Member's feedback.

Feedback from the previous term of office had highlighted that some Members had felt bombarded with information during the induction process which followed the election. As a result of this the training programme developed to follow the 2015 election was streamlined and a calendar of core and skills training had been provided over two phases lasting throughout 2015 and into the spring/summer of 2016. An overview of the training events offered to Members during induction and the first two phases was provided.

Training for Members who had been appointed to Development Control, Licensing and Governance and Audit was mandatory. The three mandatory

training events initially provided ensured that Members were appropriately trained and able to participate in the Committees they had been appointed to. Additional one-to-one training had also been provided for Members appointed to committees during the year. Training opportunities within the Member development programme were both generic and topic specific and were open to all Members. A number of non-committee Members had participated in mandatory training sessions which meant there was a pool of potential substitutes or future committee members. It was noted that attendance figures relating to mandatory sessions had highlighted that not all Members of the three committees had attended training during this term of office.

After the first year of training, Members had been invited to complete an on-line survey regarding the experience of the training offered. A paper copy of the survey had been provided for Members unable to access the survey on line. Members had been asked to provide information about the events they had attended and highlight any suggestions or opportunities for further training they felt would be helpful to them. A total of 26 Members had completed the survey with an average of 16 providing a response to every question and an overview of the responses to the survey was explained.

As a result of the responses to the survey and based on the original training plan, a new draft programme of events had been developed. Members comments and views were being sought on the draft training and development plan for winter/spring 2016/17. The programme would be delivered through a mixture of internal and external trainers.

Members commented on the structure of the recent Member training; whether more emphasis could be placed on mandatory training; whether officers received training on how to present reports at committee; whether Members could be provided with up to date staff lists / information on a regular basis and whether there would be further training on scrap metal licensing for the Licensing Committee. Further discussion took place on the timing and location of training sessions.

Members were reminded that mandatory training could only be provided for Members assigned to the Development Control, Licensing and the Governance and Audit committees. Members attendance at all other training was voluntary. It was noted that the survey had asked the question about timing of training and morning sessions appeared to be the most popular. Where possible training sessions had been arranged for morning, afternoon and evening. Any sessions listed in Appendix A as cancelled were due solely to a lack of bookings for these sessions and all related to events planned for evenings.

Any training requests received would be considered but it was noted that training for a group of Members would be more cost effective than for individuals.

Action points:

Scrap Metal Licensing Training to be added to the draft 2016/17 plan.

Members to forward suggestions or requests for relevant training directly to the Community Engagement and Policy Development Officer.

37. FRAMEWORK FOR ASSESSING TRADING OPPORTUNITIES

The Executive Manager, Environment presented report number ENV647 regarding a framework for Assessing Trading Opportunities and further developing the overall guiding principles of when it would or would not be appropriate for the Council to enter the market to trade. He noted that this was an initial discussion document that had been prepared in response to a requirement for a framework to be developed on how to assess, determine and decide trading opportunities which could include the introduction of new chargeable services delivered directly by the Council.

Members were reminded of the Council's agreement to establish a Local Authority Controlled Company (LACC) that would create opportunities to deliver the Council's aims and ambitions outside local government operating arrangements which could possibly create, over time, an entity to deliver financial benefits back to the Council. Reference was made to the draft Business Plan for the LACC and how it sets out a range of strategic aims as well as the intended approach to business development. Such as seeking to balance commercial returns with positive community and economic outcomes, whilst looking for opportunities to enter the market where an existing market may have failed.

When deciding whether it would be appropriate for the Council to enter a market, a wide range of issues and factors would need to be considered. Such as whether it would conflict with the Council's aims and objectives even if it was a profitable option; high levels of risk associated with market entry due to prohibitive costs; the possibilities of improving or initiating agreements with other businesses already established in the market place in order to work in a collaborative manner and provide solutions for the market.

A framework could comprise of three broad headings that categorised the factors that would need to be considered when establishing a decision whether or not to enter a market. Under each heading key trigger questions would be a checklist for the outcomes of the main aims or objectives.

- **“Delivers benefit from entering a Market”** suggested questions were:
 - Can we enter the market and gain a share with little or no risk?
 - Would involvement improve the offer if there was market failure?
 - Would an existing profitable market be upset if the company got involved?

