

The Arc
High Street
Clowne
Derbyshire
S43 4JY

Date: 22nd May 2017

Dear Sir or Madam

You are hereby summoned to attend a meeting of the Budget Scrutiny Committee of the Bolsover District Council to be held in the Council Chamber, The Arc, Clowne on Wednesday 31st May 2017 at 1400 hours.

Register of Members' Interest - Members are reminded that a Member must within 28 days of becoming aware of any changes to their Disclosable Pecuniary Interests provide written notification to the Authority's Monitoring Officer.

You will find the contents of the agenda itemised on page 2.

Yours faithfully




Assistant Director of Governance and Monitoring Officer

To: Chairman and Members of the Budget Scrutiny Committee

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BUDGET SCRUTINY COMMITTEE

AGENDA

Wednesday 31st May 2017 at 1400 hours in
the Council Chamber, The Arc, Clowne.

Item No.		Page No.s
	PART A – OPEN ITEMS	
1.	To receive apologies for absence, if any.	
2.	To note any urgent items of business which the Chairman has consented to being considered under the provisions of Section 100(B) 4 (b) of the Local Government Act 1972.	
3.	Members should declare the existence and nature of any Disclosable Pecuniary Interest and Non Statutory Interest as defined by the Members' Code of Conduct in respect of: a) any business on the agenda b) any urgent additional items to be considered c) any matters arising out of those items and, if appropriate, withdraw from the meeting at the relevant time.	
4.	Minutes of an adjourned meeting held on 19 th January 2017 and a reconvened meeting held on 27 th January 2017.	3 to 8
5.	Update from Scrutiny Chairs.	Verbal Update
6.	Introduction to Local Government Finance.	Presentation
7.	Outline of the Financial Outturn Position in respect of 2016/17	Presentation

BUDGET SCRUTINY COMMITTEE

Minutes of a meeting of the Budget Scrutiny Committee of the Bolsover District Council held in the Council Chamber, the Arc, Clowne, on Thursday 19th January 2017 at 1400 hours.

PRESENT:-

Members:- Councillors T. Alexander, A. Anderson, Mrs P.M. Bowmer, G. Buxton, J.A. Clifton, M.G. Crane, H.J. Gilmour, R.A. Heffer, A. Joesbury, D. McGregor, C. Moesby, S. Peake, J.E. Smith, E. Stevenson, R. Turner, K.F. Walker, D.S. Watson and J. Wilson.

Officers:- B. Mason (Executive Director – Operations), D. Clarke (Assistant Director – Finance, Revenues and Benefits) and A. Bluff (Governance Officer).

Councillor R.J. Bowler in the Chair

0606. APOLOGIES

Apologies for absence were received on behalf of Councillors P. Barnes, J.E. Bennett, T. Cannon, P. Cooper, Mrs P.A. Cooper, M. Dixey, T. Munro, S. Statter and B. Watson.

0607. URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

0608. DECLARATIONS OF INTEREST

There were no declarations of interest made.

0609. MINUTES – 5TH DECEMBER 2016

Moved by Councillor J.E. Smith and seconded by Councillor R.A. Heffer

RESOLVED that the Minutes of a Budget Scrutiny Committee held on 5th December 2016 be approved as a correct record.

0610. MEDIUM TERM FINANCIAL PLAN 2017/18 to 2020/21

In order for Members of the Committee to fully consider the content of the Medium Term Financial Plan report, a proposal was put forward that the meeting be adjourned and continue on 27th January 2017, at 10am.

BUDGET SCRUTINY COMMITTEE

Moved by Councillor D. McGregor and seconded by Councillor J.E. Smith

RESOLVED that 1) the Budget Scrutiny Committee meeting be adjourned,

2) the Budget Scrutiny Committee meeting continue on 27th January 2017 at 1000 hours.

(Governance Manager)

The meeting was adjourned at 1410 hours.

RECONVENED BUDGET SCRUTINY COMMITTEE

Minutes of a reconvened Budget Scrutiny Committee meeting of the Bolsover District Council held in the Council Chamber, the Arc, Clowne, on Friday 27th January 2017 at 1000 hours.

PRESENT:-

Members:-

Councillor R. Bowler in the Chair

Councillors Mrs P.M. Bowmer, J.A. Clifton, M.G. Crane, H.J. Gilmour, D. McGregor, T. Munro (left during Minute No. 0626), S. Peake, J.E. Smith, R. Turner, K.F. Walker, D.S. Watson and J. Wilson.

Officers:- B. Mason (Executive Director – Operations), P. Campbell (Assistant Director Community Safety & Head of Housing), D. Clarke (Assistant Director Finance, Revenues and Benefits) and A. Bluff (Governance Officer).

Also in attendance at the meeting was Councillor J. Ritchie.

0623. APOLOGIES

Apologies for absence were received on behalf of Councillors J.E. Bennett, P. Cooper, Mrs P.A. Cooper, A. Joesbury, C. Moesby, J. Ritchie, E. Stevenson and B. Watson.

0624. DECLARATIONS OF INTEREST

There were no declarations of interest made.

0625. UPDATE FROM SCRUTINY CHAIRS

Healthy, Safe, Clean and Green Scrutiny Committee – Councillor S. Peake, Chair;

The Healthy, Safe, Clean and Green Scrutiny Committee had held extra meetings and were currently collating information to put into the recommendations for the Committee's review report, which asked the question *where does Public Health fit within Planning Policy?* The review report would be presented to the February meeting of Executive.

