Minutes of a meeting of the CABINET of SOUTH NORTHAMPTONSHIRE COUNCIL held in the Committee Room, Council Offices, Springfields, Towcester on Monday 16 January 2012 at 6.00pm

PRESENT:
   Councillor Mary Clarke - Chairman
   Councillor Dermot Bambridge
   Councillor Rebecca Breese
   Councillor Robin Digby
   Councillor Rupert Fordham
   Councillor Rosie Herring
   Councillor Ian McCord
   Councillor Andrew Wilby

ALSO PRESENT:
   Trevor Croote – Audit Commission (for agenda item 6)
   Neil Bellamy – Audit Commission (for agenda item 6)

IN ATTENDANCE:
   Sue Smith
   Calvin Bell
   Ian Davies
   Martin Henry
   Kevin Lane
   Adrian Colwell
   Karen Curtin
   James Doble
   - Chief Executive
   - Director of Development
   - Director of Community and Environment
   - Director of Resources
   - Head of Law and Governance
   - Head of Strategic Planning and the Economy (for agenda item 9)
   - Head of Finance and Procurement
   - Democratic and Elections Manager

101. MINUTES

   The Minutes of the meeting of the Cabinet held on 5 December 2011 were approved as a correct record and signed by the Chairman.

102. MATTERS ARISING FROM THE MINUTES

   There were no matters arising from the minutes..

103. APOLOGIES FOR ABSENCE

   There were no apologies for absence.

104. CHAIRMAN’S ANNOUNCEMENTS

   There were no Chairman’s announcements.
105. DECLARATIONS OF INTEREST

Councillors Digby and Herring declared personal interests in agenda item 9 – HS2 Update as they lived in relatively close proximity to the proposed HS2 route.

Councillor Wilby declared a personal interest in agenda item 11 – Review of South Northamptonshire Leisure Trust as a council appointed trustee.

106. ANNUAL AUDIT LETTER

Trevor Croote and Neil Bellamy (Audit Commission) presented the Annual Audit letter to Cabinet. In doing so they noted that their findings were positive and that an unqualified opinion had been given on the Council’s accounts. It was noted that there were many challenges ahead for the Council including the economic downturn, ensuring value for money and joint working. It was reported that the Audit Commission had been requested to investigate whether the expenditure by members of the 51M group in relation to High Speed 2 was within the publicity code for local government and they would report in due course. In concluding the Audit Commission thanked staff and Members for their assistance. In reply Councillor McCord thanked the Audit Commission for their work and praised the work of the finance team which had led to an unqualified opinion and confirmed that contributions from South Northamptonshire Council to the 51M group had been restricted to technical studies and had not been used for publicity.

RESOLVED: That the Annual Audit letter be noted.

107. NORTHANTS LEADERSHIP UPDATE

The Leader reported:

1. That a newsletter was now being produced by the group and in future she would arrange for this to be circulated to all members of Cabinet.

2. That there had been a number of changes in personnel on the group including a new Chief Executive at Wellingborough and new leaders at Corby and Northampton Borough Councils.

3. On progress with regard to the health and well being work stream, Northamptonshire branding, education and training work stream and Intracon which was being led by South Northamptonshire and East Northamptonshire councils.

108. SEMLEP UPDATE

The Leader reported that;
1. The draft business plan was being circulated for consultation and a meeting of economic development officers was being planned and the Northampton Economic Development Zone was a key project for SEMLEP.

2. Dates would be circulated for a business event to be held at the MK Dons Stadium and it was hoped the Chief Executive of Network Rail would be able to attend.

3. Work was progressing to obtain some loan guarantee schemes for the area and also with DEFRA to a scheme for rural businesses.

109. EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that, if the public were present, it would be likely that exempt information falling under provisions of Schedule 12A, Part 1, paragraph 5 would be disclosed to them and that, in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

110. HS2 UPDATE

The Portfolio Holder for Community Regeneration presented a report that had been circulated after the agenda publication following the announcement that the Government intended to pursue HS2. In the course of discussion Cabinet took advice from the Section 151 and Monitoring Officer to inform their decision.

