

Minutes of Special Policy & Finance Committee

Meeting Date: Tuesday, 7 February 2012, starting at 6.30pm
Present: Councillor E M H Ranson (Chairman)

Councillors:

R Bennett	J Rogerson
T Hill	R J Thompson
S Hirst	N C Walsh
K Horkin	A Yearling
A Knox	

In attendance: Chief Executive, Director of Resources, Director of Community Services, Financial Services Manager.

717 APOLOGIES

Apologies for absence from the meeting were submitted on behalf of Councillors J Hill, K Hind, R E Sherras and D T Smith.

718 DECLARATIONS OF INTEREST

There were no declarations of interest.

719 PUBLIC PARTICIPATION

There was no public participation.

720 PLATFORM GALLERY – RECEPTION REMODELLING SCHEME

The Director of Community Services submitted his report on proposals for the incorporation of the Tourist Information Centre into the Platform Gallery. The report also sought approval for the release of the capital budget of £49,211 for the remodelling scheme.

He reminded Members that the relocation of the Tourist Information Centre to the Platform Gallery was one of a range of measures to help achieve the Council's efficiency measures for 2012/13 and was essential for the proposed reorganisation and remodelling of Level B in the Council Offices to proceed. He commented that the building would have to be more flexible to deal with increased numbers and the range of enquiries. The current reception desk at the Gallery could accommodate one to two people at most and it was envisaged that the new facility would need a minimum of two people at any one time increasing to three during busy periods. A new reception counter was therefore needed.

The number of staff in the building at any one time could also double depending on rotas. A separate back office was therefore required if the combined service was to operate efficiently.

Storage space at the Gallery was an ongoing problem and would be exacerbated with the relocation of the TIC.

Finally as the scheme was closely linked to proposals for Level B Reception it has been assumed that the counter currently occupied by the TIC would remain as part of the new Contact Centre although there was an intention to recycle as much of the display/shop fittings from Level B to the Gallery as possible.

The estimated cost of the scheme was £49,211 however it was pointed out that the actual cost would be dependent upon the following factors:

- The extent of the works and the final specification.
- The cost of any variations to the design or brief.
- Any other unforeseen items.

The Director of Community Services also pointed out that some of the works included in the scheme would become necessary in the near future regardless of the move. This included the replacement of the laminate flooring and refurbishment of the wooden floor.

Members then discussed this matter in some detail.

The Director of Community Services was questioned on the absence of a Business Plan and Members expressed some concerns about the cost of the project. The Director of Community Services explained that the main reason for the project was the need to move the Tourist Information Centre down to the Platform Gallery as part of the overall changes to Level B Reception. He also pointed out the fact that these changes had been mooted quite recently and the lead in time for preparing his report had been very short.

RESOLVED: That

1. Committee approve the proposed layout outlined at Appendix 2 to this report and instruct the project team to develop and tender the scheme based on this layout;
2. approve the project programme as outlined in Appendix 3 and instruct the project team to manage the scheme based on this programme;
3. approve the estimate cost as outlined at Appendix 4 and instruct the project team to proceed with the scheme based on these costs combined with those for Levels B and C Receptions; and
4. a full report including a Business Plan be presented to the next meeting of Policy and Finance Committee.

721

OVERALL REVISED CAPITAL PROGRAMME 2011/12

The Director of Resources submitted her report to Committee to consider the overall revised Capital Programme for 2011/12. She pointed out that the Council

had spent only 40% of the revised estimate to date. With just over £100,000 of the above under-spend in respect of the recently awarded flood grants where the work would be completed by the end of March under the terms of the grant.

The Council had also just been notified that it was to receive additional resources from the Government for disabled facility grant schemes. The additional grant income had been used to increase the grant budget by £19,180. However it was anticipated that this would not be spent by the end of the financial year and so the increased budget had been moved to the 2012/13 financial year.

Furthermore the above revised estimate had been prepared on the assumption that the earlier agenda item on the remodelling of the Platform Gallery was approved. It was proposed to move a large proportion of the Capital Budget to the 2012/13 financial year.

