

STEVENAGE BOROUGH COUNCIL

EXECUTIVE
MINUTES

Date: Tuesday 24 January 2017

Time: 14.00 hrs.

Place: Shimkent Room, Daneshill House, Stevenage SG1 1HN

Present: Councillors S Taylor OBE CC (Chair), J Gardner (Vice-Chair), Mrs J Lloyd, R Henry CC, R Raynor, S Speller and J Thomas

Start/End Time: Start Time: 14.00 hrs.
End Time: 15.35 hrs.

1. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

At the beginning of the meeting the Executive observed a minute's silence in remembrance of Councillor Sherma Batson MBE DL CC.

The Executive recorded its condolences to Councillor Batson's family. The Chair also thanked those who were providing support with the funeral arrangements. The outpouring of love and good wishes to Cllr. Batson's family, friends and colleagues had clearly shown what a caring and hardworking community representative she was and that she would be sorely missed.

The Chair informed the meeting that there would be an opportunity for formal tributes to be made at the Special Council meeting to be held on 31 January 2017.

There were no apologies for absence or declarations of interest.

2. MINUTES – EXECUTIVE – 14 DECEMBER 2016

It was **RESOLVED** that the Minutes of the meeting held on 14 December 2016 are approved as a correct record for signature by the Chair.

3. MINUTES – OVERVIEW & SCRUTINY COMMITTEE AND SELECT COMMITTEES

It was **RESOLVED** that the Minutes of the meeting of the Overview & Scrutiny Committee held on 15 December 2016 are noted

4. COUNCIL TAX BASE 2017/18

The Executive considered a report that sought approval of the Council Tax Base for 2017/2018.

In response to a question the Executive was informed that the owners of long term empty properties had been informed of the premium level of Council Tax to be paid. It was considered that it would be appropriate for this initiative to be more widely publicised.

It was noted that the redevelopment of office buildings into residential properties had resulted in a reduction in income. The Assistant Director (Finance & Estates) agreed to provide comparison figures.

It was **RESOLVED**:

1. That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 2012, the amount calculated by Stevenage Borough Council for the year 2017/18 shall be 27,239.9 equivalent "Band D" properties reduced to 26,695.1 equivalent "Band D" properties after making allowances for a 98.00% collection rate.
2. That the 2017/18 Council Tax Base is approved subject to any changes made to the Council Tax Support Scheme (CTS) for 2017/18 that is recommended to Council on 31 January 2017.

Reason for Decision: As contained in the report.

Other Options Considered: As contained in the report.

5. HOUSING REVENUE ACCOUNT FINAL BUDGET PROPOSALS 2017/18 AND RENT SETTING

The Executive considered a report that provided an update on the draft proposals on the HRA budgets and rent setting for 2017/2018 that was to be considered by Council on 31 January 2017.

The Executive's attention was brought to a typographical error in recommendation 2.1 where the word 'that' was repeated.

The Assistant Director (Finance & Estates) informed the Executive that unallocated reserves were limited to just £3.5k to fund the agreed HRA Business Plan, particularly given the impact of recent Government policies which had resulted in the additional borrowing requirement of £75million.

With reference to the financial assumptions included in the HRA Business Plan table shown at paragraph 3.4 of the report, Members were of the view that the new build breakdown of 50% Affordable Rent and 50% Social Rent would be kept under review noting the current pilot that is in place.

It was **RESOLVED**:

1. That Council be recommended to approve that HRA dwelling rents not subject to the 1% rent reduction (currently Low Start Shared Ownership LSSO's) be increased, week commencing 3 April 2017 by 2% i.e. £2.13 per week which has been calculated using the existing rent formula, CPI +1% in line with the 2016 Rent and Service Charge Policy approved at the November Executive.
2. That Council be recommended to note that HRA dwelling rents (other than those outlined in 1 above) are subject to the 1% rent reduction from week commencing 3 April 2017 or £0.97 and £1.70 per week for social and affordable rents respectively, as outlined in the Government's Welfare Reform and Work Act 2016.
3. That Council be recommended to approve the final 2017/18 HRA, as set out in Appendix A.
4. That Council be recommended to approve the proposed fees and charges be approved as shown in Appendix B.
5. That Council be recommended to approve the proposed 2017/18 savings options as outlined in Appendix C.
6. That Council be recommended to approve the proposed 2017/18 growth options as outlined in Appendix D.
7. That Council be recommended to approve the 2017/18 service charges.
8. That Council be recommended to approve the minimum level of reserves for 2016/17 as shown in Appendix E to the report.
9. That Council be recommended to approve the increase of £149,570 to the 2016/17 HRA working budget be approved.
10. That Council be recommended to approve the Rent and Service charge Policy approved at the November Executive and as shown in Appendix G of the report.
11. That the contingency sum of £250,000 within which the Executive can approve supplementary estimates, be approved for 2017/18 (unchanged from 2016/17).

Reason for Decision: As contained in the report.

Other Options Considered: As contained in the report.

6. DRAFT 2017/2018 COUNCIL TAX SETTING AND GENERAL FUND BUDGET

The Executive considered a report that set out proposals for the Council's draft

General Fund Budget for 2017/18 and projected 2016/17 General Fund Budget and draft proposals for the 2017/18 Council Tax.

The Chair reminded the Executive that the figures for the budget and council tax were based on assumptions for calculation purposes but that the level of Council Tax would not be set until the Council meeting in February.

The Assistant Director (Finance & Estates) informed the Executive that the recent Government changes to New Homes Bonus had the effect that in 2021 this budget stream would be reduced from the anticipated £1.8million to £741,000.

The Chair expressed the view that the Government's changes to local authority funding so soon after councils, including Stevenage, had been encouraged to concur with a four year funding agreement was completely unacceptable and was not an appropriate, effective or sustainable means of funding the shortfall in adult social care.

It was **RESOLVED:**

1. That the 2016/17 revised net expenditure on the General Fund of £10,145,820 is approved.
2. That a draft General Fund Budget Requirement for 2017/18 of £8,738,231 is agreed for consultation purposes, with a contribution from balances of £386,858 and a Band D Council Tax of £198.52 (assuming a £5.00 on a band D or a 2.58% increase) be approved.
3. That the updated position on the General Fund Medium Term Financial Strategy (MTFS), as shown at Appendix A and the Risk Assessments of General Fund Balances, as shown at Appendix B to this report, is approved.
4. That a minimum level of General Fund reserves of £2,656,223, in line with the 2017/18 risk assessment of balances, as shown at Appendix B to this report, be approved.
5. That the contingency sum of £400,000 within which the Executive can approve supplementary estimates, be approved for 2017/18, (unchanged from 2016/17).
6. That the 2017/18 proposed Fees and Charges increase of £190,030 (Appendix C) be included in the draft budget.
7. That the 2017/18 proposed concessions (as shown at Appendix E) be approved.
8. That the 2017/18 proposed Budget Options of £237,690 (as shown at Appendix F) be included in the draft budget for consideration by the Overview & Scrutiny Committee.

9. That the 2017/18 proposed Growth options of £143,700 (as shown at Appendix G) be included in the draft budget for consideration.

10. That the decisions taken on recommendations 2.2 – 2.9 above be referred to the Overview and Scrutiny Committee for consideration in accordance with the Budget and Policy Framework rules in the Council's Constitution.

11. That the Leader of the Council formally writes to The Rt Hon. Sajid Javid MP, Secretary of State for Communities and Local Government to outline issues following the Government reneging on the agreement signed up to by authorities regarding funding for the next four years.

Reason for Decision: As contained in the report and 11. To bring to the attention of the Secretary of State the position that authorities are in due to the change in rules regarding funding.

Other Options Considered: As contained in the report.

7. 2017/18 DRAFT CAPITAL FORWARD PLAN & 5 YEAR CAPITAL STRATEGY UPDATE

The Executive considered a report that set out revisions to the 2016/17 General Fund and Housing Revenue Account Capital Programme and that sought approval to the draft Capital Programmes for 2017/18 for consideration by the Overview & Scrutiny Committee.