The Cabinet decision (attached with reasoning at exempt Annexe 1 to the Minutes) was as follows:

That:

1. the proposed actions by Council officers as set out in the exempt report in response to the government announcement made on 10 January 2011 be approved.

2. the officers’ intention to seek legal advice as part of the 51M consortium on the merits of a possible application for Judicial Review of the decision to proceed be endorsed and that the Monitoring Officer be given delegated power in consultation with the Portfolio Holder for Community Regeneration and Head of Strategic Planning and
the Economy to sign off the commissioning brief on behalf of South Northamptonshire Council.

111. READMITTANCE OF THE PRESS AND PUBLIC

RESOLVED: That the press and public be readmitted.

112. MATTERS REFERRED TO CABINET BY OTHER PARTS OF THE COUNCIL

There were no matters referred to Cabinet by other parts of the Council.

113. REVIEW OF SOUTH NORTHAMPTONSHIRE LEISURE TRUST

The Deputy Leader/Portfolio Holder for Community Wellbeing submitted a report which reported to Cabinet the conclusions of a review of the South Northamptonshire Leisure Trust.

In the course of discussion members confirmed that the Leisure Trust Annual Report would be considered at the February Council meeting and that they were keen for the trust to approach them with ideas for the use of the council's share of operating surplus.

RESOLVED:

1. That the background to the formation of the South Northamptonshire Leisure Trust (SNLT), its contractual relevance and financial benefits to the Council be noted.

2. That the Trust be encouraged to continue the development of leisure opportunities in South Northamptonshire.

3. That closer working with the Trust in this role with further regular SNC officer input and reporting back to the Council of performance and achievements be welcomed.

4. That a decision on the preferred use of the Council's share of the operating surplus be deferred pending the receipt of ideas from the Leisure Trust by the Council and the agreement of a maximum limit.

5. That agreement be given to jointly explore the potential for a programme of joint development opportunities to improve leisure provision aligned to the growth points in South Northamptonshire.
114. COMMUNITY PARTNERSHIP UNIT REVIEW

The Portfolio Holder for Community Wellbeing submitted a report which presented the review of the Community Partnership Unit.

The Cabinet decision (attached with reasoning at Annexe 2 to the Minutes) was as follows:

That:

1. The Community Partnership Unit continue to be funded at the current level (£49K) as the funding level for 2012/13.

2. Cabinet request a further report from the Head of Community Services later in 2012/13 on the implications for Community Safety Partnerships once there is clarity on the role of the Police Crime Commissioner (PCC) and the county wide review has been concluded.

3. The Community Engagement Theme Group considers whether there are any alternative delivery models, in particular whether there are any joint arrangements with Cherwell District Council, that enable the Council to secure efficiency savings whilst continuing to maintain its Community Safety responsibilities.

117. RESOURCE REVIEW

The Leader of the Council and the Portfolio Holder for Resources jointly submitted report which outlined the review that had been conducted to identify any gaps in skills or capacity following the appointment to the posts in the new Joint Management Team. In the course of discussion Cabinet requested that Silverstone and Towcester and Brackley urban extensions be included in the list of major projects set out in the report.

The Cabinet decision (attached with reasoning at Annexe 3 to the Minutes) was as follows:

That:

1. The outcome of the resource review be noted.

2. The proposals for the one-off funding requirement outlined in the report be agreed.
3. It be noted that business cases for any further funding requirements are being developed for member consideration.

4. The Community & Resources Review & Development Committee be requested to review the joint working arrangements during 2012/13.

5. The Silverstone, Towcester and Brackley urban extensions be included within the projects to be supported as set out in section 3.16 of the report.

116. REVIEW OF RESERVES

The Portfolio Holder for Resources submitted a report which reviewed the Council’s reserves and in doing so thanked Mandy Anderson and her team. Cabinet noted that an earmarked reserve of £75k for flood relief schemes had been removed, it was agreed that this should be reinstated and that if permitted by the terms of the funding this should be consolidated with the other flooding reserves.

