

Overview and Scrutiny Committee – Extract from Minutes of 1st December 2015Extract from the Unconfirmed Minutes of the Meeting of the
Overview and Scrutiny Committee, held on 1st December 2015**AS.75 MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2018/19**

The Committee was requested to consider an update of the Medium Term Financial Strategy (MTFS) for the period 2016/17 to 2018/19 and to provide feedback to the Cabinet and Council as part of the Budget consultation process.

The Chief Finance Officer amplified aspects of the circulated report, which had been considered by the Cabinet at its Meeting on 19th November 2015. It had also been discussed at the recent Town/Parish Council Liaison Meetings, and would be subject to public consultation before being considered further by the Cabinet and the Council in February 2016. The Chief Finance Officer explained that the implications of the Chancellor's recent Autumn Statement, and the forthcoming local government settlement, would be fully assessed and included in the subsequent reports to the Cabinet and the Council. It was considered that a Special Meeting of this Committee should be convened prior to the Cabinet Meeting on 18th February 2016 so that the Committee could also consider the report and forward its comments thereon to the Cabinet and the Council.

In response to various questions from Members, it was reported that the Valuation Office would continue to deal with appeals in relation to business rates; an estimate of the impact of outstanding business rates appeals would be included in the updated report which would be considered by this Committee, the Cabinet and the Council in February 2016; the Chief Finance Officer would draft a rationale for the long-term financial stability of the Council following her consideration of the impact of the Autumn Statement and the forthcoming local government settlement, and would meet the Leader of the Council and the Leader of the Liberal Democrat Group to discuss the proposed MTFS, in advance of its formal consideration; and the current assumption was that Council Tax could be increased by up to 2% across the life of the MTFS.

The Committee thanked the Chief Finance Officer for her report. It was suggested that future such reports should include a spreadsheet detailing the risks faced by the Council. It was noted that work was progressing in relation to the proposal for devolution across Gloucestershire, which could have financial implications for the Council, and that a Business Case in relation to the Counter Fraud proposals would be submitted to a future Meeting of the Committee. The Chief Finance Officer also undertook to update the Committee on the content of the consultation document, following its approval by the Leader of the Council.

RESOLVED that:

- (a) the draft Medium Term Financial Strategy 2016/17 to 2018/19 be noted;**
- (b) a Special Meeting of the Committee be convened in late January/early February 2016 to consider the final budget proposals in advance of their consideration by the Cabinet and the Council.**

Record of Voting - for 7, against 0, abstentions 0, absent 0.

Responses to consultation questions from website

There were 12 resident responses to the website consultation. The questions posed and responses are set out below:

The level of funding available from central government for 2016/17 is unclear at the moment. We may need to increase our share of the council tax by a maximum of 1.99%. This would increase council tax for a band D property to £128.91. What do you think about this level of increase in council tax?

| Strongly Disagree | Disagree | Don't mind | Support | Strongly Support |
|-------------------|----------|------------|---------|------------------|
| 1 | 1 | 2 | 7 | 1 |

The Council is proposing to freeze parking charges for 2016/17. What are your views on this proposal?

| Strongly Disagree | Disagree | Don't mind | Agree | Strongly Agree |
|-------------------|----------|------------|-------|----------------|
| 1 | 2 | 2 | 3 | 4 |

The Council is proposing to freeze garden waste collection fees for 2016/17. What are your views on this proposal?

| Strongly Agree | Agree | Neither agree or disagree | Disagree | Strongly Disagree |
|----------------|-------|---------------------------|----------|-------------------|
| 0 | 1 | 2 | 5 | 4 |

The Council is planning to make savings by continuing to expand its shared services arrangements with its partner councils (West Oxfordshire District, Cheltenham Borough and Forest of Dean District Councils). By delivering savings in this way, the Council is able to protect services for local people. What do you think of this approach?

| | |
|----------|----|
| Agree | 12 |
| Disagree | 0 |

The Council is not proposing to make any changes to standards in front line services for 2015/16. Do you agree or disagree with this?

| | |
|----------|----|
| Agree | 11 |
| Disagree | 1 |

Q7: The Council is not proposing to make any changes to grants to the voluntary sector for 2016/17. Do you agree or disagree with this?

