

MEETING OF THE RESOURCES POLICY DEVELOPMENT GROUP

THURSDAY, 24 NOVEMBER 2011
2.30 PM



GROUP MEMBERS PRESENT

Councillor Bob Adams
Councillor Mark Ashberry
Councillor Michael Cook

Councillor Nick Craft (Chairman)
Councillor Bob Sandall
Councillor Jacky Smith

OFFICERS

Strategic Director (Daren Turner)
Head of Finance (Richard Wyles)
Principal Democracy Officer (Jo Toomey)

32. MEMBERSHIP

Group members were notified that Councillor Adams would be substituting for Councillor Scott and Councillor Ashberry would be substituting for Councillor Dilks for this meeting only.

33. APOLOGIES

An apology for absence was received from Councillor Bevan.

34. DECLARATIONS OF INTEREST

No declarations of interest were made.

35. ACTION NOTES - 6 OCTOBER 2011

The action notes from the meeting held on 6 October 2011 were noted.

36. UPDATES FROM PREVIOUS MEETING

A street-cleaning machine that removed chewing gum had been purchased. This resource would be deployed across the district as required at the discretion of the Waste and Recycling Service Manager.

37. FEEDBACK FROM THE EXECUTIVE

The Cabinet would consider the PDG's fees and charges recommendations at its meeting on 5 December 2011.

38. LOCALISATION OF SUPPORT FOR COUNCIL TAX

The Head of Finance summarised report number HOF180 on the localisation of support for council tax from 2013:

- The process through which funding was passed to the authority who administered benefits would be streamlined.
- From 2013/14 SKDC would receive a 10% reduction in the amount of council tax benefit it received in subsidy payments. The Authority would have the power to top-up the funding to the previous level.
- Any changes to the eligibility of entitlements would be protected for pensioners and other vulnerable groups (these had not been defined).
- Ring-fencing certain groups would mean reductions in benefits would be felt disproportionately by those who did not fall into those categories.
- Work was required to model the impact of the change, potential increases in claimants and the possible impact on council services.

PDG members discussed the changes to council tax benefits. It would be difficult to model scenarios without the definition of 'vulnerable groups'. Officers would model scenarios based on information within the Council's existing databases to understand the number of people affected and the extent of the impact. The Council would need an agreed policy ahead of the budget setting process for the 2013/14 financial year.

Some members expressed a view that instead of topping-up benefits, work to stimulate higher wages would offer longer-term benefits for the district.

PDG members suggested that officers work with colleagues in

neighbouring authorities. Councillors discussed the risks of neighbouring authorities having different schemes: residents could migrate between districts to find the most favourable rates and different systems would cause confusion. Group members also considered other risks including the effect on council tax arrears and the collection of council tax on behalf of the major precepting authorities.

Action Point:

- ***When more information on the definition of 'vulnerable groups' is available, begin dialogue with neighbouring authorities.***
- ***Model the impact of the changes and provide a breakdown of those in vulnerable groups and the level of benefit they are claiming.***

39. PROPOSAL FOR BUSINESS RATES RETENTION

The Head of Finance, in summarising report number HOF 179, explained that from 2013/14 there would be changes to the collection of business rates:

- Existing arrangements saw local authorities collected business rates. These were pooled nationally and handed back through formula grant on a per capita need basis.
- Under the new scheme, business rates would continue to be set centrally. The policy objective was that those with an increasing business rates taxbase should gain; those with declining business tax base would lose.
- Each local authority would be provided with a 'needs baseline'. This would be confirmed as part of the spending announcement.
- A system of tariffs and top-ups would be introduced, allowing for authorities' different capacities to generate NDR income.
- Not all business rate income would return to the local authority – some would fund New Homes Bonus grant payments and the Section 31 grant.
- The authority could lose from 're-setting' where NDR income exceeded the baseline and a new, higher baseline would be set.
- There would be a cap on growth, receipts from disproportionate growth would be retained nationally.
- LG Futures had been commissioned on behalf of Lincolnshire authorities to model potential scenarios, their calculations were included in the report.

Councillors discussed the proposals and highlighted the risks associated with fluctuating developments in the region. Debate also included discussion on the creation of enterprise zones; the Local Enterprise Partnership ran cyclical bidding rounds through which local authorities could bid for enterprise zones in their area. Bids submitted by SKDC during the last round were unsuccessful, however further bids could be submitted in future rounds.

40. FEES AND CHARGES - WORK PROGRAMME

Following two working group meetings, the PDG made a number of recommendations on fees and charges. The recommendations were included in report number HOF178, which the Cabinet would consider at its meeting on 5 December 2011. Following that meeting, any proposed changes would go forward for the appropriate public consultation.

The PDG was still awaiting the final report from Deloitte. Following its receipt, the PDG would produce a work programme. While the work would roll over into 2012, Councillors could develop a comprehensive report by mid-summer. Officers also reminded Councillors that if they chose, fees and charges could be changed at any point during the year. The new Localism Act could also affect councils' fees and charges policies.

41. FINANCIAL REPORTS 2011/12 - MONITORING INFORMATION

Report number HOF182 by the Head of Finance provided an update on the Council's financial position at the end of September 2011.

- An underspend was forecast against the general fund because of in-year efficiencies together with vacancies held and the sharing of staff with another authority.
- The income budget for Development Management was not achieving budget projections because of a change in the type of applications received. Should a major planning application be submitted then this would show significant improvement to income levels.
- An underspend was forecast against the Housing Revenue Account.
- The contract for repairs and maintenance was below budget because of lower tendering prices.
- The housing subsidy for the second quarter was lower than budgeted levels.
- The average void rate was 1.45% against a budgeted rate of 1.5%.

- An underspend was forecast against the HRA capital programme. This was due to the timing and repackaging of some contracts. More information would be available for the PDG's next meeting.
- The overall staff full time equivalent was 606 against a budgeted level of 629.

Councillors discussed the MOT service provided by the Council. Some members suggested that signage did not make it clear that the service was available to members of the public. The service was advertised on the home page of the Council's website and was featured in a recent edition of SK Today. In-house testing had helped the council achieve efficiencies and cashable savings. Pool cars, which had previously been replaced when an MOT was required at three years, were subject to less frequent replacement. It was suggested the Council's MOT service could be tied in with taxi licensing. Councillors also suggested a small amount of proactive work advertising the service to car dealers could increase take-up.

Councillors discussed further spending on Grantham Cemetery against the Special Expense Area and questioned the impact should costs continue to escalate. The Head of Assets had recently met with the contractor to discuss the issue.

Following a question on the number of vacancies held by the organisation, officers explained that when a vacancy arose, a review of their work was carried out. The manager would consider whether the work could be absorbed by developing new ways of working or whether there was a business case for recruitment to the post.

42. CLOSE OF MEETING

The meeting was closed at 16:38.