The Cabinet decision (attached with reasoning at Annexe 4 to the Minutes) was as follows:

That:

1. Full council be recommended to consider and endorse the contents of the report.

2. Full council be recommended to agree the transfers between earmarked reserves and the general fund as detailed in Appendix A to the report

3. Full council be recommended to agree that authority is delegated to the Director of Resources, in consultation with the Resources portfolio holder, to transfer sufficient funds from earmarked reserves to general fund balances as part of the closedown processes for 2011-12 to avoid general fund balances falling below the minimum amount stated in the medium term financial strategy of £750,000 if required.

4. Full council be recommended to agree the delegations as set out in Appendix B Column D of the report.

5. The Flood Alleviation Reserve be re-instated and the Director of Development be delegated to consolidate other flood relief funding to add to this reserve.
117. **BUDGET 2012-13 FEES AND CHARGES**

The Portfolio Holder for Resources submitted a report which report set out the proposed fees and charges for 2012/13.

The Cabinet decision (attached with reasoning at Annexe 5 to the Minutes) was as follows:

That:

- R5 1. The proposed fees and charges be approved for referral to Council.

118. **DRAFT REVENUE AND CAPITAL BUDGET 2012/13**

The Portfolio Holder for Resources submitted a report which report set out the proposed draft 2012-13 budget and five year Medium Term Revenue Financial Plan for South Northamptonshire Council based on information currently available, as a starting point for the consultation processes leading to approval by Full Council on 25 January 2012. In introducing the report Councillor McCord thanked the budget working group for their work.

The Cabinet decision (attached with reasoning at Annexe 6 to the Minutes) was as follows:

That:

- R6 1. Full council be recommended to agree a Council Tax freeze or amend the proposals contained within this report to recommend a different level of Council Tax.

- R7 2. Full council be recommended to agree that authority is delegated to the Head of Finance and Procurement, in consultation with the Resources Portfolio Holder, to amend the contribution to or from general fund balances to account for any changes that may occur as a result of the final settlement figures that are due to be issued by the end of January which may be after full council has met.

- R8 3. Full council be recommended to note the creation of an additional earmarked reserve as detailed in 3.19 and to delegate authority to the Director of Resources, in consultation with the Resources Portfolio Holder, to finalise proposals for its use.
4. The Director of Resources be delegated, in consultation with the Leader of the Council, to finalise proposals for the use of second homes funding for submission to the County Council as detailed in paragraphs 3.28 to 3.33 of the report.

5. Full council be recommended to agree that the medium term financial strategy is updated to reflect the revised medium term revenue plan detailed in Appendix C of the report.

6. The Capital Programme recommendations to full council be amended by the two amounts detailed in paragraph 3.67 of the report.

7. The contents of the section 25 statement from the Director of Resources contained in 3.63 to 3.65 of the report in relation to the robustness of the estimates and the adequacy of reserves be noted.

8. The proposed method of formal consultation as detailed at 3.79 of the report be agreed.

119. CABINET WORK PROGRAMME INCORPORATING THE FORWARD PLAN JANUARY – APRIL 2012

Cabinet received for information the Cabinet Work Programme incorporating the Forward Plan showing items scheduled for consideration at future meetings and detailing key decisions to be taken at the Council over the period January 2012 to April 2012.

RESOLVED:

1. That the Cabinet Work Programme incorporating the Forward Plan be agreed subject to the following amendments:
   a. HS2 Update to be added as a standing item.
   b. Move the following items from January to February: WNDC; Core Strategy Update
   c. Add to February: Moat Lane Update
   d. Add to March: New Homes Bonus
   e. Add to April: National Planning Policy Framework
   f. Change the Consultation Strategy Portfolio Holder to Cllr Wilby.

120. URGENT BUSINESS

There was no urgent business.
121. EXCLUSION OF THE PUBLIC

RESOLVED: That under Section 100A of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that, if the public were present, it would be likely that exempt information falling under provisions of Schedule 12A, Part 1, paragraphs 1 and 3 would be disclosed to them and that, in all circumstances of the cases, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

122. ICT INSOURCE AND SHARED SERVICE BUSINESS CASE

The Portfolio Holder for Community Engagement submitted an exempt report which detailed the proposals for the ICT insource and shared service business case.

