

SUMMARY OF MAIN COMMENTS MADE ON THE DRAFT BUDGET PROPOSALS

1) – STATUTORY BUDGET CONSULTATION MEETING – 23rd JANUARY 2014

Item / Issue	Summary of Response Given
<p>Please could you clarify the situation regarding Capital Expenditure and the amount of borrowing. What is the cost of borrowing?</p> <p><i>(Cllr Nick Richards – Wilbarston Parish Council)</i></p>	<p>Borrowing costs are included in Appendix A (page 24). This includes a number of items, one of which relates to borrowing costs. KBC uses internal borrowing wherever possible as this is currently the cheaper option.</p> <p>We will continue to use internal funds rather than external borrowing. If the Council does approach a point where it needs to borrow, this will be a treasury management decision at the time.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i></p>
<p>Previously, the funding to Town and Parish Councils was £80,000. Why is the Community Fund only £40,000?</p> <p><i>(Cllr Mary Rust – Broughton Parish Council)</i></p>	<p>The decision was taken to cease Town and Parish Council Grants from 1st April 2014. The Executive created the fund as a way of helping town and parish councils fund particular projects.</p> <p><i>(Councillor Ian Jelley)</i></p>
<p>There is no grant this year, so parish councils will have to precept. In large parts of the Borough there will be a Council Tax increase. Is the Borough Council grateful for the sacrifice town and parish councils give? We would like to see an acknowledgement in the report for the increase in parishes.</p> <p><i>(Cllr Richard Barnwell – Cransley and Mawsley Parish Councils)</i></p>	<p>The Council has no control over how much a town or parish council can levy for a precept. This is a decision taken by each town and parish council and would not form part of the Borough Council's budget.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i></p>
<p>On Page 17 of the budget booklet there are huge variances in the budget as external funding has disappeared for 2014/15. Has this stopped or will it continue?</p> <p><i>(John Kellett – Federation of Small Businesses)</i></p>	<p>The Economic Development section refers to funding for 2013/14, which is one-off funding. When the budget was set last year this funding didn't exist but we were successful during the course of the year in receiving external funding. We will continue to keep bidding for external funding.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i></p>

Appendix B

Item / Issue	Summary of Response Given
<p>In relation to the Zone of Unpredictability, it is worrying that although KBC is a very efficient Council, sooner or later it will not be able to deliver savings and will not be able to balance the budget. When might this point be reached?</p> <p><i>(Councillor Cliff Moreton – Kettering Borough Council)</i></p>	<p>We are confident until 2016. From 2016 onwards much will depend on national politics, funding, etc. If our figures are accurate it will mean a continuation of efficiency savings. After 2016 we may have to look at income, reprioritisation work and delivery of services in a different way.</p> <p>This important point was made at the meeting of the Executive Committee in December. We have a duty to present the medium term plans, but the further into the future is more difficult to predict. We do the best we can, but we can't take our eye off the ball. We are confident that the budget can be delivered in 2014/15 and 2015/16 (provided the Council sticks to its existing guiding principles) but it is difficult to plan thereafter. We hope the situation will be better by then, but the figures stated are what we are working to at the moment.</p> <p><i>(Mark Dickenson – Acting Head of Finance and Graham Soulsby – Deputy Chief Executive)</i></p>
<p>Thank you for the presentation. We need to recognise the pressures local people are under – access to benefits, finding somewhere to live and the situation with the so-called 'bedroom tax'. People are feeling the pinch.</p> <p>There are pressures within the Housing Services Unit, where staff are having to do more in the way of services, eg maintain the private sector standards. There is much pressure on a limited budget with no reduction in quality of service given.</p> <p>In the last two years we have had zero rate Council Tax increase but the Council's fees and charges have gone up, for example hire of community halls and other rates. Can the Council ensure there are no surprises for the voluntary sector.</p> <p><i>(Councillor Jonathan West – KBC)</i></p>	<p>As far as we know there will be no surprises. We agree with the Housing situation, will take the comments on board and continue to keep under review.</p> <p><i>(Councillor Ian Jelley)</i></p>

