

SUMMARY OF MAIN COMMENTS MADE ON THE DRAFT BUDGET PROPOSALS

1) STATUTORY BUDGET CONSULTATION MEETING – 26th JANUARY 2017

Item / Issue	Summary of Response Given
<p>The balanced budget is good and sets out how the Council will deal with the financial pressures next year. There is little ambition for services and residents and it will be important that the Council engages with people in the future.</p> <p>Thank you for putting on this Budget Consultation opportunity.</p> <p><i>(Cllr Mick Scrimshaw, Leader of the Opposition, Kettering Borough Council)</i></p>	<p><i>No Comment</i></p>
<p>If the Council has now reached the point in its budgeting where it needs to capture unplanned job vacancies, where will £4.4 m of further savings come from?</p> <p><i>(Cllr Nick Richards, Wilbarston)</i></p>	<p>In terms of vacancies we have tried to be realistic. We always encourage managers to look at the best way of replacing people when they leave. We are confident this is a realistic figure.</p> <p>In terms of future savings, the medium term is going to be tough and various frameworks need to fulfil our commitment to looking at schemes whereby we can generate income.</p> <p>If we are to do that, then every £1m borrowed is subject to both interest and a minimum revenue provision, so in essence the net return would have to produce a positive return after these costs.</p> <p><i>Officer Comment</i></p> <p>As an Executive and Officers we do scrutinise assumptions to ensure we can cover as much as possible.</p> <p><i>(Cllr Lesley Thurland, Portfolio Holder for Finance)</i></p>

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Item / Issue	Summary of Response Given
<p>Fees and charges is something I find difficult. Where fees and charges are increased, will there be an in-depth scrutiny across the board? For members of the public using a service it is difficult to understand when looking at the budget and can be seen as an extra tax on members of the public.</p> <p>(Cllr Eileen Hales, Northamptonshire County Council)</p>	<p>The additional income from fees and charges is mainly where there has been an increase in usage. There are fees which have increased, but these are usually where there is a provision of service to a third party, eg Land Charges.</p> <p>Officer Comment</p> <p>We will take on board your comments regarding transparency regarding Fees and Charges.</p> <p>We did carry out a scrutiny process some years ago and have guiding principles and a concessions policy. There is a proper framework, but we will note your comment.</p> <p>Officer Comment</p>

2) KETTERING TOWN FORUM – 30th JANUARY 2017

Item / Issue	Summary of Response Given
<p>At the public consultation meeting a question was raised about the £150,000 saving in the corporate management line by not filling vacant posts immediately. How is that calculated? Presumably you do not know who may leave their post or which posts will become vacant, with some needing to be filled on a temporary basis until the post is recruited to.</p> <p>(Cllr Mick Scrimshaw, Leader of the Opposition, Kettering Borough Council)</p>	<p>£150,000 broadly reflects 1% of the General Fund staffing budget. Turnover of staff is examined and each vacant post is looked at in turn before a decision is made as to whether to fill it. This provides an opportunity to see how a service can be provided going forward.</p> <p>Officer Comment</p>
<p>It would be useful to have a breakdown of fees and charges that are to increase. Some shops have learned that their rent will double. If rents go up that much, businesses may not be attracted or be able to afford to stay.</p> <p>(Cllr Lee, Kettering Borough Council)</p>	<p>When we look to review charges for industrial and commercial premises, we monitor market rents to ensure we are achieving those and as such this fulfils part of the council's commercial strategy.</p> <p>Officer Comment</p>

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Item / Issue	Summary of Response Given
<p>Commercial premises are not recycling to the level of residential properties; there could be potential income there, why are they treated differently to residents?</p> <p>(Cllr Hales, Kettering Borough Council)</p>	<p>This is an area that Environmental Care Services is looking into; An update on this will be obtained from the Head of Environmental Care Services to get full answer.</p> <p>Officer Comment</p>
<p>Do we state things clearly enough so people can engage with the consultation on the budget, so residents understand what is going to happen in next twelve months? Are we consulting in meaningful way with the public?</p> <p>(Cllr Adams, Kettering Borough Council)</p>	<p>We do our best and put across to the public where budgets have changed. The Gross General Fund Budget is £50m and we provide explanations where budgets have changed by more than £10,000. At the budget consultation meeting we provided the context as to where savings had come from. We have a balanced budget and have not cut frontline services or funding to the voluntary sector. We will take these comments away to see whether we can communicate more easily with less detail.</p> <p>Officer Comment</p>
<p>When you are thinking about Business Rates and setting these, to what extent is consideration given to how to attract different retailers and businesses increasing diversity in the town?</p> <p>Jane Calcott – (Churches Together in Kettering District)</p>	<p>The government have come forward with initiatives linked to small business rate relief, but rates are predominantly determined by the Valuation Office. Business Rates are set by the Government not KBC.</p> <p>Officer Comment</p>

