

### SUMMARY OF MAIN COMMENTS MADE ON THE DRAFT BUDGET PROPOSALS

#### 1) – STATUTORY BUDGET CONSULTATION MEETING – 21<sup>st</sup> JANUARY 2016

Item / Issue	Summary of Response Given
<p>As Chair of a rural parish council, how will the budget be distributed between the rural and the urban areas?</p> <p><b>(Cllr Bill Jones, Dingley Parish Council)</b></p>	<p>The Budget refers to the Borough as a whole, with services looked at in totality and not based on geographical areas.</p> <p><b>Officer Comment</b></p>
<p>Looking at the pie chart, there are sections shown to show how the Council Tax is made up for the Police, the NCC and KBC, but parish precepts are not shown.</p> <p>Is it possible to see this in print rather than in a pie chart?</p> <p><b>(Cllr Nick Richards, Wilbarston Parish Council)</b></p>	<p>Parish precepts are too small to show. Historically, only the major precepting bodies are shown.</p> <p>Yes, we will supply this information separately to you.</p> <p><b>Officer Comment</b></p>
<p>It is difficult to follow the printed document when viewed with the slides in the presentation. It would help in future if slides contained a precise reference to information in the document.</p> <p>Does the Council envisage any hotspots which could result in a reduction in services?</p> <p><b>(Cllr Tom Sanders, Mawsley Parish Council)</b></p>	<p>Thank you for your comment, which will be taken on board for the future. The presentation this year was in a different format to past years.</p> <p><b>Officer Comment</b></p> <p>We are not presenting any reductions in front-line services.</p> <p><b>(Cllr Lloyd Bunday, Deputy Leader of the Council)</b></p>
<p>In most sections the cost of employees has risen. Is this a result of additional staff members or increased cost of existing staff?</p> <p><b>(Cllr Pat Scouse, Broughton Parish Council)</b></p>	<p>Overall, the head count is going down year on year. There are costs we cannot control, for example increases in National Insurance Contributions.</p> <p>The budget portrays no reductions in front-line service delivery, but this can mean services are delivered in different ways.</p> <p><b>Officer Comment</b></p> <p>We are very proud of staff suggestions in identifying savings. The Council's officers have done a good job.</p> <p><b>(Cllr Lloyd Bunday, Deputy Leader of the Council)</b></p>

Item / Issue	Summary of Response Given
<p><u>Homelessness</u> Are community organisations able to apply to the Council for grants to help homeless people? An example is the Open Door Church giving hot meals to homeless and vulnerable people in society.</p> <p><u>Refugees</u> Is there going to be provision in Kettering Borough for housing for refugees, and if so, is this included in the Budget.</p> <p><i>(Fiona DeBoltz, Churches Together)</i></p>	<p>In terms of grants, there is no specific provision in the current budget, but the Council does have grants available to voluntary sector organisations over a four year period. 2016/17 is the fourth year of the current grants period. During next year, the Council will decide its priorities for funding. There may be an opportunity for such organisations to apply.</p> <p><b>Officer Comment</b></p> <p>Unfortunately we are at the mercy of Northamptonshire County Council in terms of how we do this. NCC has recently announced it cannot embrace and support the costs of refugees at this time, as its budget position is not as balanced as that of Kettering Borough Council.</p> <p><b>Officer Comment</b></p> <p>Kettering Borough Council will consider this position in the light of this recent news.</p> <p><b>(Cllr Russell Roberts, Leader of the Council)</b></p>
<p>Is the Council putting too much emphasis on New Homes Bonus money, which may stop eventually? The population of the Borough is increasing and the budget should allow for these people to be catered for. Why not increase the Council Tax and keep the New Homes Bonus to support the increase in the population?</p> <p><b>(Cllr Pat Scouse, Broughton Parish Council)</b></p>	<p>We have met with the government today and have made this point. There is a fine balance to work out how much New Homes Bonus to base the budget on. Kettering Borough Council do not base their budget on all the New Homes Bonus expected, unlike some local authorities. Indications are that New Homes Bonus will reduce by one to two-thirds in future. This will be kept under review and a response to the government's consultation on New Homes Bonus will be made.</p> <p><b>Officer Comment</b></p> <p>55% of our New Homes Bonus is included in the budget, but we do not rely on it in full and are looking at other ways to invest to protect services. The Council is outward-looking and proud of the draft budget that has been presented.</p> <p><b>(Councillor Jan Smith, Portfolio Holder for Finance)</b></p>
<p>Increases in fees and charges can have a real impact on voluntary groups. What changes are being proposed for next year.</p> <p><b>(Cllr Jonathan West, Kettering Borough Council)</b></p>	<p>We don't have this information available, but will supply it separately.</p> <p><b>Officer Comment</b></p> <p><b>Follow up information</b> <i>There is no increase in fees for sports pitches or hire of community centres between 2015/16 and 2016/17.</i></p>

