



**Executive
Committee**

Tuesday, 7 February 2017

MINUTES

Present:

Councillor Bill Hartnett (Chair), Councillor Greg Chance (Vice-Chair) and Councillors Juliet Brunner, Debbie Chance, Brandon Clayton, John Fisher, Mark Shurmer and Pat Witherspoon

Officers:

Kevin Dicks, Clare Flanagan, Sue Hanley, Jayne Pickering and Judith Willis

Democratic Services Officer:

Jan Smyth

82. APOLOGIES

An apology for absence was received on behalf of Councillor Yvonne Smith.

83. DECLARATIONS OF INTEREST

Councillor Juliet Brunner declared an Other Disclosable Interest in respect of Agenda Item 6 – Medium Term Financial Plan, as detailed at Minute 87 below.

84. LEADER'S ANNOUNCEMENTS

Work Programme

The following reports which were due to be considered, or possibly considered, at the meeting had been deferred to a later date:

- Council Procurement Rules;
- Financial Regulations;
- Engagement Strategy; and
- Housing Business Case.

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Chair

85. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on 17th January 2017 be agreed as a correct record and signed by the Chair.

86. SHOPMOBILITY SERVICE

The Committee considered a report on proposals to implement a charging structure for users of the Shopmobility service and options for the delivery of the service to ensure a sustainable service for the future.

Members were advised that the report and its recommendations were being presented in response to the Overview and Scrutiny Budget Working Group's report and recommendations that had been considered by the Executive Committee in December 2016.

Officers highlighted the average number of users, current costs associated with providing the service, the results of a survey of customers over a period time from September to November 2016 and proposed charges to secure a sustainable service for the future. Members were informed that the outcomes of the survey had indicated that the majority of users would be prepared to pay a fee as detailed at 3.12 in the report. Members also noted research carried out on charges by other Shopmobility providers showed that 75% of all schemes in the UK charged their customers.

Officers highlighted the various charges being proposed for consideration as detailed at 3.14 in the report, together with estimated revenue income of £55k based on a current usage of 15,000 visits and 75% of the current registered users. Members were also advised on the potential for an initial drop in visitor numbers that could potentially impact on the estimated revenue. Members were informed that, given the combined spends from customer car parking and shopping in the region of £250k, Officers were proposing to approach the Kingfisher Shopping Centre and the Town Centre Partnership to explore the potential for additional financial contributions towards the service.

Members expressed their disappointment that ongoing budget cuts had resulted in proposals to charge for a valued and beneficial discretionary service. It was recognised, however, that whilst income generated from the charges would be of benefit, the service would still run at a loss.

Concerns were expressed by a Member that the proposals did not go far enough to assist vulnerable residents. A proposal to amend Recommendation 2.1 to include an additional concessionary rate of £1 for individuals in receipt of Pension Credit was moved and seconded.

Following a brief discussion on the proposal, and the matter being taken to the vote, the proposed amendment to Recommendation 2.1 was not supported.

Clarification was provided further to a query about the involvement of the Older Peoples Forum and Disability Action Redditch (DAR) had been consulted on the proposed charges. Members were informed that the matter had been raised at the Older Peoples Forum where no objections to the suggestion of charges had been raised. It was noted that, whilst DAR had not been directly involved, members of the Older Peoples Forum attended DAR meetings. Clarification was also provided relating to the costs of repairs and maintenance of the equipment which, it was noted, had been built into budget projections. A Member commented that Merry Hill used visual screens for promoting businesses and services in the Centre, it being suggested the matter be included in discussions with the Kingfisher shopping Centre in terms of sponsorship of scooters. It was also noted that the Heart of Worcestershire College had been approached for students to be involved in developing a sponsorship scheme for the service.

In response to a query In terms of contributions to the service from the Kingfisher Shopping Centre and their engagement or otherwise with Officers on the potential for increased contributions, it was noted that the current agreement with them was in place until 2018.

RECOMMENDED that

- 2.1 charges for the Shopmobility Service as set out at 3.14 of the report be approved and implemented from 1st April 2017; and**

RESOLVED that

- 2.2 Officers explore opportunities for additional financial contributions to the delivery of the service with the Kingfisher Shopping Centre and Town Centre Partnership; and**
- 2.3 subject to approval of 2.1 above, a further report on the operation of the Shopmobility Service be brought to the Committee within 12 months and to report on the options for its future delivery.**

87. MEDIUM TERM FINANCIAL PLAN

Members considered a report which set out Officer recommendations for the General Fund revenue and Capital budget for 2017/18 to 2020/21.

Officers provided additional explanations in relation to the financial implications of the budget in terms of the considerable pressures facing the Council over the coming 4 years due to reductions in Government funding. Particular pressures were highlighted in terms of: reductions in the New Homes Bonus Grant and its impact; the impact of Negative Revenue Support Grant, the Localisation of the Business Rates Scheme; and the transfer from Housing Benefit to Universal Credit.

