

## Appendix B

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

#### 1) RESEARCH AND DEVELOPMENT COMMITTEE – 7<sup>th</sup> 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><b>(Cllr Greg Titcombe)</b></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><b>Officer Comment</b></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><b>Additional Response</b></p>
<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><b>(Cllr Mick Scrimshaw)</b></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><b>Officer Comment</b></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><b>(Cllr Mick Scrimshaw)</b></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><b>Officer Comment</b></p>

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<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><b>(Cllr Mick Scrimshaw)</b></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><b>Officer Comment</b></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><b>(Cllr Mick Scrimshaw)</b></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><b>Officer Comment</b></p>
<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><b>(Cllr Mick Scrimshaw)</b></p>	<p>This relates to the renovation of a pest control store, which was one off expenditure.</p> <p><b>Officer Comment</b></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><b>(Cllr Mike Tebbutt)</b></p>	<p>There are some encouraging noises in the document, but it would be wrong to 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><b>Officer Comment</b></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><b>(Cllr Jim Hakewill)</b></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><b>Officer Comment</b></p>

### 2) MONITORING AND AUDIT COMMITTEE – 8<sup>th</sup> 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><b>(Cllr Mike Tebbutt)</b></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><b>Officer Comment</b></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><b>(Cllr Jonathan West)</b></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><b>Officer Comment</b></p>
<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><b>(Cllr Jonathan West)</b></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><b>Officer Comment</b></p>

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<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><b>(Cllr Anne Lee)</b></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><b>Officer Comment</b></p>
<p>How does the Apprenticeship Levy impact on budgets?</p> <p><b>(Cllr Mike Tebbutt)</b></p>	<p>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.</p> <p><b>Officer Comment</b></p>

### 3) TENANTS FORUM – 9<sup>th</sup> 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.