2) MONITORING & AUDIT COMMITTEE – 26<sup>th</sup> JANUARY 2016

Item / Issue	Summary of Response Given
<p>The government has dictated that there will be a 1% reduction in housing rents over the next four years. Could the Tenants' Forum recommend anything else?</p> <p><i>(Cllr Tebbutt, Kettering Borough Council)</i></p>	<p>In practical terms there is no alternative because the national policy position is that council rents reduce by 1% for the next four years. Similarly, if the Council recommends a greater than 2% increase in Council Tax, by law there has to be a referendum. It is important that the Council keeps lobbying the government as this does have an impact on revenue and the capital programme.</p> <p>Tenants could make the point that they should have discretion if they so wish.</p> <p><b>Officer Comment</b></p>
<p>Will the 1% per year reduction in Council rents impact on council house refurbishments? The Council was forced into taking on a £70m loan to pay for its properties and this doesn't seem right. We must continue to lobby the government, as there are serious implications for our intention to increase our housing stock. The Government encourages housebuilding, but this national policy seems to hold it back.</p> <p><i>(Cllr Michael Tebbutt, Kettering Borough Council)</i></p>	<p>The government sets very challenging targets, and it seems the priority is now delivery of homes for saleable ownership and not for the provision of social housing.</p> <p>The Committee can ask the Executive to continue lobbying the government to enable us to move forward.</p> <p><b>Officer Comment</b></p>
<p>There is a sum of £35k on page 33 of the draft budget that refers to 'Hidden Homes'. What are they? On the next page there is a sum of £88k which then reduces to zero. What is this and what effect does this have.</p> <p><i>(Cllr Linda Adams, Kettering Borough Council)</i></p>	<p>Details of these specific schemes will be supplied separately.</p> <p><b>Officer Comment</b></p> <p><b>Follow up Information</b>  <i>The Hidden Homes Project relates to the conversion of offices in Barnes Close into two one bedroom flats.</i></p> <p><i>The Social Housing Grant primarily relates to capital works undertaken by housing associations, this includes viability studies and bringing back empty homes into use for affordable housing.</i></p>
<p>Does the 'invest and repair' programme for car parking apply to car parks borough-wide?</p> <p><i>(Cllr Linda Adams, Kettering Borough Council)</i></p>	<p>In terms of expenditure on car parking, there is an ongoing programme of maintenance and repair to council-owned car parks.</p> <p><b>Officer Comment</b></p>

## Appendix B

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<p>We are doubling our capital borrowing and yet the capital programme is going down. How does this square with the investment agenda? It doesn't seem to be reflected in Year 1 and bigger investment opportunities.</p> <p><b>(Cllr Mick Scrimshaw, Kettering Borough Council)</b></p>	<p>We included a rolling £2m for commercial investment as a pot of money to fund opportunities as they arise and if we need to do some preliminary work. There may be bigger investment opportunities that are too early to include in this budget, but we recognise that separate reports on bigger investment opportunities will be needed to the Executive and Council later in 2016 or early in 2017.</p> <p><b>Officer Comment</b></p>
<p>Can revenue be capitalised as the government announced in the autumn of last year?</p> <p><b>(Cllr Mick Scrimshaw, Kettering Borough Council)</b></p>	<p>In terms of transformational funds, we can convert capital back into revenue. The government announcement was aimed at local authorities that couldn't see their way through their financial difficulties. The use of capital receipts as a short term cash fix is a new departure and may provide some local authorities with respite for a few years. It will be interesting to see how this progresses.</p> <p><b>Officer Comment</b></p>
<p>We are looking to save £1.5m this year. Is this deliverable? £100k savings have been identified through contract negotiation, mainly around leisure facilities. Will this be achieved?</p> <p><b>(Cllr Mick Scrimshaw, Kettering Borough Council)</b></p>	<p>Yes, all savings have been identified. There has been an agreement with Parkwood over the provision of leisure facilities and a report was considered by the Executive last year. There was an option to extend the contract for a further five years. Savings have been achieved and service levels have been maintained. Some capital works to the swimming pool were also agreed.</p> <p><b>Officer Comment</b></p>
<p>What does the £30k in rental income from partners refer to?</p> <p><b>(Cllr Mick Scrimshaw, Kettering Borough Council)</b></p>	<p>This relates to accommodation in the Municipal Offices that is occupied by partners.</p> <p><b>Officer Comment</b></p>