3) A6 TOWNS FORUM – 1st FEBRUARY 2017

Item / Issue	Summary of Response Given
<p>On page 26 of the full budget, there are a number of technical accounting adjustments, and Capital Charges, however Depreciation shows as a negative?</p> <p>What is the Refcus transaction?</p> <p>I do not understand how there can be capital expenditure with no capital asset.</p> <p>(Cllr David Watson, Geddington, Newton and Little Oakley Parish Council)</p>	<p>The Council is bound by legislative requirements to account for things in a certain way. The Technical Adjustments relate to items in the accounts that are reversed out and are not a cost to the taxpayer.</p> <p>MRP relates to budget that is set aside to pay for an asset over its life.</p> <p>Refcus (Revenue Expenditure Funded from Capital Under Statute) is Capital expenditure on an asset that is not ours. REFCUS expenditure is captured in the Capital programme but passes through the revenue account; it has no impact on the bottom line. The Council complies with best practice and the accounts are audited.</p> <p>Officer Comment</p>
<p>Regarding the Policy of investments and generating income, how are we going to deliver the Commercial Investment Income?</p> <p>What is the progress on both 6 Station Road and Sheerness House?</p> <p>What is the progress with these assets and what is the position of paying staff through companies.</p> <p>(Cllr C Groome)</p>	<p>Work is ongoing with both assets and the Asset Management Board are determining a framework for investments.</p> <p>A report on 6 Station Road was taken to Executive in December and the property is currently being marketed. A report will be taken back to a future Executive meeting.</p> <p>Options are currently being considered for Sheerness house and a report will be taken to a future Executive meeting.</p> <p>We do use Agency workers where there are operational needs. The spend on Agency workers is reported to Monitoring and Audit monthly.</p> <p>Officer Comment</p>

4) RURAL FORUM – 2nd FEBRUARY 2017

Item / Issue	Summary of Response Given
<p>On page 26 of the full budget, one of the technical accounting adjustments is for a capital expenditure of £777,000 for which no capital asset is created. I do not understand how there can be capital expenditure with no capital asset. What is in that £777,000 and why is added back to the budget as if it has never been spent in first place?</p> <p>(Cllr David Watson, Geddington, Newton and Little Oakley Parish Council)</p>	<p>That amount relates to disabled facility grants for capital expenditure on individual properties adapted to meet individual's needs. It is an anomaly with local government finances. The council is bound by legislative requirements to account for things in a certain way, this expenditure is called Refcus (Revenue Expenditure Funded from Capital Under Statute). REFCUS expenditure is captured in the Capital programme but passes through the revenue account; it has no impact on the bottom line.</p> <p>Officer Comment</p>

5) RESEARCH AND DEVELOPMENT COMMITTEE – 7th FEBRUARY 2017

Item / Issue	Summary of Response Given
<p>Within the Housing Revenue Account, there seems to be too much budgeted for the General Management fund compared to the budget for Repairs and Maintenance.</p> <p>(Cllr Greg Titcombe)</p>	<p>General Management within the HRA budget primarily covers the cost of managing the Council's 3,700 residential properties. The Repairs and Maintenance amounts to £3.8m this relates to ad hoc work and the Capital programme amounts to £4.0m, this relates to pre-planned works.</p> <p>Officer Comment</p> <p>General Management includes the cost of the staff involved in lettings, estate management, rent and service charge collection, the management of anti-social behaviour, tenant participation, sheltered housing and tenancy support for vulnerable tenants. In addition, utility payments, support costs and initiatives such as HomeMove are funded from the HRA management budgets.</p> <p>Additional Response</p>