- Could we act as a catalyst for creating a new service/market?
- **“Delivers value or improved outcomes for our communities”**
suggested questions were:
 - Would it deliver outcomes that supported the council’s priorities?
 - Would it fit within the councils values / would it be ethical?*
 - Would it drive positive outcomes or improve efficiencies?
- **“Contributes to the wider resources and or financial benefits”**
suggested questions were:
 - Would it help cost recovery*
 - Would it contribute to fixed costs and maximise existing resources and assets?
 - Would it enable new skills to be secured?
 - Was the cost of market entry prohibitive?*

The process of how to score the results of the outcomes from the proposed criterion would also require careful consideration but would need to be kept simple and proportionate. Whether answers to the questions clearly enabled involvement or whether a blend of the results would be a better way to determine the outcome would need to be decided. It was suggested that a blend of criterion might be the better way to establish a decision.

The following processes were suggested for evaluating decisions:

- (a) A detailed set of guidance notes with examples could be produced in order to place a score on each element. There would be relative weightings involved with specific scores for each component / element of the assessment. This would result in an overall score, or
- (b) To allow a subjective decision to be made based on the objective analysis of each criterion. A documented narrative would be required for each element and then a judgement made based on the evidence that all the relative factors had been taken into account. The analysis and recommendation would be put forward for a final decision.

It was suggested that (b) should be the initial route taken.

Members discussed:

- The types of business the LACC might be involved with and several suggestions were considered;
- How competitive the LACC would be and whether it would be in competition with other business;
- As the initial focus of the LACC was to support the housing rental sector, would the company be in a position to look at further opportunities without over stretching it’s resources;
- Would the company be employing staff directly or transferring staff;

- That the assessment should be “less not more” to allow flexibility;
- Whether the framework should be more “opportunity based”;
- Would the company be better placed working with partnerships that were already established and already working with the Council;
- Who would be responsible for and manage the evaluations of any opportunities;
- Members felt that the questions mentioned under the categories reflected an appropriate approach. It was also felt that the question “Can we enter the market and gain a share with little or no risk?” was also a showstopper question along with the other questions asterisked above and in the report.

The Strategic Director Environment & Property reiterated that the paper was a discussion document only to enable a conversation around how to create a framework for assessing and deciding what opportunities would be appropriate for the Council to consider. The LACC would set out its approach through its business plan. She explained the governance arrangements and noted that the Shareholder Committee would be the body to monitor and oversee the delivery of the business plan by LACC. The make up of Members on the Shareholder Committee was politically balanced. The Directors of LACC would initially be officers of the Council appointed by the Shareholder Committee but there would be opportunities to appoint external directors with appropriate experience to the LACC depending on the type of activity going forward.

The Corporate Finance Manager explained that a Business Plan containing cash flow forecasts and other financial details would be developed for the LACC. Any opportunities would need to fit within this and would be dealt with through the Shareholder Committee. The Shareholder Committee would monitor the outcomes delivered by the LACC. The Resources PDG would not have a role of monitoring the LACC. The LACC would have to be at arms length of the Council as it would be a commercial entity with commercial characteristics and therefore would need to be separate from the Council’s decision making processes.

Action point:

The Executive Manager, Environment would take on board the comments made by the PDG in the development of any further assessments.

38. COUNCIL TAX BASE 2017/18

The Corporate Finance Manager presented report number CFM394 regarding setting the Council Tax for the forthcoming financial year which formed a key part of the Council’s funding stream to meet service delivery requirements in 2017/18. The setting of a realistic collection rate for Council Tax in 2017/18 was an essential element of the overall budget strategy. It was anticipated that a collection rate of 98.80% would be achieved this year and would form the basis of the collection rate for the forthcoming year.

Members were reminded of the requirements of the Local Government Finance Act 1992 amended by s84 of the Local Government Act 2003 which allowed each local authority to make its own arrangements for adopting the Council Tax Base. The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 (SI 2012:2914) provided amended statutory guidance to incorporate changes following the introduction of the Local Council Tax Support Scheme (LCTSS).

In determining the Council Tax Base for 2017/18, a number of factors had to be taken into consideration;

- The calculation of the Tax Base for parish purposes which was based on the number of properties and the discounts and exemptions applicable as prescribed by legislation.
- Adjustments for the reductions in the Tax Base as a result of the Local Council Tax Support Scheme (LCTSS).