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<p>There are concerns about the medium term if the Council does not increase its Council Tax this year. Will the level of service be affected? What impact will this have on the medium term? Will we be penalised for not putting up our Council Tax?</p> <p><b>(Cllr Mick Scrimshaw, Kettering Borough Council)</b></p>	<p>The Portfolio Holder announced at the Budget Consultation Meeting that the Executive was minded to freeze the level of Council Tax for 2016/17. The decision will be formally taken at the meeting of the Executive on 17<sup>th</sup> February following consideration of comments made during the consultation period.</p> <p>The budget is presented prior to the consideration of any Council Tax increase. We hope we are wrong in our assumptions in relation to New Homes Bonus and government grants and that they are better than expected. We are lobbying in this respect at the moment. The financial picture is uncertain after 2016/17 and decisions on the level of Council Tax can only be taken one year at a time, although with the medium term in mind.</p> <p><b>Officer Comment</b></p>
<p>As the Council is moving towards self-sufficiency, can we expect to see another line appear in the budget to account for the revenue generated through self-sufficiency in future?</p> <p><b>(Cllr Mick Scrimshaw, Kettering Borough Council)</b></p>	<p>Yes. This income stream will be profiled in future years in the budget.</p> <p><b>Officer Comment</b></p>

### 3) KETTERING TOWN FORUM – 1<sup>st</sup> FEBRUARY 2016

Item / Issue	Summary of Response Given
<p>It would be irresponsible of the current administration not to increase council tax during this time of unpredictability.</p> <p><b>(Cllr Eileen Hales, Northamptonshire County Council)</b></p>	<p>None</p>

### 4) A6 TOWNS FORUM – 3<sup>rd</sup> FEBRUARY 2016

Item / Issue	Summary of Response Given
<p>Is there a reflection in Kettering Borough Council's Budget of Northamptonshire County Council's proposals regarding waste credits and the Countywide Travellers' Unit?</p> <p><b>(Cllr Alan Mathews, Desborough Town Council)</b></p>	<p>The proposals made by the County Council to cease recycling credits last year were found to be unlawful. We are now working with the County Council to save costs, particularly in the disposal of black bin waste. More sustainable ways of making savings and income generation had been discussed at a recent meeting with the County Council.</p> <p><b>Officer Comment</b></p>

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<p>Northamptonshire County Council's consultation period commenced in November, which has not given enough time to consult with Districts and Boroughs on delivery of services in partnership or the possibility of combined authorities.</p> <p><i>(Cllr Alan Mathews, Desborough Town Council)</i></p>	<p>Kettering Borough Council was not aware of the consultation on combined authorities until it was announced in the local newspaper. Dialogue around more constructive working will occur over the next four years.</p> <p><b>Officer Comment</b></p>
<p>Northamptonshire County Council Scrutiny Committee invited Chief Executives and Leaders of the four district Councils in North Northamptonshire to a meeting in January to discuss combined authorities, the lead-in time for which would be 2-3 years. Local government is under lots of pressure from the government to move towards unitary authorities. Local authorities in Northamptonshire should stand together and make services as resilient as possible.</p> <p><i>(Cllr Christopher Groome, Burton Latimer Town Council)</i></p>	<p>The District Councils have a wider range of income streams than Northamptonshire County Council. Kettering Borough Council recognises that we have to be self-sustaining. Lots of work is currently being undertaken on investment. It is more difficult for County Councils to do that, but we can work with Northamptonshire County Council on joint investment opportunities.</p> <p>Kettering Borough Council provides monthly updates to the Executive; therefore in essence the budget is a twelve monthly process.</p> <p><b>Officer Comment</b></p>

### 5) RURAL FORUM – 4<sup>th</sup> FEBRUARY 2016

Item / Issue	Summary of Response Given
<p>How many of the efficiency savings came from savings and efficiencies and how many came from increasing prices paid by rate payers?</p> <p><i>(Cllr David Watson, Geddington, Newton and Little Oakley Parish Council)</i></p>	<p>Of the savings identified, the Business Rates Retention Scheme accounts for £500,000 of the savings this results from additional growth in the Borough and the benefits from Business Rates pooling. A further £180,000 comes from the New Homes Bonus which is an incentive from central government to deliver more housing. Flexible Resourcing and a review of management structure comprised a further £350,000. Increased planning fees comprised £110,000 as a result of increased volumes of planning applications; however these fees are set nationally. Contract negotiations and increased rental income account for another £130,000 and there were approximately £250,000 of smaller saving items.</p> <p><b>Officer Comment</b></p>