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<p>Within the General Fund and the Composition of Framework Savings for 2017/18 is £146,000 for various other savings which conveniently is the exact figure needed to make the savings add up. What does that include and can you provide an assessment as to whether it is deliverable or not?</p> <p>(Cllr Mick Scrimshaw)</p>	<p>It most definitely is deliverable. The £146,000 is a combination of reductions in expenditure and increased income. An example is changes to printing arrangements within the organisation. We have shown the major changes and the various savings which consist of smaller efficiency savings have been identified in full.</p> <p>Officer Comment</p>
<p>In the budget booklet, Page 13, point 29 - Recycling supplies and services, it shows a massive increase above the 2016/17 original budget because a fire at one of our partner organisations we normally use meant we had to go elsewhere. There are concerns as recycling costs generally are increasing, has this been allowed for? Is there a contingency built into budget line allowing for increased costs you might not be aware of?</p> <p>(Cllr Mick Scrimshaw)</p>	<p>The costs we have for 2016/17 reflect changes to operational arrangements as a result of a large fire at a third party sorting centre. We are anticipating that the new arrangements will be up and running for the new financial year and that is why the budget for 2017/18 is aligned to the 2016/17 original budget. We produce regular reports on variations in the recycling market and track these as this is one of the key risks faced by the organisation.</p> <p>Officer Comment</p>
<p>There are increased pressures in relation to homelessness; we used to get a government grant, is that no longer received?</p> <p>How does any loss of grant relate to the golden principle where if a specific grant funding a specific service is withdrawn, the service stops?</p> <p>(Cllr Mick Scrimshaw)</p>	<p>The homelessness grant was previously separately identified; this grant has now been rolled up into the overall formula grant. Homelessness is a statutory service that is demand led. We have reflected the pressures in 2016/17 into the 2017/18 draft budget. This issue is not something that is unique to Kettering it is a national pressure.</p> <p>Officer Comment</p>
<p>In the budget booklet, Page 4, point 2 – Community Centres, the council will overspend on the original budget, but next year we are budgeting £10,000 less, mainly due to cuts in staffing. Are you confident there will be no cuts to service and savings will therefore be deliverable?</p> <p>(Cllr Mick Scrimshaw)</p>	<p>As part of the budget process we have reviewed staffing allocations, this is why the budget has changed. This does not mean we will deliver less in terms of what we provide, but we review staff allocations in order to be as accurate as possible in terms of reflecting the cost of the service.</p> <p>Officer Comment</p>

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<p>In the budget booklet, Page 6, point 11 - £6,500 was in in last year's budget for premises for Pest and Dog Control. This year it is only £20?</p> <p>(Cllr Mick Scrimshaw)</p>	<p>This relates to the renovation of a pest control store, which was one off expenditure.</p> <p>Officer Comment</p>
<p>The government's Housing White Paper has been published today, have you had a look specifically at any changes we can make to continue with what we started in terms of increasing our own housing stock, or is it too early to comment?</p> <p>(Cllr Mike Tebbutt)</p>	<p>There are some encouraging noises in the document, but it would be wrong for me to comment at this stage as the document has only been published today and there is much detail to work through.</p> <p>Officer Comment</p>
<p>If fees and charges are increasing, this is not a saving, as it is a cost to the community. Can you present information separately as to where we are making a saving, as increases to fees and charges or where New Homes Bonus is increasing should be shown as income generation.</p> <p>(Cllr Jim Hakewill)</p>	<p>In recent Executive Committee reports we have shown a split between additional income and reduced expenditure. The various efficiency savings of £146,000 could be split between income and expenditure in future and we take these comments on board.</p> <p>Officer Comment</p>

6) MONITORING AND AUDIT COMMITTEE – 8th FEBRUARY 2017

Item / Issue	Summary of Response Given
<p>Is it correct that we are borrowing £20m every year for the next five years? I have not seen that appear anywhere in the documentation we have looked at, there is only £20m borrowing identified for this year</p> <p>(Cllr Mike Tebbutt)</p>	<p>The Budget Report (Appendix A, page 33). The Capital Programme includes budget provision of £20m each year from 2017/18 to 2021/22 for Commercial Properties. The financing of that borrowing is shown in Appendix A page 30 under prudential borrowing.</p> <p>Officer Comment</p>
<p>In the budget booklet, Page 9, point 17 – the revised budget for 2016/17 reflects the increased cost of hosting the final stage of Women's Cycle Tour as £40,000</p> <p>(Cllr Jonathan West)</p>	<p>£40,000 was the cost of hosting the final of the Women's Cycle Tour in 2016/17. This is not reflected in the draft budget for 2017/18 as it was agreed that the cost in 2017/18 be met from the council's contingency budget or from unallocated reserves. We are looking at levels of sponsorship that we may receive; which will then better inform the cost to the authority of hosting this event.</p> <p>Officer Comment</p>