The proposed 2017/18 Tax Base for South Kesteven would be an increase of 1.06% on 2016/17 Band D equivalents. Total Band D Equivalent properties including the changes for Local Council Tax Support Scheme (LCTSS) Scheme would be 46,119 which would be an increase of 1.5%.

In respect of Government funding for parishes the Local Council Tax Support Scheme (LCTSS) reduced the Tax Base which impacted on income for the local Parish and Town Council's and the ability to raise their own precepts which would be lower based. The Government through revenue grant allocation had provided a level of funding to support the shortfall at parish level. Due to there being no mechanism in place to make payments directly to Parish or Town Councils, the Council had created a method to allocate the parish element of the grant.

Based on the methodology agreed by the Executive the forecast parish element of the LCTSS grant to be distributed from the overall grant would be reduced by incremental amounts between 2016/17 and 2019/20. For 2017/18 the allocation would be reduced by £28,604 to £43,110. The impact would differ for each parish depending on the growth in their respective tax base and changes in Council Tax support claimants.

Parishes had been notified of the changes to their grants and were reviewing their options to meet any shortfalls either by increasing their precept, reducing expenditure or a combination of both.

Members queried whether the 1.06% increase was a flat rate across all the parishes and whether all parishes would receive the same amount. It was noted that the 1.06% was an average across all parishes because each parish varied. Grantham for instance has had a higher percentage of growth than other areas.

Recommendation:

The PDG recommends to the Executive the approval of:

- a) The adjusted Council Tax Base for 2017/18 to be set at 46,119.4 Band D equivalent properties.**
- b) The adjusted Council Tax Base for each parish as set out in Appendix A**
- c) The distribution of the Local Council Tax Support Scheme (LCTSS) grant for 2017/18.**

39. FEES AND CHARGES

The Corporate Finance Manager presented report number CFM393 on the draft fees and charges proposals for 2017/18. The main focus of the report was around discretionary charges. Members were informed of the wide range of services provided by the Council for which it was able to make a charge, either under statutory powers (set by the Government) or discretionary (set by the Council).

The majority of Statutory Charges were set nationally which meant local authorities had little or no opportunity to control them. The income received from these charges was important as it contributed to the overall financial position of the Authority. Income would not increase in line with other fees and charges set by the Council. Statutory or other areas established by local bye-law with a discretionary element to the charges were included under Statutory Charges.

Local authorities made their own decisions when setting the level of Discretionary Charges. When setting these fees and charges, the Council's approach had to be clear and in line with the principle established in the recently updated Medium Term Financial Strategy (MTFS) and should be reviewed annually with any changes having due regard to priority outcomes.

The setting of fees and charges was a fundamental element of the Council's businesslike approach to deliver the Medium Term Financial Strategy (MTFS) and Corporate Plan. The Council was establishing a strong commercial value using comprehensive market knowledge when setting fees and charges. The move toward more outcomes based budgeting would target resources and see greater investment in strategic priorities. Business areas generating income would allow greater reinvestment, the potential to self finance and contribute to fixed costs.

The Resources PDG was being asked to consider the draft fees and charges proposals for 2017/18 and make specific recommendations to the Executive. They were also being asked to consider whether a fundamental review of all

discretionary fees and charges in accordance with the Medium Term Financial Strategy (MTFS) principle should be included in their work programme.

The proposals for 2017/18 included some changes but the suggested approach moving forward was to provide the PDG with more detailed information that would enable discretionary fees and charges to be considered within the overall context of the agreed principle. The proposed methodology required a varied range of information that would not always be available or held in a consistent format. Consideration of competition, market segmentation and potential limitations of contributions to fixed costs would also need to be taken into consideration. Fees and charges could be used strategically to encourage change and help deliver against corporate priorities.

Areas suggested for initial focus in the Resources PDG work plan were reviews into car parks, bus stations, Markets, Arts Centres & the Corn Exchange using the following criterion:

- The relative contribution towards the priorities of the council
- The basis on which fees should be set – consideration given to whether the fees should be set at a cost recovery level or a subsidy level
- Benchmarking information, where possible, of similar charges for the district and comparable authorities/service providers

The methodology would be applied on a phased basis to all discretionary fees and charges that fell within this proposed approach. A brief narrative had been provided that explained some of the wider considerations and implications of approaching fee setting from a broader perspective.