Members were informed that, further to the provisional Settlement, announced in December, Officers had been advised that the final Settlement was not due to be discussed in Parliament until the 20th February, the day the Council was due to set its Council Tax. It was noted that the Council Tax would, therefore, be set with estimates rather than final figures. The ability to increase Council Tax by 2% or £5, whichever was the greater, without triggering a referendum was also highlighted with Officers advising the increase of 2% or £5 had been built into projections. The formula grant provisional settlement, which represented a 60% decrease in comparison to the 2016/17 grant was also highlighted. Members were further advised that the projected repayment of £331k to the Government had been built into both the 2019/20 and 2020/21 projections as Officers had projected the repayment would continue into 2020/21.

Officers advised that clarity was still awaited from central Government on Business Rate Localisation and highlighted the £2.06m government assessment baseline for business rates in 2017/18. It was noted that if there were to be business rate growth above the baseline, the Council would retain a proportion of the funding. With some growth expected, Officers had built in an estimated income of £50k. Further clarification was provided in relation to the New Homes Bonus (NHB) figures, as set out at 3.81 to 3.84 in the report, in relation to the reduction in NHB payments from six to four years and an unforeseen levy to be imposed which would result a loss of NHB funding for the first 126 additional homes built each year.

Proposals for increasing Band D Council Tax payments by £5 were highlighted as was the extension of the Capital Programme to a four year rolling plan. Members were further updated in relation to the Efficiency Plan, approved in October 2016, with Officers advising

that budgets included the delivery of the savings and income identified in the Plan for 2017/18. It was noted, however, that moving forward changes to funding and service delivery from 2018/19 may require changes in the Efficiency Plan.

In addition to the unavoidable pressures previously identified and highlighted, Officers also reported on two revenue bids that had been proposed. Members were informed that a report on the procurement process for a Leisure operator would be brought to Committee at the end of the Summer assuming an external procurement approach was taken. Officers also highlighted the number of suggestions for savings that had been received from staff that had been included in the estimated budgets. Members noted that Officers would continue to encourage staff suggestions though the year.

The table of Budget Projections to 2020/21 (detailed at 3.16 in the report) was discussed. Officers explained the various proposals for savings and additional income for each year with additional clarification being provided in terms of the rationale for the various proposals.

The Chair thanked Officers for a very comprehensive report and extended his thanks to all Officers and staff who had contributed to the budget preparation process in what were unprecedented difficult financial times for the Council, particularly given reductions in grants and delays in receiving Government figures. The Committee was informed that the Leader had written to the relevant Minister and the MP for Redditch to seek a meeting with the Minister to press home the position the Council is facing but had yet to receive a response.

A substitute table of proposed savings and income (appended to the minutes for information) and revised recommendation 2.5 were circulated for consideration and subsequently moved and seconded. The chair explained that the substitute table proposed a different level of balances to those set out at 3.16 in the main report. The Administration's proposals included retention of community events (including the Bonfire, Street Theatre and Morton Stanley Festival), free swimming to over 60's and under 16's and retaining Elections by thirds. In conjunction with the proposal, and whilst recognising the difficult financial position the Council was in, Officers were requested to explore opportunities to reduce costs and generate revenue to enable the subsidy of the retained services to be reduced in the future.

Officers responded to various queries, in particular in relation to the proposals for: Leisure Services and the procurement of a Leisure provider; garden waste; staff turnover and vacant posts; revenue

opportunities including car parking; and delivery of additional services. The shortfall in the Market's income was raised and Officers agreed to ask the Head of Planning and Regeneration to send Members an update on the work being undertaken in the Market.

Additional clarification was provided in relation to the proposals for Leisure Services which it was noted included the Abbey Stadium, Palace Theatre, Pitcheroak Golf Course, the Community Centres and Forge Mill. Clarification was also provided in relation to the proposals for Kingsley and Arrow Vale Sports Centres, its impact on the schools' capacities to absorb the sport provision currently provided and implications for staff.

Members were advised that the Business Centres were a separate issue, in that whilst the service would sit within a Leisure Trust, they would be within the remit of the North Worcestershire Economic Development Unit. In regard to the review of pre 9.30am concessionary bus travel and options for delivery, Officers advised that work would be done to explore other options, including the potential for other community transport schemes such as Dial-a-Ride to deliver the service.

RECOMMENDED that

the following be approved:

2.1 the savings and additional income that do not impact on service delivery for

- **2017/18 £1.032m**
- **2018/19 £56k**

2.2 the revenue bids for

- **2017/18 £80k**
- **2018/19 £5k**

2.3 the Capital bids of:

- **2017/18 £136k,**
- **2018/19 £70k**
- **2019/20 £1.508m**
- **2020/21 £1.490m**

2.4 the unavoidable pressures for

- | | |
|----------------|--------------|
| 2017/18 | £112k |
| 2018/19 | £27k |
| 2019/20 | £83k |

2020/21 £25k

2.5 the release from balances (as amended) of:

2017/18	£103k
2018/19	£87k
2019/20	£105k
2020/21	£136k

2.6 the increase in Council Tax for 2017/18 of £5 per Band D equivalent;

2.7 that the budget savings and pressures for 2018/19 – 2020/21 be subject to change due to the potential impact of changes to service delivery and the localisation of Business Rates together with any changes to New Homes Bonus.

