

BOROUGH OF KETTERING

EXECUTIVE COMMITTEE

Meeting held: 17th January 2018

Present: Councillor Russell Roberts (Chair)
Councillors Lloyd Bunday, Mark Dearing, David Howes,
Ian Jelley, Mark Rowley and Lesley Thurland

Also Present Councillors Maggie Don, Andrew Dutton, Anne Lee,
Shirley Lynch, Clark Mitchell, Mick Scrimshaw, Mike
Tebbutt and Keli Watts

17.EX.52 APOLOGIES

None

17.EX.53 DECLARATIONS OF INTEREST

None

17.EX.54 MINUTES

RESOLVED that the minutes of the meeting of the
Committee held on 6 December 2017 be
approved and signed as a correct record.

17.EX.55 WORK PROGRAMME

The Council's draft work programme to be published on 9th
February 2018 was noted.

17.EX.56 MAINTAINING A DURABLE BUDGET

A report was submitted which sought to:-

- a) outline the draft budget figures for the Council's three main
accounts for 2018/19 and to start the formal budget
consultation process.

- b) consider the main issues that are likely to impact on the Council's budgets in the medium term.
- c) provide an illustration of the Council's medium term financial projections.

Members heard that the Council had three main accounts, each of which required an annual budget to be considered and approved by members in accordance with statutory requirements. The three accounts, the General Fund Revenue Account, Housing Revenue Account and Capital Account had a combined budget of £82.4m.

It was noted that the formal budget consultation period was from 17th January 2018 to 28th February 2018 when the Council sets its Council Tax for 2018/19. The budget timetable was detailed in the report. Comments from the consultation process would be reported to the Executive for consideration at its meeting on 14th February 2018.

Medium Term Financial Strategy

Although efficiency savings of £1.473m for the period 2018/19 been identified it was reported that efficiencies of around £3.6m need to be delivered over the next four years, 2019/20-2022/23.

Members were advised that further changes to Business Rates were announced as part of the Provisional Financial Settlement whereby the local share for Business Rate retention was to increase from 50% to 75% by 2020/21 this would include a transfer of public health and other grants. This would not have any immediate impact for the 2018/19 budget.

The announcement also made reference that there would be a reset to the Business Rates baseline in 2020/21. From 2020 to 2021 business rates would be redistributed according to the outcome of the new needs assessment subject to suitable transitional measures.

Housing Revenue Account

It was noted that the draft budget would be discussed by the Tenants' Forum at its meeting of 8th February 2018 along with the proposal for rent setting. The outcome would be reported to the Executive Committee on 14th February 2018 for approval.

Capital Programme

The budget for the Capital Programme was currently £51.7m. Two main changes to the budget were approved at the December 2017 meeting when the Commercial Investments budget was increased by £20m and a new build scheme at Scott Road was approved.

The Councils current policy to yield more income from commercial investment projects was clearly outlined in the report. At the December Council meeting it was agreed to bring forward £20m from the 2018/19 capital programme so the Council could ensure it was 'ahead of the curve' regarding the income figures required to support the 2018/19 General Fund budget.

As a result of bringing forward the 2018/19 capital budget of £20m (for commercial investments) into 2017/18, without any further adjustment there would be no operational budget for 2018/19 to take advantage of schemes that may present themselves later in the year. To that end, a smaller budget of £5m has been put into the draft capital programme at this stage. Given the importance of this income stream, members are recommended to bring forward, by one year, the draft capital budgets for commercial investment schemes that are currently shown in the draft capital programme for the period 2019/20 – 2022/23.

Councillor Scrimshaw address the Executive and shared his thoughts on the need for an increase in Council Tax in order to avoid replicating the financial mistakes made by other authorities.in the county.

Councillor Mitchell addressed the Executive and requested clarification regarding the dates for public consultation. He was assured that members of the public would be able to speak at the Council meeting on 28th February if they had not already submitted their comments.

Councillor Dutton addressed the Executive to clarify that the Homelessness and Prevention budget had taken into account the ramifications of the Homelessness Act. This had been taken into account.

The Portfolio Holder for Finance gave the officers enormous praise for their work on the budget and stated that the full budget would be presented following the consultation process.

RESOLVED that the Executive Committee:-

- a. Refers the draft budgets for 2018/19 (as contained in the separate budget booklet) to Scrutiny for comment in accordance with the Council's Constitution, and notes it is minded to bring forward the Capital Budgets for Commercial Investments that are currently shown for 2019/20-2022/23

by a year, as referred to in paragraph 6.9 of the report

- b. Noted the current budget position for 2017/18.
- c. Recognise that the task of balancing the budget in future years was becoming increasingly difficult especially in the light of increasing service pressures, a national review of the Business Rates Retention Scheme and the Government review of the Fair Funding Formula.
- d. Noted that the budget consultation period would run from 17th January 2018 to 28th February 2018. The budgets and level of Council Tax for 2018/19 would be set at a meeting of Full Council on 28th February 2018.

(The meeting started at 6.30pm and ended at 6.50pm)

Signed

Chair