She listed the variations in resources and expenditure to those anticipated at this time last year.

Overall expenditure had increased by £149,880; there had been some substantial increases to the Capital Budgets through the addition of schemes and slippage, which had largely been offset by the transfer of a large portion of the budget to the 2012/13 financial year. This was particularly in respect of:

- Whalley Moor Woodland paths and nature trails;
- purchase of refuse vehicle; and
- housing grants.

RESOLVED: That Committee approve the overall revised Capital Programme for 2011/12 as now set out in the Director of Resources report.

722 OVERALL CAPITAL PROGRAMME 2012/15

The Director of Resources submitted her report for a 3-year Capital Programme for 2012/13 to 2014/15 for submission to Full Council.

She commented that in August 2011 the Budget Working Group had reviewed the Council's Capital Programme, they had agreed the following:

- that the Capital Programme should cover the term of the current Council. The current Council covers the years 2011/15 and therefore there are three years remaining;
- the forward programme should be analysed into the following themes:
 - housing services;
 - service support and delivery;
 - economic growth and prosperity.

- this was to compare proposed expenditure alongside the appropriate resources available eg economic growth and prosperity schemes, funded by the New Homes Bonus;
- Heads of Service be invited to submit scheme bids for the forward programme;
- schemes put forward should be the absolute basic requirements to keep the Council's services running over the coming 3 years.

The resources shown for 2012/13 included anticipated spare resources carried forward from 2011/12 of £155,700. Clearly the total programme as submitted to service committees was unaffordable.

The submitted Capital bids were reported to the Budget Working Group in September 2011 where the schemes were discussed in some detail. Members were clear that any schemes should be the absolute basic requirements to keep the Council's services running over the coming 3 years. A substantial amount of capital budget was recommended for transfer to the 2012/13 financial year. The reasons and the amounts were detailed for Committee.

Corporate Management Team had reviewed the potential programme in early January 2012 in line with the remit given by the Budget Working Group. In addition Corporate Management Team considered the total capital resources available. The Budget Working Group had met on the 16 January to consider the Capital Programme and their recommendations were incorporated in the report alongside the original bids. Corporate Management Team had recommended to the Budget Working Group that four schemes be removed from the proposed Capital Programme. These were as follows:

- Non-specific measures to reduce energy consumption in Council buildings.
- Introduction of photovoltaic schemes – main offices, pool, depot.
- Energy efficiency grant.
- Renewable energy source grants.

Two further schemes were recommended for reduction, it was suggested that the disabled facilities grant bid would be reduced from £150,000 per annum to £120,000 per annum and that the landlord tenant grants bid be reduced from £100,000 to £75,000 per annum.

Whilst the recommendation was for a reduction in the level of these capital bids for 2012/15 there was a large amount of capital budget being moved from the current financial year to 2012/13 in respect of these two schemes. The revised Capital Programme for 2011/12 recommends that £69,180 be moved to 2012/13 in respect of disabled facilities grants and £45,000 is moved in respect of landlord tenant grants.

Resources to finance the proposed Capital schemes had been applied in a manner to best match the nature of the asset and the anticipated asset life. Use of borrowing and the VAT shelter reserve had been kept to an average of approximately £100,000 per annum for each method of finance in line with previous Budget Working Group recommendations.

*** RESOLVED: That Committee recommend to Full Council the Capital Programme for 2012/15 as set out at Appendix 3 of the report. ***

723 OVERALL REVENUE BUDGET 2012/13

The Director of Resources submitted a report asking Committee to approve the revised revenue budget for 2011/12 and recommend a revenue budget and precept to Full Council for 2012/13.