(Prior to consideration of this matter, Councillor Juliet Brunner declared an Other Disclosable Interest in Agenda Item 6 (Medium Term Financial Plan 2017/18 – 2020/21), in that she was a Governor of Arrow Vale Academy. She advised that she would, therefore, withdraw from the meeting should the Committee discuss any matters pertaining to the Arrow Vale Sports Centre. Accordingly, she left the room for a brief period whilst discussions took place on the Sports Centre.)

88. **OVERVIEW AND SCRUTINY COMMITTEE**

The Committee received the minutes of the meeting of the Overview and Scrutiny Committee held on 10th January 2017.

Members were informed that there were no recommendations to consider. Further to a Member's query, it was clarified that the Recommendation relating to Minute 59 (Housing Revenue Account 2017/18 – Pre-Scrutiny) had been discussed by the Executive Committee at its meeting on 17th January 2017. It was further clarified that the recommendation relating to Minute 60 (Medium Term Financial Plan Update Report – Pre-Scrutiny) was for the Constitutional Review Working Party to consider.

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on 10th January 2017 be received and noted.

**89. MINUTES / REFERRALS - OVERVIEW AND SCRUTINY
COMMITTEE, EXECUTIVE PANELS ETC.**

There were no outstanding referrals to consider.

90. ADVISORY PANELS - UPDATE REPORT

Members received an update report on the work of the Executive Committee's Advisory Panels.

Members noted the cancelled Planning Advisory Panel for earlier that evening and were advised that the next scheduled meeting was scheduled for the 4th April 2017.

In response to a query as to whether a date had been agreed for the Constitutional Review Working Party to meet, it was agreed the matter be progressed.

RESOLVED that

the report be noted.

The Meeting commenced at 7.00 pm
and closed at 8.34 pm

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Chair

EXECUTIVE 7TH FEBRUARY 2017**ADMINISTRATION PROPOSALS FOR SAVINGS****AGENDA ITEM 6 – SECTION 3.16**

BUDGET PROJECTIONS TO 2020/21	2017-18	2018-19	2019-20	2020-21
	£000	£000	£000	£000
Shortfall	1,664	2,672	2,895	3,026
Savings from previous year		<i>-1,561</i>	<i>-2,585</i>	<i>-2,790</i>
Revised Shortfall	1,664	1,111	310	236
Shortfall to be met by :				
Proposed Savings/ additional income whilst maintaining current service delivery - as per Appendix 1	-1,032	-56	25	-
<u>AMENDED RECOMMENDATIONS</u>				
Proposed Savings / additional income in changing / reducing service provision or delivering additional efficiencies				
Change Model of delivery of Leisure services (eg Trust model/ other provider) - to include an estimate of the reduction in support services	-	-440	-40	-
Kingsley Sports Centre - Surrender interest in site : saving up to £61k: part year effect and £128k full year	-61	-67	-	-
Arrow Vale Sports Centre - Surrender Interest in site	-20	-21	-	-
Review of provision of free swimming	-	-	-	-
Withdrawal of funding for community events to include, annual bonfire, street theatre events and the Morton Stanley Festival	-	-	-	-
Christmas Light Displays - secure external funding	-	-	-20	-
Shopmobility - to propose charging for the service	-40	-20	-	-
Charge pre application fees for developers	-15			
Move to all out elections every 4 years	-	-	-	-
Options / Review of pre 9:30am concessionary bus travel and options for delivery	-85	-	-	-

	2017-18 £'000	2018-19 £'000	2019-20 £'000	2020-21 £'000
Reduce cost of landscaping on the highways	-8	-	-	-
Implementation of Garden Waste Service	-	-20	-20	-
Procurement efficiencies	-100	-10	-	-10
Savings realised from general staffing turnover	-150	-	-	-
Pest control - review of charging to offset increases in costs	-10	-5	-	-
Review of fleet costing to HRA	-	-165	-	-
Review of revenue opportunities including car parking and delivery of additional services	-	-150	-40	-60
Management Restructure	-40	-70	-110	-30
Proposed Savings / additional income in changing / reducing service provision or delivering additional efficiencies	-529	-968	-230	-100
<i>Savings already built in from previous year</i>				
Transfer from balances (-) / to balances (+)	-103	-87	-105	-136
REVISED SHORTFALL	0	0	0	0

TOTAL RELEASE OF BALANCES OVER THE 4 YEARS £431K