

BOROUGH OF KETTERING

BUDGET CONSULTATION

Meeting held: 24th January 2019

Present

Councillor Richard Barnwell (Cransley & Mawsley Parish Councils)
Councillor Amanda Bussey (Cransley Parish Council)
Councillor Clive Cross (Rothwell Town Council)
Councillor Laurie Dale (Wilbarston Parish Council)
Councillor Fay Foster (Pytchley Parish Council)
Councillor Christopher Groome (Burton Latimer Town Council)
Dr Tom Kelly (Campaign for the Protection of Rural England)
Councillor Allan Matthews (Northamptonshire County Council)
Councillor Tom Morrissey (Rothwell Town Council)
Councillor Dianne Miles-Zanger (Barton Seagrave Parish Council)
Councillor Nick Richards (Wilbarston Parish Council)
Mr Mike Sawford (Independent Member – Kettering Borough Council)
Mr Steven Soper (Kettering Borough Tenants' Forum)
Councillor Robin Shrive (Broughton Parish Council)
Councillor Fred West (Harrington Parish Council)

Kettering Borough Councillors

Councillor Linda Adams
Councillor Lloyd Bunday
Councillor John Currall
Councillor Ash Davies
Councillor June Derbyshire
Councillor Maggie Don
Councillor Andrew Dutton
Councillor Ruth Groome
Councillor Jim Hakewill
Councillor Philip Hollobone
Councillor David Howes
Councillor Ian Jelley
Councillor Anne Lee
Councillor Clark Mitchell
Councillor Cliff Moreton
Councillor Russell Roberts
Councillor Mark Rowley
Councillor Michael Tebbutt
Councillor Lesley Thurland
Councillor Greg Titcombe
Councillor Jonathan West

Officers

Martin Hammond (Executive Director)
Lisa Hyde (Executive Director)
Mark Dickenson (Head of Resources)
Dean Mitchel (Group Accountant)

Jo Haines (Group Accountant)
Anne Ireson (Committee Administrator)

Apologies

Councillor Burnage (Thorpe Malsor Parish Council)
The Mayor (Councillor James Burton)
Ms Jane Calcott (Neighbourhood Watch)
Ms Hilary Chipping (SEMLEP)
Mr Simon Cox (Kettering Business Network)
Councillor Mark Dearing
Councillor Rob Gardiner (Rushton Parish Council)
Councillor Brenda Hargreaves (Pytchley Parish Council)
Councillor Jenny Henson
Councillor Paul Marks
Mr Stephen Mold (Police, Crime and Fire Commissioner)
Councillor David Watson (Geddington, Newton and Great Oakley
Parish Council)
The Deputy Mayor (Councillor Keli Watts)

19.BC.01 WELCOME

The Portfolio Holder for Finance welcomed members of the public and councillors to the meeting.

Prior to a presentation being given, attendees were asked to note that consultation by the Department for Housing, Communities and Local Government on the proposed Local Government Reorganisation in Northamptonshire was due to conclude on 25th January, with a decision being made during March 2019. Kettering Borough Council must fulfil its statutory duties in setting a budget within a medium term financial strategy, notwithstanding uncertainty about the future of local government in Northamptonshire.

A presentation was then given outlining the Council's Draft Budget Proposals for 2019/20 and Medium Term Financial Strategy, summarising the three main accounts namely:-

- The General Fund
- The Housing Revenue Account
- The Capital Programme

In summarising the presentation, The Portfolio Holder for Finance thanked officers for their work in preparation of the budget, commending efficiencies achieved over the last eight years. He urged people to submit their comments as soon as possible and not leave comments until the final day, as that would limit the ability of the Council to respond to them.

Recommendations would be made to the Council's Executive on 13th February and presented to Full Council on 27th February 2019, following consideration of the budget proposals by the Geographic Forums, the Monitoring and Audit Committee, the Research and Development Committee and the Tenants' Forum.

An opportunity for individual questions was given and attendees advised that written comments may also be sent to the Council for consideration, although these should preferably be submitted prior to the Executive Committee meeting on 13th February so that any suggestions could be fully costed and considered.