Updated versions in colour of several of the charts shown in the report were circulated at the meeting.

With reference to the bids that had come forward for funding, Members were of the view that relevant Portfolio Holders and where appropriate Ward Members should be consulted on the individual schemes at an early stage. Portfolio Holders were particularly concerned that they had not been able to share their views on the specific schemes.

The Executive expressed the view that capital investment in IT was needed to support the Future Town Future Council programme and meet the ambitions and aspirations of the authority. It was noted that the drafting of a new IT Strategy would be a key task for the incoming Assistant Director (Corporate Projects, Customers Services and Technology).

It was **RESOLVED:**

1. That the revised General Fund and HRA 2016/17 capital programme is approved as detailed in Appendix A and Appendix C of the report.
2. That the draft 2017/18 General Fund Capital Programme as detailed in Appendix A is approved for consideration by the Overview and Scrutiny Committee.

3. That the draft 2017/18 HRA Capital Programme as detailed in Appendix C is approved for consideration by the Overview and Scrutiny Committee.
4. That the updated forecast of resources as summarised in Appendix A (General Fund) and Appendix C (HRA) of the report is approved.
5. That the transfer of any unused General Fund borrowing costs to the Capital Reserve is approved, (paragraph 4.3.3 of the report refers).
6. That the growth bids identified for inclusion in the Capital Strategy are Approved (Appendix B & D).
7. That the work undertaken by LFSG on behalf of the Executive in reviewing and challenging the General Fund Capital Strategy be noted.

Reason for Decision: As contained in the report

Other Options Considered: As contained in the report.

8. NATIONAL NON DOMESTIC RATES (NNDR) 2017/18 TAX BASE

No report was available.

The Executive was informed that the drafting of a report was not possible in the required timescale as changes to the 2017 rating list, changes to NNDR tariff and retained amounts and transitional arrangements, the timing of the Government announcing the new rules and the consequential changes required to software systems, had meant that testing to produce the NNDR1 form had started only in the week commencing 16 January 2017.

As the Local Government Finance Act 2012 required the tax base (NNDR1) to be approved by 31 January 2017, determination of this matter could not wait until the next meeting of the Executive on 22 February and therefore officers recommended that delegated authority be given to the Assistant Director (Finance & Estates) to take this decision following consultation with the Portfolio Holder for Resources.

The Portfolio Holder for Resources advised the Executive that it was also recommended that any 'gains' resulting from the 2017/18 retained share should be ring-fenced in an allocated reserve to either refund the Collection Fund as a result of much higher level of appeals on the new list or used to meet the Council's regeneration ambitions.

It was **RESOLVED** that that the decision on the NNDR 2016/2017 Tax Base be delegated to the Assistant Director (Finance & Estates) following consultation with the Portfolio Holder for Resources and that any 'gains' resulting from the 2017/18 retained share be ring-fenced in an allocated reserve to either refund the Collection Fund as a result of

much higher level of appeals on the new list or used to meet the Council's regeneration ambitions.

Reason for Decision: On the advice of officers.

Other Options Considered: The only other option was to convene an urgent meeting of the Executive which was not practical.

9. URGENT PART 1 BUSINESS

None

10. EXCLUSION OF PRESS AND PUBLIC

It was **RESOLVED**:

1. That under Section 100(A) of the Local Government Act 1972, the press and public be excluded from the meeting for the following items of business on the grounds that it involves the likely disclosure of exempt information as described in paragraphs 1-7 of Part 1 of Schedule 12A of the Act, as amended by SI 2006 No. 88.
2. That having considered the reasons for the following items being in Part II it be determined that maintaining the exemption from disclosure of the information contained therein outweighs the public interest in disclosure.

11. PART II MINUTES – 15 DECEMBER 2016

It was **RESOLVED** that the Part II section of the Minutes of the meeting held on 15 December 2016 is approved as a correct record for signature by the Chair.

12. URGENT PART II BUSINESS

None

Chair