The Cabinet decision (attached with reasoning at exempt Annexe 7 to these Minutes) was as follows:

That, subject to approval of the staffing implications by Appointments and Personnel Committee and similar approval by the respective Cherwell District Council decision making bodies:

1. the business case for in sourcing the ICT function at the end of the current contract with Capita be endorsed and the use of earmarked ICT capital and revenue reserves to fund the set up costs approved.

2. the ICT Programme Board progress the in source.

3. A revised Terms of Reference for the ICT Programme Board as set out in Appendix 5 to the report be approved and the authority to take all necessary non staffing decisions to implement it be delegated to the Director of Resources in consultation with the Programme Board Chairman.

4. The Director of Resources be delegated in consultation with the Resources portfolio holder and the portfolio holder for Community Engagement to approve the award of a contract for the provision of fully hosted and managed services as appropriate for Benefits, Income Management, Non-Domestic Rates, Council Tax, and Housing to the supplier and for up to the tender sum indicated in Appendix 6 of the report.
5. It be noted that the Chairman of the Community and Resources Review and Development Committee has agreed to waive the potential call in of these decisions.

123. MINUTES OF THE BUDGET WORKING GROUP 13 DECEMBER 2011

The Minutes of the Budget Working Group meeting of 13 December 2011 were submitted for information.

RESOLVED: That the Minutes of the Budget Working Group meeting of 13 December 2011 be noted.

Chairman

(the meeting closed at 9.20pm)
Decision

That:

1. the Community Partnership Unit continue to be funded at the current level (£49K) as the funding level for 2012/13.

2. Cabinet request a further report from the Head of Community Services later in 2012/13 on the implications for Community Safety Partnerships once there is clarity on the role of the Police Crime Commissioner (PCC) and the county wide review has been concluded.

3. The Community Engagement Theme Group considers whether there are any alternative delivery models, in particular whether there are any joint arrangements with Cherwell District Council, that enable the Council to secure efficiency savings whilst continuing to maintain its Community Safety responsibilities.

Reason(s) for Decision

To confirm funding of the Daventry District and South Northamptonshire Community Partnerships Unit (CPU) following the reports to Policy Committee, Budget Working Group and Cabinet in the final quarter of 2011, to enable the Council to deliver its community safety responsibilities.

Alternative options considered (including reasons for rejection)

There would appear to be 3 options for future funding arrangements for the CPU:

Option 1: Continue to fund the CPU at current level (£49K).

The draft budget proposals make provision for this course of action. We would then work with the CPU more closely to ensure VFM and to achieve higher profile for the service across the District.
**Option 2:** Operate the service in partnership with DDC in line with the approved revenue budget (£29K).

This would require a renegotiation with DDC and Northamptonshire Police of the service level offered via the CPU and would be a reduction in partnership working and community safety initiatives across the District as it is a cut in funding. There could be some one off costs if staff contracts have to be amended and there may need to be redundancy with consequent cost implications. As in option 1, we would seek to establish closer working with the CPU to achieve profile across the District. There would be a reduction in the work with young people.

**Option 3:** To withdraw all funding to the Unit and deliver the statutory Community Safety Partnership requirements with the police and other Responsible Authorities in a different way.

This would require serving notice of six months (served in September 2011) and would require alternative arrangements being put in place to meet the Council’s duties under the Crime and Disorder Act (there are no alternative resources currently to achieve this). There will be redundancy costs. If this option was considered a shared service with CDC would be a pragmatic approach, reviewing the way in which their community safety resources are allocated. This option would require a detailed review of the partnership working to establish essential service elements from those that are less of a priority and to use this information to determine the new structure required to deliver the service. This would take time and is not therefore recommended at this stage.