Questions asked, answers given and comments made are summarised below:-

19.BC.02 QUESTION AND ANSWER SESSION

Item / Issue	Summary of Officer Response Given
<p>This comment was made last year, too. It should be made clearer to local organisations and members of the public when their comments are going to be considered. The report suggests that the consultation period ends at the Full Council meeting in February. However, the Portfolio Holder for Finance has said that if people wait until the end of the consultation period, comments will not be considered by the Executive. The public must know that their comments will be considered. Please can it be made clear that the cut-off point is 12th or 13th February, so that all comments and suggestions made can be considered by the Executive. It has been said at this meeting that making a comment on 27th February is too late. This is very important.</p> <p>(Councillor Clark Mitchell, KBC)</p>	<p><i>The Council did take on board comments made last year on this subject.</i></p> <p><i>Between now and 27th February there is an opportunity for anyone to make a comment. However, the earlier someone comes forward with an idea, the better. In terms of the council's statutory responsibilities, the consultation ends when the council sets the budget and council tax. Ideally, people should make any comments before the Executive Committee meets on 13th February. It does not stop people coming along to the Council meeting and making a comment, but it does make it more difficult to take their comments on board.</i></p> <p>(Mark Dickenson, Head of Resources and Martin Hammond, Executive Director, Councillor Lloyd Bunday, Portfolio Holder for Finance)</p>

<p>With shared services and local government reorganisation is there going to be a natural wastage of people, with a consequent cutting back on services in rural areas, eg. grass cutting.</p> <p>Councillor Robin Shrive (Broughton Parish Council)</p>	<p><i>Joining with Corby in delivering a shared street scene service will give more capacity and allow for more investment in some areas of work, for example verge maintenance. Combining the two teams improves overall capacity, without increasing staff numbers, and any reductions in aggregate numbers of employees has not been at the expense of service quality; indeed, the intention is for service quality to improve.</i></p> <p>(Martin Hammond, Executive Director)</p>
<p>I understand there will be no Council Tax increase this year and there has been none for the last eight years.</p> <p>From the parishes' point of view we have to increase our precept each year. We have also been advised by NALC we need to build up a contingency fund for jobs that we may have to do in future which will not be done by the borough and county council, such as street lighting, verge maintenance and highway repairs. We have put up our precept by £1k on the basis of this advice. If we don't have to do the work the precept can be reduced in 2020. As a Parish Council Chair I have to be able to explain why we have raised the precept.</p> <p>Kettering is not parished so there may not be an increase for people living in Kettering but parishes have to keep putting up their precept.</p> <p>It worries me about business rates. I am a farmer and know that farm buildings are let to businesses and those people pay no business rates. I hope something will be done under the new regime so that such people have to pay. I made the same points last year.</p> <p>(Councillor Richard Barnwell, Cransley and Mawsley Parish Councils)</p>	<p>In terms of business rates, this is an area that is being reviewed in terms of avoidance.</p> <p>There is a discretionary rate relief process for business start-ups, a relief scheme and a transition scheme which takes a number of businesses out of the rating system.</p> <p>In terms of towns and parishes, it is for each individual town or parish to make a decision on its precept, but there is no expectation that during the course of 2019/20 any services will be transferred to parish councils.</p> <p>No decision has yet been taken on the outcome of the government's consultation on local government reform in Northamptonshire, which ends on 25th January with a decision expected in March.</p> <p>There have also been no decisions as to what extent parishes may be affected in the future.</p> <p>One of the things any new Council will need to consider is what role towns and parishes would play. This cannot sensibly take place until at least the shadow authority is up and running and more likely it will be for the new councils themselves to determine after 2020.</p> <p>(Lisa Hyde and Martin Hammond, Executive Directors)</p>

<p>The presentation was very useful but I would like more details about income as I find it odd that it is described as efficiency savings. It needs to be clearer for members of the public. Are we taking more income as fees for people using our services or are we increasing the fees? People do contact me and say the Council is increasing its charges. Sometimes there is a hidden increase in costs to the public. It needs to be made clearer in the budget proposals what income actually represents, for example, an increase in fees and by what percentage.</p> <p>(Councillor Jonathan West, KBC)</p>	<p><i>There has been an increase in cremation fees (around £28k) Some fees have been adjusted to align with other charges. Other changes in fees reflects an increase in usage, rather than in price.</i></p> <p>(Mark Dickenson, Head of Resources)</p>
<p>Efficiencies state £600k for investing. Is this £600k net of borrowing costs?</p> <p>(Councillor Nick Richards, Wilbarston Parish Council)</p>	<p>Yes.</p> <p><i>In next year's budget. The global total for income from commercial investments is a net £1.3m.</i></p> <p>(Councillor Lloyd Bunday, Portfolio Holder for Finance)</p>
<p>There should be more detail around Table 8, in particular the composition of efficiencies and details of staff suggestions. £139k to £282k over the two years.</p> <p>We need more clarity so that suggestions can be made before full Council in February. Members of the public will be trying to understand the documents. We want them to come forward so that they can be engaged. We should try to make the details easier to understand, otherwise people will be reluctant to attend. We need to think about how we consult with people on the budget in future.</p> <p>(Councillor Linda Adams, KBC)</p>	<p><i>Each year is a distinct period in time. This year includes efficiencies around the shared services with Corby.</i></p> <p><i>The table referred to is a summary table. Table 7 gives a breakdown on key areas. Table 4 gives details on the £1,473k efficiencies.</i></p> <p><i>£110k of the total gain from the partnership working heading relates to the Corby and Kettering street scene partnership.</i></p> <p><i>Comments will be taken on board and we are happy to accommodate further comments.</i></p> <p><i>Income from Commercial investments were an additional £600k in 2018/19 and an additional £500k in 2019/20.</i></p> <p>(Councillor Lloyd Bunday, Portfolio Holder for Finance) Mark Dickenson, Director of Resources.</p>