Customer Service and Improvement Scrutiny Committee – Councillor R.J. Bowler, Chair;

The Customer Service and Improvement Scrutiny Committee's report on *heating costs to tenants in properties with a District heating system* had been presented to Executive on 3rd January 2017.

RECONVENED BUDGET SCRUTINY COMMITTEE

The Head of Housing and the Portfolio Holder for Housing had reviewed the current method of charging the same amount for each type of property across the District and a suggestion for a fair system of billing which could be introduced in the 2017/18 financial year was circulated at the meeting for Members information.

Growth Scrutiny Committee – Councillor J. Wilson, Chair;

Growth Scrutiny Committee had received a presentation on 'One Public Estate' from the Programme Manager of One Public Estate, which had been positive and interesting. The Committee continued to receive a quarterly growth update and the latest one included updates on the Sherwood Lodge site, Devolution, recruitment update; Director of Growth, launch of the new Council's website and the Joint Venture. The Committee was working well as a team.

0626. MEDIUM TERM FINANCIAL PLAN 2017/18 to 2020/21

Committee considered a detailed report in respect of the Council's Medium Term Financial Plan (MTFP), 2017/18 to 2020/21, which covered the Council's main accounts; the General Fund Revenue Account, Housing Revenue Account (HRA) and Capital Programme. A slide presentation was also provided to the meeting which covered the main issues raised in the report.

A Financial Risk Register had been developed in respect of each of the Council's main accounts and this was attached as appendices to the report.

The report would be considered by Executive and Council on 20th February 2017 and all precepts and Council Tax for the District, including DCC, parish councils, Police, Fire and the District Council would be agreed at Council on 1st March 2017.

In developing and agreeing its budget the Council had three Key Objectives;

- Delivery of Statutory Services
- Secure a balanced budget based on reasonable assumptions (income = expenditure)
- Delivery of Member Priorities.

The Council's S151 Officer (the Executive Director – Operations) was satisfied that the methodology adopted to calculate the estimates was robust and provided Members with reliable information on which to base their decisions.

Members were advised that the budgets set out in the report were 'roll forward' budgets based on existing service provision. No major proposed changes to services were planned as part of the budget and any future proposals would be reported to and agreed by Members as appropriate.

The main headlines of the Council's budget was that arising from the Government's austerity measures, the Council would be required to save approximately £500,000 per annum for the next four years.

RECONVENED BUDGET SCRUTINY COMMITTEE

The Government had nationally reduced New Homes Bonus (NHB) to District Councils to fund adult social care costs at County Councils. With no Government grant support for a nil increase on Council Tax and the limited certainty around National Non Domestic Rates (NNDR), an option for addressing the Council's financial position was that the Council consider agreeing an increase in Council Tax of up to £5 at Band D.

Changes to rent policy, previously introduced, would continue to have a significant financial impact upon the longer term sustainability of the Housing Revenue Account (HRA). It was assumed within the MTFP that from April 2020, the Government would return to a policy of allowing rents to increase at a rate reflecting inflation in the wider economy. Current Government policy left local authorities, including Bolsover District Council, with no alternative other than to reduce rents by a further 1% with effect from April 2017. This would make it increasingly difficult to allocate the funding necessary to maintain homes to a Decent Homes standard in the future.

The position of the HRA would continue to be monitored by maintaining an up to date 30 year Business Plan. Whilst officers felt that the changes to rent setting arrangements could be managed without impacting on its long term sustainability, other factors such as increasing numbers of Right to Buys (given the Government's more generous discount rates), the potential forced sale of vacant high value properties and the risk that rent reductions would go on beyond 2020, all threaten to undermine the financial viability of the HRA.

Whilst these issues reduced the Council's capacity to build new homes, it did not affect the currently agreed Bolsover@Home programme to build another 100 new homes. However, if the Government's arrangements hadn't changed, the opportunity could have been for 500 new homes to be built.

With regard to the sheltered accommodation heating charge, this would not impact on the HRA as the issue was around the methodology used to allocate the actual costs between tenants. A detailed Scrutiny review of the process of heating charges had been undertaken and in response, officers had brought forward some proposals for Executive to consider at its meeting on 30th January 2017. Within the next three years, all sheltered housing schemes would move to using heat meters for their heating usage and would be charged based on their usage.

Committee were asked to note that at its meeting on 20th February 2017, Council would also be requested to consider the proposed Treasury Management Strategy, which linked the financial plans into the Borrowing and Investment Strategy. As part of that Treasury Management Strategy consideration would need to be given to ensuring that the Council's financial plans were affordable, prudent and sustainable.

A lengthy discussion took place.

In response to Members questions, the Executive Director – Operations and the Head of Housing confirmed that debt repayment on the Housing Business Plan was on fixed terms, the Council had no choice other than to implement the Government's 1% rent reduction as this was established by law, an allowance of 5% was made for void properties with a shared heating system and tenants were responsible for the maintenance and erection of fencing on their garden boundaries and onto the highway.

RECONVENED BUDGET SCRUTINY COMMITTEE

Moved by Councillor D. McGregor and seconded by Councillor J.E. Smith

RESOLVED that Budget Scrutiny Committee supports the recommendations to Council as set out in the report to Executive.

The meeting concluded at 1125 hours.