**Links to Corporate Priorities and Policy Framework**

The recommendations in this report support partnership working which benefit the public and provide for the most cost effective way of delivering the Council’s statutory community safety responsibilities under the Crime and Disorder Act.

**Resource Implications**

Option 1 maintains support for the unit at the current level (£49,000) and the draft budget proposals provide base budget funding to achieve this.

Option 2 would see a reduction in the funding given to the unit to £29,000. There is no requirement for such a reduction in the draft budget proposals.

**Impact on Efficiencies**

There are no efficiency savings arising directly from this report but there are opportunities to explore different arrangements in the future that could realise some savings.

**Risk Management Implications**
There are redundancy implications to Options 2 and 3 and a reduction in the level of service delivery to young and older people.

There are reputational risks to reducing the service and potential for adverse effects on partnership working with DDC and the police.

Consultation Undertaken

Consultation has taken place with DDC and the Community Safety Partnership.

Equalities and Diversity Implications

None

Human Rights Implications

None

Crime and Disorder Implications

As set out in the report

Biodiversity Implications

None

Forward Plan/Urgency (for key decisions only)

Not in Forward Plan

Declared Interests (if any)

None

Dispensations Granted (if any)

None
ANNEXE 3

SOUTH NORTHAMPTONSHIRE COUNCIL

RESOURCE REVIEW

RECORD OF DECISION TAKEN BY THE CABINET

Date of Decision: 16 January 2012

Decision

That:

1. the outcome of the resource review be noted.

2. The proposals for the one-off funding requirement outlined in the report be agreed:

3. It be noted that business cases for any further funding requirements are being developed for member consideration.

4. The Community & Resources Review & Development Committee be requested to review the joint working arrangements during 2012/13.

5. The Silverstone, Towcester and Brackley urban extensions be included within the projects to be supported as set out in section 3.16 of the report.

Reason(s) for Decision

The creation of the Joint Management Team (JMT) on 1 October 2011 resulted from the decision taken by Cherwell District Council and South Northants Council to achieve efficiencies by reducing senior management capacity by approximately half. A review has been conducted to identify any gaps in skills or capacity following the appointment to the posts in the new JMT. This report concerns the outcomes of that review and recommendations to address requirements.

Alternative options considered (including reasons for rejection)

None proposed

Links to Corporate Priorities and Policy Framework

The recommendations in this report will help to ensure the financial viability of the Council (key theme 1.1 financial viability)

Resource Implications
The following table details the funding one-off requirements described above.

### One-off Funds required

<table>
<thead>
<tr>
<th></th>
<th>CDC</th>
<th>SNC</th>
<th>Total</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim HR Manager</td>
<td>14,400</td>
<td>14,400</td>
<td>28,800</td>
<td>Estimate - Closing date 22 December 2011</td>
</tr>
<tr>
<td>Interim Housing and Regeneration Manager</td>
<td>14,400</td>
<td>14,400</td>
<td>28,800</td>
<td>Estimate</td>
</tr>
<tr>
<td>Project Management</td>
<td>25,000</td>
<td>25,000</td>
<td>50,000</td>
<td>Split equally between councils</td>
</tr>
<tr>
<td>Major Projects</td>
<td>100,000</td>
<td>100,000</td>
<td>200,000</td>
<td>Assumed equal split but will depend on where the project resource is utilised.</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>153,800</strong></td>
<td><strong>153,800</strong></td>
<td><strong>307,600</strong></td>
<td></td>
</tr>
</tbody>
</table>

These costs can be met through the following underspends and earmarked reserves:

<table>
<thead>
<tr>
<th>Proposed Funding</th>
<th>CDC</th>
<th>SNC</th>
<th>Total</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12 JMT balance</td>
<td>£125,897</td>
<td>£36,805</td>
<td>£162,702</td>
<td>Underspend related to JMT c/f</td>
</tr>
<tr>
<td>Joint Management Team Provision estimated residual balance</td>
<td>£69,310</td>
<td>£46,207</td>
<td>£115,517</td>
<td>Estimated uncommitted balance - split 60:40</td>
</tr>
<tr>
<td>Transitional Reserve</td>
<td>£70,788</td>
<td></td>
<td>£70,788</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£195,207</strong></td>
<td><strong>£153,800</strong></td>
<td><strong>£349,007</strong></td>
<td></td>
</tr>
</tbody>
</table>

### Impact on Efficiencies

No impact

### Risk Management Implications

If the additional resources detailed in this report are not agreed the risk is that the Joint Management Team and the delivery of the priorities they are working to will not be delivered as effectively.

