

**RECOMMENDATIONS TO COUNCIL ON 25 FEBRUARY 2017 FROM CABINET
ON 2 FEBRUARY 2016**

CAB124: THE FINANCIAL PLAN 2015/2020

Councillor Daubney presented the financial Plan for 2015/2020 which projected the budget for a 5 year period in a climate of austerity. He referred to earlier budgets where the anticipation was how much the Revenue Support Grant (RSG) had increased, whereas now the budget was about how much the RSG had decreased and its phasing out. The future for budgets entailed local taxation and business rates retention which would be key, the detail of which was still to come from the Government. Councillor Daubney explained that the key was to ensure the savings were found, and the risks mitigated, he considered the Council had a strong record of finding savings, although it would get harder. He further drew attention to the election pledge he had given that Council Tax wouldn't rise above inflation, therefore in accordance with that undertaking, he was proposing a 0.8% (0.9% RPI as at September 2015) increase in Council Tax. Attention was drawn to the detailed presentations given on the budget at the Panel meetings where the proposals had also been discussed in detail.

The Panels had supported the recommendations. The Section 151 Officer informed Members that in the presentations to Panels detail had been given on the decreases in grant funding which had been included in the report. She wished to thank all those involved in helping her produce the final document, which she considered was one of the riskiest which had been produced.

The Chief Executive re-iterated the point on risk, particularly as the anticipated business rate growth was volatile, notably the number of appeals which were held in the backlog held by the Valuation Office. He also expressed concern about the potential network impact of active lobbying by the County Councils which was arguing that the provisional settlements to Government should bring forward the transfer of funds from New Homes Bonus into the health and care elements of County budgets. If that were to happen, District Councils would suffer the severe consequences financially. He undertook to get on with finding the savings required, some of which would be through efficiencies, some increased income and others a reduction in services provided.

Councillor Beales sought further clarification on the Valuation appeals and whether the concern and the money set aside in the budget related to the 2010 power station ruling, or those appeals being made by the NHS. The S151 Officer responded that any business could appeal their business rates, the budget still held the potential amount awardable should the ruling on the 2010 power station appeal be made during the financial year. If the decision on that did not award the relief, that budget would then be available for the Council to use.

Different information had been forthcoming recently from the Valuation office which at the beginning of the year had supplied information that no more appeals could be backdated. However since that time the Valuation Office had given information on a raft of appeals which they had yet to deal with which would come through, there was

also now the question around potential for mandatory relief for NHS Foundation Trusts.

Councillor Beales asked if the revaluation of business rates due in 2017 would negatively impact budgets. The S151 Officer responded that she felt sceptical that in the new arrangements which were awaited would, as promised, be fiscally neutral for the Borough Council.

Councillor Blunt asked why some parishes would receive a new Special Expense in this budget. It was reported that with the Council Tax freeze it was not possible to increase special expenses. A grounds maintenance review had been undertaken which showed that some parishes had not been charged for work undertaken on their land, as it was now possible to include that charge they had now been allocated accordingly. Councillor Beales asked what communication there had been to parishes on this issue. The S 151 Officer reported that the wording would appear on Council Tax bills as Parish Special Expenses, but it wouldn't impact on parish Precept figures. A report had been submitted to the Panel setting out the detail of the proposals and a letter was being prepared to go out to Borough Councillors to explain the changes with the offer of a copy of the relevant plans etc.

Councillor Daubney also stated that if required Parish Leaders could be invited to a briefing on the matter.

Councillor Long drew attention to the fact that prior to the review the Borough had been cutting grass for some parishes without charging, whilst others were paying for it themselves. The proposals were fair.

Councillor Pope also reminded Members that some parishes would end up paying less.

In response to a question on whether the proposals set out complied with the Government's requirements for an efficiency plan, the S 151 Officer stated that they required a 5 Year Plan which was what had been presented, some other Requirements were still awaited. Work was under way with Service Managers looking at their areas making proposals for savings.

Councillor Pope asked why there was an increase shown in the collection fund surplus in 2017/18, to which it was explained that every year the collection fund outturn was not exactly £250,000 so any difference was fed in periodically.

Councillor Daubney commented that small amounts such as these were helpful, along with things such as the second homes discount changes agreed at Council, but there was no denying the scale of the work ahead.

Councillor Long congratulated the Leader and officers on the delivery of the savings so far, and acknowledged that those still to make were large.

Councillor Daubney reminded Members that in looking at the graphs, this Council had been one of the most successful, which it was everyone's work that had

achieved this, and the Chief Executive was right to point out that the savings would be achieved by efficiency, income increases and service modifications.

Councillor Beales drew attention to the sum set aside to mitigate changes to the Council Tax base and the knock on impact on parish councils, he asked where this sum was derived from. The S151 Officer explained that when the Scheme came into force there was a commitment to pass on assistance to parishes, that assistance was decreasing in line with the original proposals and reductions in R.S.G.

Councillor Daubney thanked the S151 Officer and her Team along with Management Team for producing the document, particularly when the settlement figures came in just over Christmas, resulting in a lot of work to be done in a short space of time.

RECOMMENDED: 1) That Council approve the revision to the Budget for 2015/2016 as set out in the report.

2) That the Policy on Earmarked Reserves and General Fund Working Balance and the maximum balances set for the reserves as noted in the report be re-affirmed.

3) That Council :

i) Approves the budget of £17,970,200 for 2016/2017 and notes the projections for 2017/2018, 2018/2019 and 2019/2020.

ii) Approves the level of Special Expenses for the Town/Parish Councils as detailed in the report.

iii) Approves the Fees and Charges 2016/2017 detailed in Appendix 4.

iv) Approves a Band D council tax of £112.87 for 2016/2017

v) Instructs Management Team to present the Council's Efficiency Plan to Cabinet as soon as the Government guidance is published and that the Council takes up the option to 'fix' the four year settlement referred to in paragraph 1.3 of the report.