It was proposed that the fees remained at the 2016/17 levels for 2017/18 but by applying the methodology it would allow the Council in future years to:

- Undertake benchmarking with other local authorities and comparable service providers
- Clearly ascertain the right level of subsidy for the area under review
- Demonstrate the link between the charge and the cost of providing the service
- Identify the contribution made to assist the Council in achieving its corporate priorities through linkages to key strategies such as the Economic Development Strategy

The Executive Manager, Environment referred to page 28 of the document regarding Neighbourhoods – He explained how the newly formed Neighbourhoods team was more vigorous in its approach to neighbourhood issues such as littering, fly tipping, street scene and enforcement issues. This had resulted in a number of fixed penalty notices being issued. The PDG was asked to consider the proposed fees and the early payment discount.

An overview of options that were felt could address behaviours and attitudes in fly tipping and littering in some areas was provided but it was emphasised that a realistic and proportionate approach would be required. New fixed penalty notices could be issued but consideration had to be given to whether it was appropriate or practicable to issue a £400 not discounted notice for fly tipping offences across the board or whether a £200 discounted fixed notice if paid within 10 days would be more appropriate. Issues around bad habits and behaviours to fly tipping meant that some offenders would end up being prosecuted should there be repeat offending.

It also had to be emphasised that issuing fixed penalty notices would not be used as a form of Revenue but would be used as one of the means of addressing behaviours and attitudes to fly tipping and littering.

Members sought clarification on:

- What happened to offenders who did not pay and would the cost of chasing any debt be taken into account;
- How would repeat offenders be dealt with;
- Whether CCJs would be a better, quicker and easier option;
- Concern was raised about the impact of neighbouring authorities closing tips and fly tipping increasing in outlying areas.

It was noted that fixed penalty notices had to be proportionate but there were hidden costs in recovering an outstanding debt. The fixed penalty notice option and figures quoted were taken from Government Guidance.

Recommendation:

The PDG recommend to Executive that the £200 discounted Fixed Penalty Charge be implemented but this would need to be monitored and reviewed in respect of cost implications regarding recovering any outstanding debt.

MOT Testing – No increase was proposed on MOT testing based on the Vehicle and Operator Standards Agency (VOSA) recommended fees.

The Business Manager, Venues & Facilities Management was invited to provide a commentary on the various elements of Fees and Charges that fell under his remit.

Car Parking – Current tariffs had remained the same since 2010 creating relatively stable usage. Town centre parking was a major component of a viable town economy and tariffs used as a traffic management tool. Classification of car parks had remained unchanged and the approach of cheaper out of town parking and higher charges for short stay parking would be maintained.

Discussion took place around the impact of tariffs on the economic viability of towns and the control and influencing of parking behaviours and patterns; the impact of larger stores having free car parking and the administration charges when paying by phone.

Action point:

The Business Manager, Venues & Facilities Management, to clarify for Members the administration charges when paying by phone.

Bus Station Departure Charges – The Council provided bus stations in Grantham, Stamford and Bourne and had in the past sought to recover the operational costs of each station from the departure charges that were levied on bus operators that used them. Initial benchmarking had confirmed that current charges were relatively high and that each bus station varied in the facilities provided.

Discussion took place around the subsidies for each bus station.

Markets – Weekly markets offered a key economic viability for each of the market towns and attracted visitors from outside the district though the economic performance of some markets had declined in recent years. A number of initiatives to stimulate and promote them had been used such as farmers markets, French markets and more recently a beach theme at Grantham during a weekend in the summer. Stall letting charges had been increased with inflation to keep pace with annual cost increases but evidence suggested that annual fee increases could actually be harming the viability of some markets rather than increasing annual revenue.

Discussion took place on the range of tariffs for the markets; why some markets had higher tariffs; the popularity of each market; the level of subsidy for each market and the land holder rates charged particularly for the Grantham Market.

Cycle Centre – No increase was proposed. An alternative charging structure would be required after the introduction of the wider St Peters Hill Development.

Leisure Centres – Leisure Centre fees and charges were set by the contractors.