### Consultation Undertaken

As part of joint working arrangements.

### Equalities and Diversity Implications

None
Human Rights Implications
None

Crime and Disorder Implications
None

Biodiversity Implications
No impact

Forward Plan/Urgency (for key decisions only)
This is a key decision and as such will need to be included in the forward plan.

Declared Interests (if any)
None

Dispensations Granted (if any)
None
ANNEXE 4

SOUTH NORTHAMPTONSHIRE COUNCIL

REVIEW OF RESERVES

RECORD OF DECISION TAKEN BY THE CABINET

Date of Decision: 16 JANUARY 2012

Decision

That:

1. Full council be recommended to consider and endorse the contents of the report.

2. Full council be recommended to agree the transfers between earmarked reserves and the general fund as detailed in Appendix A to the report.

3. Full council be recommended to agree that authority is delegated to the Director of Resources, in consultation with the Resources portfolio holder, to transfer sufficient funds from earmarked reserves to general fund balances as part of the closedown processes for 2011-12 to avoid general fund balances falling below the minimum amount stated in the medium term financial strategy of £750,000 if required.

4. Full council be recommended to agree the delegations as set out in Appendix B Column D of the report.

5. The Flood Alleviation Reserve be re-instated and the Director of Development be delegated to consolidate other flood relief funding to add to this reserve.

Reason(s) for Decision

It is prudent financial management to review all reserves periodically in order to ensure that the reserves are adequate, relevant and set at the right level to guard against known future liabilities.

Good practice suggests that when councils review their medium term financial plans and prepare their annual budgets they should consider the establishment and maintenance of reserves. These can be held for three main purposes:
• A working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of general reserves.
• A contingency to cushion the impact of unexpected events or emergencies – this also forms part of general reserves.
• A means of building up funds, often referred to as earmarked reserves, to meet known or predicted liabilities.

The requirement for financial reserves is acknowledged in statute. Sections 32 and 43 of the Local Government Finance Act 1992 require billing and precepting authorities in England and Wales to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.

There are also a range of safeguards in place that help to prevent local authorities over-committing themselves financially. These include:
• The balanced budget requirement as set out in the Local Government Finance Act 1992.
• The chief finance officer’s duty to report on robustness of estimates and adequacy of reserves when the Council is considering its budget requirement.
• Legislative requirement for each local authority to make arrangements for the proper administration of their financial affairs and that the chief finance officer has responsibility for the administration of those affairs.
• These requirements are reinforced by section 114 of the Local Government and Finance Act 1988 which requires the chief finance officer to report to Council if there is or likely to be unlawful expenditure or an unbalanced budget.

There is also a requirement under Section 25 of the Local Government Act 2003 to ensure that the levels of reserves held are reasonable and adequate.

Alternative options considered (including reasons for rejection)

It could be decided that the review of reserves is not approved. This is not recommended for the reasons stated in section 2 of this report.

Links to Corporate Priorities and Policy Framework

Sustainability and economy – ensuring the effective and efficient use of resources.

Resource Implications

This report recommends that the transfers between earmarked reserves as detailed in Column C of Appendix A are approved. In summary this recommends that following the review of reserves the net movement on earmarked reserves is self funding within earmarked reserves and there is no additional call on general fund balances. A further consideration is the level of general fund balances held by the Council. The medium term financial strategy states that these should not
drop below £750,000. It is therefore recommended that as part of the closedown process for 2011-12 authority is delegated to the Director of Resources to transfer funds to general fund balances, from earmarked reserves (at his discretion) to avoid general fund balances dropping below £750,000 should this be required to avoid the limit being breached.