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Item / Issue	Summary of Response Given
<p>How does the New Homes Bonus get spent by the Borough, is it spent on delivering increased resources that new homes generate or purely regarded as bottom line income? I would like to see NHB put back into the borough for example as new council homes. It worries me you regard it as pure income.</p> <p><b>(Cllr Hilary Bull, Broughton Parish Council)</b></p>	<p>The Executive a number of years ago had agreed a strategy as to how much of the New Homes Bonus would be included in the base budget, for 2016/17 this is around 54% with the remaining balance allocated to reserves, this was seen as a prudent approach. New Homes Bonus is not new money but is a top slice from central government funding. Authorities receive funding as houses are delivered.</p> <p><b>Officer Comment</b></p>
<p>Consultation implies that you talk to people about options, what options are built into this budget? Are there any options you'd like to consult on or is this consultation a fait accompli?</p> <p><b>(Cllr David Watson, Geddington, Newton and Little Oakley Parish Council)</b></p>	<p>KBC are in a different financial position to the County Council, we have a clear framework within which to deliver a budget, which we have delivered. We're not in a position of having to cut services; we have delivered a balanced budget and enabled services to be maintained.</p> <p><b>Officer Comment</b></p>
<p>In relation to the Business Rates Retention Scheme, we have £2.3m as a baseline figure, do we know what the baseline is with the new formula and whether we're worse off or not?</p> <p><b>(Cllr David Howes)</b></p>	<p>The Business Rates Retention Scheme has yet to be designed, so we can't say whether we will be better or worse off. Historically when new schemes come in, Local Authorities are generally worse off so we are acting on the side of caution.</p> <p><b>Officer Comment</b></p>
<p>Why is there no increase in the KBC portion of Council Tax for 2016/17?</p> <p><b>(Cllr David Watson, Geddington, Newton and Little Oakley Parish Council)</b></p>	<p>Because we made a commitment in our manifesto not to increase Council Tax in the forthcoming financial year.</p> <p><b>(Cllr David Howes)</b></p>
<p>For most of the rural areas there is an increase <i>(in Council tax)</i> due to precepting. We are being penalised in rural areas, and KBC should have that noted in their budget.</p> <p><b>(Cllr Hilary Bull, Broughton Parish Council)</b></p> <p>Precepting was forced on us, we had our grant taken off us and now we are forced to precept, I want that noted.</p> <p><b>(Cllr Robin Shrive, Broughton Parish Council)</b></p>	<p>If parish councils did not exist there would be no precept. I am an advocate of parish councils in rural areas, but ultimately parish councils raise precepts.</p> <p><b>(Cllr David Howes)</b></p>

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Item / Issue	Summary of Response Given
<p>We have been shown a pie chart of how Council Tax is split between the Borough, County and the Police. Why is there no piece to represent Parish Council precepts? We are told as the total is too small to feature in the chart. Perhaps next year it will be shown.</p> <p><i>(Cllr Nick Richards, Wilbarston Parish Council)</i></p>	<p>In the past we have typically shown the three main preceptors, but we can show this in future presentations going forward.</p> <p><b>Officer Comment</b></p>
<p>Can you assure us that although we precept, we're being forced to precept as services given to urban areas are being withdrawn from rural areas, so we have to precept to make up these services, this is a basic unfairness. If services the Borough gave throughout the district were the same, the precept would not have to be so great within villages. There is a perception that because services are withdrawn from rural areas, they have to make up for those by precepting more.</p> <p><i>(Cllr Rosalind Willatts, Wilbarston Parish Council)</i></p>	<p>There are no cuts to frontline services or cuts to voluntary sector funding within the budget, any services we provide in rural areas will continue. This is covered in paragraph 2.15 of the covering report.</p> <p><b>Officer Comment</b></p>