Discussion was around footfall at each leisure centre; who drove the policy on supply and demand; the cost of maintenance and replacement of the floodlights at the SKDC Sports Stadium and whether there was an allocated cost to replace the flood lights at the stadium;

Councillor Paul Woods left the meeting at 15.40.

Arts Centres & Corn Exchange – The arts venues at Grantham and Stamford offered a wide and diverse range of activities and attracted several sources of income. The fees published related predominantly to hire charges for weddings, conferences and commercial hire.

Discussion too place on the subsidies for each of the arts centres. More detailed information would be provided for the review.

Green Waste & Domestic Refuse – Current charges for domestic refuse were in line with neighbouring authorities. It was felt that an increase in the charges could lead to a reluctance to use the service and potentially increase fly tipping. Green waste charges for 2017/18 would remain the same following a review of 2016/17 charges.

Grantham Cemetery – A Member requested that consideration be given to looking at the charges for interment for people residing outside the Grantham boundary and that consideration is also given to changing the language under item 2 on page 30 of the report.

Recommendation:

The PDG recommend that the Executive approve the fees and charges for 2017/18 as outlined in the reports, and

That the PDG includes in their work programme a fundamental review of all discretionary fees and charges in accordance with the Medium Term Financial Strategy principle.

40. REVIEW OF CHARGES SCHEME FOR BUILDING CONTROL

The Executive Manager Commercial explained that East Midlands Building Consultancy (EMBC) was a shared services partnership formed in July 2014 between South Kesteven District Council and Rushcliffe Borough Council to deliver the building control services. Newark and Sherwood District Council joined on 1 April 2016. South Kesteven District Council was the host Council.

As the Building Control service was in direct competition to the market of Approved Inspectors, it was important that their fees and charges remained commercially viable and that the service had the flexibility to respond and adjust their fees in response to changing market conditions. There were also stringent regulations stipulating that the service should not make an excessive profit or loss. For these reasons the paper was being tabled for separate immediate approval of the changes and also requesting delegated officer authority to adjust fees and charges mid-year as required going forwards.

The Business Manager, Building Control presented report number COM002 on proposed changes to charges following a review of fees and charges for the East Midlands Building Consultancy (EMBC) Building Control Partnership.

The Building (Local Authority Charges) Regulations 2010 stated that, taking one financial year with another, the income derived by the authority from performing chargeable functions as near as possible equated to the costs incurred by the authority in performing chargeable functions. Building Control had very specific regulations and could not make a profit or a loss.

A stringent review of the existing scheme of fees and charges for the building control service had recently been undertaken by the Business Manager for EMBC. The proposed increase in fees had been discussed and agreed, in principle, at the EMBC Partnership Board on 9 September 2016. Although both partner authorities had officer delegated decisions to approve these changes, it was recognised that this would be subject to South Kesteven District Council's own internal approval mechanisms as the host authority.

Subject to approval, the amended charges would take effect from 1 February 2017, the Building (Local Authority Charges) Regulations 2010 ("the Regulations") required a Council to publish the fact they had made, replaced or amended a charging scheme with their area at least 7 days beforehand and to provide details including the date it would take effect. The charging scheme would be made available for inspection by any member of the public free of charge.

The PDG were advised of the current position and all proposed changes, omissions and increases to a variety of elements and provided with an overview of the reasoning behind the changes. These changes were detailed in the report and appendices.

Members commented that they were happy to see some omissions as well as an introduction of new fees that had not previously been implemented and queried whether the partners of the EMBC would accept the new charges.

The Executive Manager Commercial confirmed that the EMBC were supportive of the changes.

RECOMMENDATION:

The Resources PDG recommends to the Executive that:

- a) The amendments to existing Fees and Charges and the additional charges identified in the attached report and in Appendix 2 for EMBC be introduced and;**
- b) The Strategic Director Corporate in consultation with the Executive Member for Resources and ICT be given delegated powers to approve subsequent changes to the charges in Building Control.**

41. WORK PROGRAMME

Members of the PDG noted the contents of the work programme and agreed that a fundamental review of all discretionary fees and charges in accordance with the Medium Term Financial Strategy principle be included in their work programme.

42. CLOSE OF MEETING

The meeting closed at 16.00.