**Impact on Efficiencies**

No impact

**Risk Management Implications**

No impact

**Consultation Undertaken**

There has been full consultation with the resources portfolio holder who is supportive of these recommendations.

The Joint Management team have been involved in the preparation of this report.

**Equalities and Diversity Implications**

No impact

**Human Rights Implications**

No impact

**Crime and Disorder Implications**

No impact

**Biodiversity Implications**

No impact

**Forward Plan/Urgency (for key decisions only)**

No

**Declared Interests (if any)**

None

**Dispensations Granted (if any)**

None
SOUTH NORTHAMPTONSHIRE COUNCIL
BUDGET 2012-13: FEES AND CHARGES

RECORD OF DECISION TAKEN BY THE CABINET

Date of Decision: 16 JANUARY 2012

Decision

That:

1. The proposed fees and charges be approved for referral to Council.

Reason(s) for Decision

The review of the fees and charges forms an important element in the annual budgeting process.

That Cabinet is made aware of the financial implications of the changes to the fees and charges. (Appendix A of the report).

The Election Fees Schedule is contained in Appendix B of the report. This schedule represents the proposed recharges to parishes, the level of pay to staff local elections and provides a minimum level for national elections.

Alternative options considered (including reasons for rejection)

Cabinet can reject the changes or decrease fees and charges but this will lead to the loss of the additional income.

Cabinet can increase individual charges but it should be borne in mind that this may result in consumer resistance and ultimately a reduction in income. It is also important to note that it is not legally permissible for Local Authorities to make a profit on fees and charges for services. If Cabinet want to increase a particular fee or charge, a costing exercise would need to be conducted to ensure this regulation was not breached.

Links to Corporate Priorities and Policy Framework

This report is prepared in accordance with the Council’s Financial Procedure Rules, which requires at least, an annual submission to Cabinet of a schedule of recommended fees and charges for services for consideration by Cabinet Members.

Resource Implications
No impact

**Impact on Efficiencies**

Fees and Charges form a vital part of the budget proposals. The work to review income received from fees and charges is of increasing importance due to the current economic downturn and the income helps the Council maintain efficiency and value for money.

**Risk Management Implications**

There are many risks associated with charging for services, for example:
- charging for services may present a barrier to service use for some people
- charging may produce negative views/press as it may not be seen as equitable, for example if different areas pay different amounts for the same service, or it may be seen as double taxation
- charging for a service on a cost recovery basis may not be competitive and could affect local businesses

The current economic situation may mean that there is less demand for the services for which we currently charge. The price elasticity of demand is difficult to predict for our services at any time but this is particularly true in a quickly changing economy.

**Consultation Undertaken**

This report has been prepared following consultation with Heads of Service who have submitted their proposed changes to fees and charges.

**Equalities and Diversity Implications**

None – Although fees and charges may present a barrier to services for people on low incomes, this is unlikely to be a significant problem for the types of service that we currently charge for (listed in Appendix A of the report).

**Human Rights Implications**

No impact

**Crime and Disorder Implications**

No impact

**Biodiversity Implications**

Currently no impact – but fees and charges can be used to prevent behaviour that impacts adversely on the environment.

**Forward Plan/Urgency (for key decisions only)**

No. This is not part of the Forward Plan
Declared Interests (if any)

None

Dispensations Granted (if any)

None
SOUTH NORTHAMPTONSHIRE COUNCIL
DRAFT REVENUE AND CAPITAL BUDGET 2012-13

RECORD OF DECISION TAKEN BY THE CABINET

Date of Decision: 16 JANUARY 2012

Decision

That:

1. Full council be recommended to agree a Council Tax freeze or amend the proposals contained within this report to recommend a different level of Council Tax.

2. Full council be recommended to agree that authority is delegated to the Head of Finance and Procurement, in consultation with the Resources Portfolio Holder, to amend the contribution to or from general fund balances to account for any changes that may occur as a result of the final settlement figures that are due to be issued by the end of January which may be after full council has met.