2) - MONITORING & AUDIT COMMITTEE – 28th JANUARY 2014

Item / Issue	Summary of Response Given
<p>Members requested that any changes to fees and charges or rent increases are well publicised to residents of the Borough.</p> <p><i>(Councillor Jonathan West – KBC)</i></p>	<p>The comment to ensure changes to fees and charges, and changes to rents are well publicised to residents would be submitted to the Executive in February.</p>

3) - RESEARCH & DEVELOPMENT COMMITTEE – 29th JANUARY 2014

Item / Issue	Summary of Response Given
<p>Total income from parking services for 2013/14 was listed as £815k, what was the net income from parking services?</p> <p><i>(Councillor Maggie Don)</i></p>	<p>Net income for 2014/15 is approximately £240k. However the highways function costs £364k resulting in a net cost of around £120k.</p> <p>The figure of £815k consisted of approximately £600k for car parking fees, with the balance made up from residents parking and parking fines. The draft figure for 2014/15 saw a slight reduction as levels of fines were anticipated to reduce.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i> <i>(Martin Hammond – Deputy Chief Executive)</i></p>
<p>Were costs relating to new residents parking zones factored into the draft figures for 2014/15?</p> <p><i>(Councillor Maggie Don)</i></p>	<p>No figures are factored into the budget only when new zones have received approval are they included in the budget.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i></p>
<p>Could examples of cost savings be provided?</p> <p><i>(Councillor Maggie Don)</i></p>	<p>Examples of case studies included; Market Place commercial and residential units in full use; comingled recycling which had generated significant savings; lobbying relating to the Business Rates Retention Scheme and New Homes Bonus Scheme; works taking place at the depot to enable servicing of fleet vehicles on site, shared legal services and staff working more flexibly reducing the need to automatically fill vacant posts.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i> <i>(Martin Hammond – Deputy Chief Executive)</i></p>
<p>Have potential increases in staff salaries been factored into the budget?</p> <p><i>(Councillor Margaret Talbot)</i></p>	<p>An assumption for the nationally determined pay award is 1% (2014/15) and 2% per annum thereafter.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i></p>

Appendix B

Item / Issue	Summary of Response Given
<p>If KBC was to agree a 1.99% rise in Council Tax; would it receive any financial penalty from central government?</p> <p><i>(Councillor Jim Hakewill)</i></p>	<p>Indicative levels, previously announced referendums would be required where authorities increase their Council Tax by more than 2%. As part of the Autumn Statement this was withdrawn and a further announcement is expected from central government on 12th February. If Council Tax was increased above 2013/14 levels, then KBC would not receive the Council Tax Freeze grant for 2014/15 which is equivalent to a 1% increase and is payable in both 2014/15 and 2015/16.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i></p>
<p>Was raising council housing rent by 5.1% an attempt to close the gap on the private sector?</p> <p><i>(Councillor David Soans)</i></p>	<p>The formula used for calculating housing rents is prescribed by central government. A new formula will be introduced from 2015/16 which will see lower rental increases for council housing tenants.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i></p>
<p>When Town and Parish grants of £83k were removed, assurances were provided that there would be a ring-fence around the equivalent of such grants as they were not seen as a cost saving. A Community Fund figure of £40k should be increased to £83k to accurately reflect the sum removed for Town and Parish grants. Also draft guidance should be produced as to how this fund is to be accessed.</p> <p><i>(Councillor Jim Hakewill)</i></p>	<p>The comment to increase the fund to £83k would be submitted to the Executive in February. Additionally, Town and Parish councils would be informed when the fund was available to access. The criterion for grants was still under consideration and would be reported to Executive early in the new financial year.</p> <p><i>(Mark Dickenson – Acting Head of Finance)</i> <i>(Martin Hammond – Deputy Chief Executive)</i></p>

4) GEOGRAPHICAL FORUMS – 3rd 5th & 6th FEBRUARY 2014 & Tenants Forum 6th FEBRUARY 2014

Comments from the geographical forums and Tenants Forum will be circulated prior to the meeting.