The revised estimate showed a reduction in Committee expenditure of £339,000. The Director of Resources highlighted some of the main reasons for the difference, these included savings on staffing costs as a result of non filling of vacant posts, a freeze on non essential expenditure, additional benefit subsidy and release of the concessionary travel budget. Further savings were made due to the use of earmarked reserves which resulted in overall savings of £519,000. This would result in an amount of £332,000 being added to general fund balances and the end of the financial year compared with the Original Estimate which anticipated taking £186,000 from balances. From the savings the Budget Working Group recommended transferring £267,000 to replenish capital reserves and £92,000 to the Planning earmarked reserve fund. She commented that the revised budget would result in general fund balances in hand at 31 March 2012 of £1.422m.

The Director of Resources reported that the Local Government Finance Settlement confirmed the second year grant for 2012/13 as part of a two year settlement. The final announcement was made on 31 January 2012 and this Council would receive £2.902m after rolling in Council Tax Freeze Grant.

She highlighted the uncertainty surrounding local government finances for the forthcoming year including the localisation of business rates and council tax support. She referred to the review of the council's services which had taken place in the Autumn and had resulted in savings of £645,000 in the base budget. These had been incorporated into Committee estimates.

The Director of Resources informed Committee that the Council's second year allocation of New Homes Bonus Grant was £105,188. However recent representations to the Department for Communities and Local Government regarding the impact of rebandings on the calculation had resulted in the Council being allocated a further £12,400 per annum for six years. She added that the collection fund deficit was £90,434 of which this Council's share was £9,643.

She explained that Committees had approved their draft budgets as submitted, with an exception to Health and Housing Committee's budget where it was resolved to freeze cabin rents for Clitheroe Market for 2012/13 and 2013/14

following changes to how the market was rated. The reduction in income would be met from the reduction in the business rates budget for the market.

The Budget Working Group had considered the overall budget and made a number of recommendations:

- The Band D council tax for next year be frozen at £140.69, to take advantage of the Government's Council Tax Freeze grant of £78,910. This amount to be netted off the sum to be taken from general fund balances so as not to impact on the base budget.
- That a contingency item of £75,000 is added to the budget in case a pay award is agreed nationally.
- That the car parking charges for up to 2 hours for town centre car parks in Clitheroe and Longridge be frozen.
- That the pensions reserve of £438,150 be amortised to revenue over 12 years commencing in 2012/13.

The Director of Resources commented on the robustness of the estimates and the adequacy of reserves. She added this was a legal requirement. She also referred to the updated Medium Term Financial Strategy and the Council's three year budget forecast.

She explained that if Committee agreed with the Budget Working Group's recommendations the net budget for 2012/13 would be £6,048,282 after taking £20,733 from general fund balances. This resulted in a council tax requirement, including parish precepts, of £3,528,054 or £3,156,239 excluding parish precepts.

RESOLVED: That Committee

1. Approve the revised budget for 2011/12 as set out in the report;
- *** 2. Recommend to Full Council on 6 March 2012, a council tax requirement including parish precepts of £3,528,054, with no increase in the Band D Council Tax, which would remain at £140.69. ***

724 MEDIUM TERM FINANCIAL STRATEGY

The Head of Financial Services submitted a report seeking the approval of the Council's Medium Term Financial Strategy from 2012/13 to 2014/15. The Medium Term Financial Strategy is the Council's key financial planning document. It was aimed to provide the Council with an assurance that the Council's spending plans were affordable over the medium term (3 years). It included a 3 year budget forecast and provided the financial foundation for the delivery of the Council's priorities. The Medium Term Financial Strategy included the following sections:

- policy and service context;

- demographic context;
- financial context;
- national context and other external factors;
- partnership working and external funding;
- a 3-year projection of revenue expenditure;
- capital programme;
- balances and reserves;
- risk assessment and sensitivity;
- links to ambitions and priorities.

The Chairman commended the report to Members and felt that it was a very important document and as such needed greater scrutiny.

RESOLVED: That

1. Committee approve the Medium Term Financial Strategy for 2012/13 to 2014/15; and
2. the Head of Financial Services report the more salient issues to the next meeting of this Committee for a more detailed discussion.

The meeting closed at 8.18pm.

If you have any queries on these minutes please contact Jane Pearson (414430).