3. Full council be recommended to note the creation of an additional earmarked reserve as detailed in 3.19 and to delegate authority to the Director of Resources, in consultation with the Resources Portfolio Holder, to finalise proposals for its use.

4. The Director of Resources be delegated, in consultation with the Leader of the Council, to finalise proposals for the use of second homes funding for submission to the County Council as detailed in paragraphs 3.28 to 3.33 of the report.

5. Full council be recommended to agree that the medium term financial strategy is updated to reflect the revised medium term revenue plan detailed in Appendix C of the report.

6. The Capital Programme recommendations to full council be amended by the two amounts detailed in paragraph 3.67 of the report.

7. The contents of the section 25 statement from the Director of Resources contained in 3.63 to 3.65 of
the report in relation to the robustness of the estimates and the adequacy of reserves be noted.

8. The proposed method of formal consultation as detailed at 3.79 of the report be agreed.

Reason(s) for Decision

This report sets out the proposed draft 2012-13 budget and five year Medium Term Revenue Financial Plan for South Northamptonshire Council based on information currently available, as a starting point for the consultation processes leading to approval by Full Council on 25 January 2012. The Full Council meeting on 29 February 2012 will also consider the associated Council Tax level for 2012-13.

The recommendations are made in order for Cabinet to recommend to full council a budget for the financial year 2012-13 and the associated level of Council Tax increase.

Alternative options considered (including reasons for rejection)

Alternative options within the budget are at members’ discretion, however, there is no alternative but to make a budget recommendation to Council in order to ensure the statutory duty of setting the Council Tax can be undertaken. This allows proper billing arrangements to be undertaken by the beginning of the new financial year.

Links to Corporate Priorities and Policy Framework

Sustainability and economy – ensuring the effective and efficient use of resources.

The Council is required to set a balanced budget before 10th March in accordance with Section 32 (10) of the Local Government Finance Act 1992 and to determine the level of Council Tax for 2012-13.

Additionally Review and Development Committees and Cabinet have considered the budget growth items bearing in mind the draft aspirations of the Council over the next three to five years.

Resource Implications

This report seeks to determine the resources that will be available to the Council for all general fund expenditure in 2012-13 and the capital programme for 2012-13 to 2014-15.

Impact on Efficiencies

In order to deliver a balanced budget for 2012-13 the net total of the budget reductions, efficiencies and additional income contained with the budget projections for 2012-13 amount to £438,000
This represents budget reductions, efficiencies and increased income of 4.20% compared against the 2011-12 total net budget.

**Risk Management Implications**

The draft budget is based on the best information available at the time of construction.

The draft budget is also based on a set of assumptions in relation to, for example, investment rates, levels of demand, Government policy and so on. These assumptions will be tested throughout the year and the reality is bound to fluctuate from the assumed position.

It is the view of the Director of Resources that the draft budget is sound and robust and does not expose the Council to an unacceptable level of risk.

**Consultation Undertaken**

There has been extensive consultation with the Joint Management Team, the Budget Working Group and the Resources Portfolio Holder.

The budget setting process for 2012-13 continued to utilise the cross party Budget-Working Group who met on 8 occasions and were responsible for considering the proposals before they were considered by Cabinet. The Resources Portfolio Holder chaired the budget-working group.

Growth items have been to the budget working group and the relevant Review and Development committees.

Additionally the Community and Resources Review and Development committee considered all growth items before they were forwarded to Cabinet in December for consideration.

Cabinet have previously been consulted on the growth items at their meeting in December.

It is proposed that consultation on these draft budget proposals should include the following:

- An article on the Council’s website including a copy of this report
- Details of the draft budget sent to representatives of the business community
- A press release inviting comments on the draft budget proposals.

This approach is recommended by the Budget Working Group as the most appropriate form of consultation.

**Equalities and Diversity Implications**

No impact

**Human Rights Implications**
No impact

Crime and Disorder Implications
No impact

Biodiversity Implications
No impact

Forward Plan/Urgency (for key decisions only)
Yes

Declared Interests (if any)
None

Dispensations Granted (if any)
None