4) That the minimum requirement of the General Fund balance for 2016/2017 of £932,756 be approved.

CAB125: CAPITAL PROGRAMME AND RESOURCES 2015-2020

Councillor Daubney presented a report which he felt was an exciting part of the Council's work, the proposals were ambitious and contained:

- revised the 2015/2016 projections for spending on the capital programme
- set out an estimate of capital resources that would be available for 2015-2020
- detailed new capital bids that were recommended to be included in the capital programme for the period 2016-2020
- outlined provisional figures for capital expenditure for the period 2015-2020

Councillor Daubney drew attention to the work carried out in recent years as part of the capital programme such as the Tuesday and Saturday Market Places, the Bus Station, the Crematorium works, Nora and Major Housing.

The S151 Officer commented that it was the most ambitious capital programme within the resources available. The report also gave an update on the key projects. Councillor Daubney drew attention to the fact that the following day he was pleased he would be involved in introducing the new Innovation Centre to the press.

Councillor Beales commented that without the positive capital contributions to the major projects such as Nora and the Major Housing Scheme, it would be difficult to continue to deliver on the revenue side. He reminded Members that it wasn't the Council that benefited from such projects by the Council Tax payer and residents of the Borough. He considered it ambitious but deliverable.

Councillor Mrs Nockolds concurred that the schemes put forward were for the people of the Borough, allowing the running of operational schemes and good quality, well maintained facilities.

In relation to the Bus Station, Councillor Blunt asked whether there was any contingency when a contractor did not deliver on cost. Councillor Beales responded that there was a contingency but that would be spent on things such as an increase to the specification of the project.

All aspects by the Council had been delivered on time, but in this instance no notification was received of the costs and procedure was not followed. The contractor was being asked to explain the overrun and a report would be considered on it.

The Resources and Performance Panel had considered the report and supported the recommendations.

RECOMMENDED: 1) That the amendments to capital schemes and resources for the 2015-2020 capital programme as detailed in the report be approved.
2) That new capital bids which are to be funded from available capital resources and included in the capital programme 2016-2020 as detailed in the report be approved.

CAB126: COMMUNITY INFRASTRUCTURE LEVY: CONSULTATION ON A DRAFT CHARGING SCHEDULE

Councillor Daubney introduced, and the LDF Manager presented a report which explained that the Community Infrastructure Levy (CIL) came into force in April 2010. It allowed local authorities in England and Wales to raise funds from developers undertaking new building projects. The money could be used to contribute to; 'pump prime'; or help lever in investment for a wide range of infrastructure that was needed to support new development. In order to be considered capable of being implemented a CIL must not have a detrimental effect on development (taken as a whole) in the Borough area. Preliminary consultation took place with the development industry and other interested parties in January 2014. A consultation took place on a Preliminary Draft Charging schedule in December / January 2015. The consultant used this information and comment as inputs to a revised Viability Assessment. Officers had now drawn up a Draft Charging Schedule and proposed that the Borough Council should consult on this. The report outlined the proposed rates of CIL.

If agreed the Borough Council would formally publish the Draft Charging Schedule to collect the views of the community and development professionals operating in the Borough, and proceed to an Examination.

In referring to the level of charging the LDF Manager drew attention to the fact that some sites may attract a 0 rating where they were on the edge of viability, which didn't mean that no infrastructure would be sought, but it would be dealt with in a different way. However, where there was no CIL paid, none would be passed to parishes. Where CIL was payable, an instalments arrangement could be made as CIL was due on commencement of work.

Councillor Daubney commented to Members that in coming up with the assessments, a balance was drawn between sensible income for the developers and development for the Borough.

In referring to the different rates for areas, Councillor Beales commented that he felt the areas set out in the reports were right with a balance made taking into account the complexity and reality of the housing market in different areas of the Borough in a transparent manner. He also supported the ability to make stage payments, as it wasn't desirable to have half finished work where the developer wasn't able to finish a project due to up front costs. He asked how making the payments could be enforced, to which it was reported that non payment would result in a charge on the land.

It was noted that affordable homes did not attract CIL payments. Councillor Beales asked if there was the ability to use S106 agreements on sites to ensure education contributions were provided. It was reported that at present the S106 contributions were pooled back as far as 2010, but education would be brought into CIL should members choose to put money into education in the CIL arrangements.

Councillor Beales also drew attention to the fact that for a strategic site, which had large mitigation costs associated with it, it was often about needing to get a site developed, often making the site 0 rated.

Councillor Daubney commended the recommendations drawing attention to the transparency of the process with it providing certainty for developers in what they would be required to pay.

Councillor Blunt asked if there were any controls on what a parish council would be able to use the 25% of the CIL for. The LDF Manager explained that Quality Councils had a higher degree of autonomy, but essentially there were limited conditions apart from those as a public body.

It was noted that the Environment and Community Panels had discussed the report and supported the recommendations.

RECOMMENDED: 1) That the Council undertakes a formal consultation on a Draft Community Infrastructure Levy (CIL) Charging Schedule.

2) That Council Proceeds to formal Examination of the Draft Charging Schedule.

3) That for the purposes of the consultation the draft CIL rates will be those outlined in section 2.4.3 of the Report.

4) That Council authorises the Executive Director for Planning and Environment in consultation with the Leader of the Council to prepare the specific consultation documentation as required, based on the Draft Charging Schedule and the information in Appendices 1, 2, 3 and the consultant HDH's Viability Assessment (January 2016).