6) TENANTS FORUM 11<sup>th</sup> FEBRUARY 2016

Item / Issue	Summary of Response Given
<p>If in future there was an opportunity to increase rents for Sheltered Housing, could there be assurances that any additional income raised would be ring-fenced and only spent on Sheltered Housing?</p> <p><i>(Martyn Lund, Tenants' Forum)</i></p>	<p>This is an option and certainly something the forum may wish to think about as a formal budget comment. Due to the lateness of the government's announcement regarding rent levels for Sheltered Housing, it is not advisable to increase rents for Sheltered Housing.</p> <p><b>Officer Comment</b></p>
<p>In regards to the £72.9m self-financing loan taken out to buy KBC in 2012, can we slow repayments on this loan to make up for loss of income from the reduction in rents?</p> <p><i>(Cllr Maggie Don – Kettering Borough Council)</i></p>	<p>When the Council took the loans, they were enacted at preferential rates and we want to try to adhere to the plan that we have. When loans mature, we can invest more in the housing stock as the amount of interest reduces.</p> <p>The current Business Plan enables the Council to meet the principle repayments at present, if there are further disadvantageous movements in terms of the finances, we would need to review the principle repayments. The proposal in front of the forum assumes a 1% reduction in rents, which provides a balanced budget.</p> <p><b>Officer Comment</b></p>
<p>Financial penalties were mentioned if tenants chose to do something else (other than accept a 1% rent deduction). If rents were frozen, what would these penalties be?</p> <p><i>(Cllr Maggie Don – Kettering Borough Council)</i></p>	<p>It is difficult to answer this. In the broadest sense if we exceeded the Rent cap which is projected at 1.72% and were to raise rents by 1% above the cap this would result in additional income of around £150,000. However around £100,000 would need to be repaid to central government. We do not currently know at what level this cap will sit. We envisage that the Government are likely to lower the cap so housing authorities have a rent decrease.</p> <p><b>Officer Comment</b></p>
<p>I would like to know the reasoning behind this. As a tenant, a 1% decrease seems nice, but with less government funding rural areas will suffer from cuts the most.</p> <p><i>(Brent Woodford – Tenants' Forum)</i></p>	<p>A rent decrease is a way for the government to reduce the benefit bill, tenants have previously indicated that they would be happy to have a small increase to maintain service provision, but they are given no choice because of the way rent calculations are undertaken.</p> <p><b>Officer Comment</b></p>

**RESOLVED**

that the members of the Tenants' Forum agreed to the 1.0% decrease for 2016/17 and should there be a requirement to increase rents for sheltered housing, it is hoped that this income would be ring-fenced to be used on sheltered housing only.

These comments were duly noted by officers and would be forwarded to the Executive Committee alongside the recommendation.

**7) - RESEARCH & DEVELOPMENT COMMITTEE – 16<sup>th</sup> FEBRUARY 2016**

Item / Issue	Summary of Response Given
<p>A question was raised at the Monitoring and Audit Committee meeting about hidden homes. What are these hidden homes?</p> <p><i>(Cllr Jenny Henson -Kettering Borough Council)</i></p>	<p>The idea is to look for areas on existing Council estates where we can create new homes, for example converting a warden's flat and converting an estate office into two flats.</p> <p><i>Officer Comment</i></p>
<p>As part of the town centre initiatives we have in the past promoted free parking days throughout the year. Is this continuing?</p> <p><i>(Cllr Greg Titcombe - Kettering Borough Council)</i></p>	<p>There is currently no provision in the draft budget for this. The town centre initiative budget, from which free parking days are funded was established for a 2 year period (which ends in March 2016)</p> <p><i>Officer Comment</i></p>
<p>What percentage of the housing stock rental actually provides an income for the Council, as opposed to tenants claiming benefits?</p> <p><i>(Cllr Greg Titcombe - Kettering Borough Council)</i></p>	<p>Benefits account for around two-thirds of the total rent. However, the rent due from tenants on benefits is paid to the Council by the government. 98% of rent in the Borough is collected, which is much better than in other areas.</p> <p><i>Officer Comment</i></p>
<p>Because there is now no government incentive to maintain the level of Council Tax we should consider raising it by £5 or 2%.</p> <p><i>(Cllr Mary Malin - Kettering Borough Council)</i></p>	<p>This is a matter for members to decide upon. If the Council as a whole decided it wanted to increase the Council Tax, the budget would need to be updated to reflect that.</p> <p><i>Officer Comment</i></p>

**RESOLVED**

- i) the draft budget proposals be noted;
- (ii) comments made be submitted for consideration by the Executive Committee at its meeting on 17<sup>th</sup> February; and
- (iii) it be recommended that consideration be given to increasing the Council Tax in 2017/18 on the basis that government incentives to maintain the level of Council Tax no longer existed.