Is the number of employees at Kettering Borough Council the same as last year?

Taking the shared service out of the equation, what is the number of full time equivalent employees?

Expenditure on crime reduction in the public services summary remains the same. In view of rising crime isn't there scope to increase this?

(Councillor Anne Lee, KBC)

The shared service adds approximately 80-90 employees, which takes the total number to over 600 staff There has been no other significant change in FTE employees over the year, or change in the balance between part time or full time working.

The Council's crime reduction spending is largely on CCTV, PCSOs and variety of interventions, as well as one specialist officer. However, a good deal of day to day work, within for example, housing management and the warden team reflects a need to tackle crime and anti-social behaviour, but which is not reflected in the headline figures as it represents an unquantifiable proportion of people's time or role.

***(Mark Dickenson, Head of Resources
Martin Hammond, Executive Director)***

On commercial:

- What is strategy for mitigating lack of income if failure, for example if we have acquired retail units?
- What scrutiny has there been amongst backbench councillors?

The Minister wrote to the Treasury asking for money to be put aside by local government (James Brokenshire) in relation to the situation after Brexit. What risk factors are built into budget in relation to this?

(Councillor James Hakewill, KBC)

The Investment Strategy matrix provides for due diligence. In relation to the retail sector, we haven't invested in the retail sector for many years.

We cannot remove all risks but we reduce risk as much as we can, by applying the adopted investment criteria. This criteria has been endorsed by the Council's external auditors. The Asset Management Board is cross-party and looks at a range of issues, risks, leases and aspects of business – which forms part of the due diligence.

In relation to scrutiny, the Asset Management Board's cross-party membership is involved in the process and criteria. The Investment Strategy was approved by Executive and updates on the Strategy and acquisitions were presented to the Monitoring and Audit Committee.

There is currently no funding for Brexit related interventions. We need to understand what the full risks are. We have not bid for any funding for Brexit related activity. The Council has a well-developed risk management plan which has factored in a variety of risks associated with BREXIT and this is under constant review.

(Lisa Hyde, Executive Director)

<p>In London 40% of ex-Council houses sold under the Right to Buy (RTB) Scheme are now in the private letting pool as they have been bought back by Councils to alleviate homelessness.</p> <p>Are we buying back former Council houses and what sort of deal are we getting? Are the increases in numbers of RTB properties connected to a reduced income in the Housing Revenue Account?</p> <p>Are more people buying homes under RTB at a time when we need more properties for homelessness?</p> <p>We may need to carry out some work on these issues and see whether they are linked.</p> <p>(Councillor Andrew Dutton, KBC)</p>	<p>As a local authority we cannot control how RTB operates, this is determined at a national level.</p> <p>We have acquired ex council houses to meet our need for temporary accommodation, and at market value. This is better value than putting people in B & B. The rationale is that we are able to acquire properties and use them to provide a service which increases the value of the Council's asset base and retains money in our business and this approach helps manage financial pressures and provides a better social outcome for those requiring accommodation.</p> <p>We are informing the wider lobbying strategy on RTB which is being led by the Local Government Association.</p> <p>When an individual acquires a property under Right to Buy they cannot re-sell it straight away without losing a part of their discount and the Council has not bought any former council houses which have been recently disposed of under RTB.</p> <p>(Mark Dickenson, Head of Resources Cllr Lloyd Bunday, Portfolio Holder for Finance Dean Mitchell, Group Accountant)</p>
<p>Does relocation of homeless families from other areas affect the budget in the future?</p> <p>(Councillor Cliff Moreton, KBC)</p>	<p><i>There is some movement of homeless families out of London and the south east, but this tends to be to bigger cities rather than Kettering. We have had people relocated to Kettering by their host authority. The risk is that, long term, if they stay for two years, they are eligible to be re-homed by KBC if they are then homeless again. It is not a huge problem, but it is not something we can control. We monitor the situation as best we can. .</i></p> <p>(Martin Hammond, Executive Director)</p>