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<p>In the budget booklet, Page 11, Point 23 – There was increased expenditure for IT and postage costs above the original budget, will this year's budget be enough? With the cyber-security aspect, the government is raising the issue to local government, spending related to that can be quite a lot.</p> <p>(Cllr Jonathan West)</p>	<p>There have been increases in postage costs. We have been working to reduce the amount of post sent. This has proved difficult given the volume of increasing business activity. Increased IT costs stem from higher IT licensing costs, reflecting exchange rate inflation and system changes required to meet legislative change, such as those in the welfare system.</p> <p>The Council has been working hard to reduce costs but in some areas they go down, in others they go up. Another area that has pushed costs up has been with system upgrades, as well as software and hardware patching (upgrades). To remain compliant with the Government's Public Services Network (PSN) Code of Connection, the Council's IT systems and hardware need to be on the latest supported release of software. Systems now have to be upgraded and patched more frequently and the IT team work out of normal working hours to ensure systems can be kept up to date without impacting on front-line services.</p> <p>All these factors have come together to push up costs.</p> <p>Officer Comment</p>
<p>In the budget booklet, Page 12, Point 26 – Are employee costs lower if more training is delivered in-house? Are we scaling down training, the number of learners receiving training outlined in the Key Performance Information Booklet has reduced significantly?</p> <p>(Cllr Anne Lee)</p>	<p>We are not looking to reduce the service in any form; it is an area of the business we are looking to grow. There were a couple of staff vacancies in 2016/17 which is why the revised budget is lower than the 2016/17 original budget. The draft budget for 2017/18 is comparable to the original budget for 2016/17. The business case for KBT is stronger if we can deliver training in-house, which proves a more resilient service as less reliance is placed on external providers. There is a challenge around the number of learners; we are trying to promote the service to get more learners onto apprenticeships.</p> <p>Officer Comment</p>

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Item / Issue	Summary of Response Given
How does the Apprenticeship Levy impact on budgets? <i>(Cllr Mike Tebbutt)</i>	There is provision made in the budgets for that, we can use the levy to train apprentices and other staff members too. We are reviewing the workforce development plan as to the training needs for staff as a whole, and plan to draw down on the levy to fund this going forward. <i>Officer Comment</i>

7) TENANTS FORUM – 9th FEBRUARY 2017

RESOLVED that the members of the Tenants' Forum agreed to the 1.0% rent decrease for 2017/18.

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

8) ANY OTHER COMMENTS

Item / Issue	Summary of Response Given
<p>Cllr Hakewill has requested that the Executive consider amending the draft Capital Programme to include an appropriate sum to fund the completion of the village footpath at Mawsley.</p> <p>This is a long standing issue that requires a resolution. The Parish Council believe that the footpath has not been completed due to a number of issues including potential errors on behalf of the planning authority. Although these happened many years ago, the village has been left in a position with a part completed footpath that doesn't have the connectivity that was intended.</p> <p>If the errors were indeed the responsibility of the planning authority, it should be the planning authority that funds the works to put the situation right – hence the request for a fully costed capital project to complete the footpath between where the fence has been removed and the wooded area (which is a popular circular route).</p> <p>The attached map provides additional background.</p> <p>Comment Submitted by Cllr J Hakewill</p>	<p>We are aware of this issue which we are currently investigating further.</p> <p>The issue has been outstanding for a long time now, and it is agreed that a resolution to it needs to be identified, agreed and implemented. To that end the Council are currently looking into all the associated issues so that it can be determined where any liability falls and what the options are to address them.</p> <p>Once we have finished looking at this issue, if it is concluded that the Council bears any liability then clearly the Council will need to consider the correct course of action and implement an appropriate solution. At that point, the Council would be in a position to identify the amount of funding required and what budget would be required – however the work that is currently ongoing needs to be completed first.</p> <p>The Council will continue to have an ongoing dialogue with the Parish Council and the ward councillors</p> <p>Officer Response</p> <p>.</p>
<p>I would like to ask what funding has been put aside to honour the manifesto commitments of reducing car parking charges and also, removing parts of the one way system?</p> <p>Comment Submitted by Cllr M Brown</p>	<p>The 2017/18 Budget is based on a continuation of the current parking charges. Since the parking charges were reduced in 2014/15 they have remained the same which equates to a real terms decrease of around 2.50%.</p> <p>Any changes to the one way system would be dealt with by NCC and this is a question you would need to ask them.</p> <p>Cllr L Thurland</p>