

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>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>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>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>

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>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>

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>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>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>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>

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>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>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>

3) KETTERING TOWN FORUM - 3rd FEBRUARY 2014

Item / Issue	Summary of Response Given
<p>Kettering had a vibrant voluntary sector and increases in fees and charges for use of community centres hit these organisations hard. It was important that when the budget is set to appreciate this and keep increases to a minimum. If increases are to be made, KBC should increase awareness amongst organisations affected.</p> <p>The lack of external organisations present during the budget consultation forum was a concern.</p>	<p>External organisations were invited to attend the Kettering Town forum. The main forum for providing feedback on the budget was the budget consultation meeting which Town and Parish Councils along with Business contacts were also invited to attend.</p>
<p>Management fees had increased for Pasture Caravan Site; could this be explained?</p>	<p>Management fees for the caravan park had increased due to an increase in the number of pitches. No income had yet been received for these additional pitches, but would be factored in as pitches were filled.</p>
<p>The budget for homelessness had been reduced for 2014/15; was this realistic as homelessness was on the increase?</p>	<p>It was considered that the homelessness budget was realistic based on the data to hand. Preventative action had cost more than envisaged, but it was hoped this would result in better long-term solutions. Effectiveness of services would be constantly reviewed.</p>

4) A6 TOWNS FORUM - 5th FEBRUARY 2014

Item / Issue	Summary of Response Given
<p>Cllr Jim Hakewill proposed and Cllr David Soans seconded that the Community Fund be fixed at £83,000 and remain at £83,000 and not be reduced to £40,000 (page 35 of Executive Report refers).</p>	<p>The comment will be reported to the Executive in February.</p>

5) RURAL FORUM – 6th FEBRUARY 2014

Item / Issue	Summary of Response Given
<p>The Rural Forum welcomed the creation of the Community Fund budget in the Capital Programme. The Forum requested that the Executive Committee consider changing the budget amount from £40,000 per year to £83,000 – this would ensure that the amount of revenue funding removed from Town & Parish Council grants from 2014/15 would all be retained in the Community Fund.</p> <p>The Executive Committee said at the time of the funding review that it was about accountability not about cost saving – therefore the above request is in line with that.</p> <p>A possible source of funding could be to adjust the global budget provision for ‘invest to save’ projects.</p> <p>The terms of reference for the Community Fund should be shared with the Rural Forum.</p> <p>The Community Fund should be for Town and Parish Councils only.</p> <p>The Community Fund capital budget should be an annual amount and any under-spend ‘rolled forward’.</p>	<p>The comment will be reported to the Executive in February.</p>
<p>The Rural Forum also requested that it be noted that although the Borough Council’s Council tax would not be increasing for 2014/15, the Council Tax for individual Town and Parish Council would be increasing due to the Borough Council withdrawing the revenue grants.</p>	<p>The comment will be reported to the Executive in February.</p>

6) TENANTS FORUM – 6th FEBRUARY 2014

Item / Issue	Summary of Response Given
<p>Members of the Tenants' Forum did not support the proposed rent increase of 5.1%. It believed that services promised as part of the rent increase in 2013/14 had not been delivered and standards had dropped overall, with void properties given as a particular example. It was considered that the proposed increase did not take in account the impact of Welfare Reform.</p>	<p>The comment will be reported to the Executive in February.</p>