Agree

Disagree

Narrative Feedback from Website Consultation (Responses have been paraphrased)

1 comment that the start-up membership prices set up by SLM for the Council's leisure facilities may be too expensive; and local residents may not be able to afford to use them. Further observation: that the gyms are being "kitted out" at the taxpayer's expense, and are therefore already subsidised with public money.

2 comments that the council should review the grants awarded.

1 comment that the Council should release the money being held for a rainy day.

1 comment that the priority should be to maintain all "essential" services, with zero budget increases. Keep services necessary to maintain a reasonable basic standard of living for the community.

1 comment to review all positions within the authority with a view to sustain, scrap or amalgamate with other roles.

1 comment that car parking charges are too high, especially for short stays.

1 request for all car parking machines to give change.

1 comment that Council Tax should be used sensibly and fairly to deliver services that are fit for purpose. Further comment that Council employees, contractors and suppliers should be treated fairly, equitably and well, senior staff should be fairly but not disproportionately rewarded. To provide high quality services at the lowest possible cost to council tax payers

COTSWOLD DISTRICT COUNCILOVERVIEW AND SCRUTINY COMMITTEE - 9TH FEBRUARY 2016
(SPECIAL MEETING)EXTRACT FROM THE UNCONFIRMED MINUTESOS.48 DRAFT MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2019/20 AND BUDGET 2016/17

The Committee was requested to consider the draft Medium Term Financial Strategy (MTFS) 2016/17 to 2019/20, and the draft Budget 2016/17, and to forward any comments to the Cabinet and the Council.

Arising thereon:-(i) Background - Settlement Funding Assessment

It was reported that the draft MTFS had been updated since the Committee's previous Meeting to include details of the provisional local government financial settlement for 2016/17, and that there had been a decline in Government funding to the Council since the 2013/14 financial year. In response to a question from a Member, it was further reported that the budget proposals put before Gloucestershire County Council's Cabinet was for a 3.99% increase in Council Tax, made up of two elements; an across the board increase of 1.99 % and a further 2% increase which had to be spent on adult services. In practice, all of the increase would go to meet increased demand for adult services and an increase in the number of vulnerable children.

In response to another question, it was reported that the Council was unable to require the development of a site for housing once planning permission had been granted. However, the Government was focussing attention on the delivery of housing and it was considered that there should be discussions over that issue. A Member commented that the decision by this Council not to build new homes itself had been a political one.

In response to further question, it was reported that the Council would receive a negative Revenue Support Grant (RSG) in the 2019/20 financial year, which would be achieved through a reduction in its Business Rates Target from £1.8m to £1.6m. A Member suggested that the negative support grant figure should be shown as such in the report and not netted off.

(ii) New Homes Bonus

The Government consultation in relation to changes to New Homes Bonus (NHB) was open until March 2016, and it was noted that there was a proposal for an allocation to better reflect social care responsibilities. It was suggested that the draft response to this consultation should be included in the report submitted to the Council on 23rd February 2016.

It was considered that the proposal to appropriate surplus NHB in 2016/17 to the Council Priorities Fund was a prudent method to keep the sum in the base budget at a reasonable level for use in relation to one-off projects.

(iii) Business Rates and the Gloucestershire Business Rates Pool

In response to a question, the Chief Finance Officer apprised the Committee of the current situation in relation to the successful backdated appeal by Virgin Media. The Chief Finance Officer also apprised the Committee of the potential impact on the Pool if NHS Foundation Trusts were to be successful in their appeals for mandatory rate relief.

In response to a further question, it was reported that, as at 31st December 2015, there were 384 outstanding business rates appeals in the District, which equated to a rateable value of £17.8m, and Officers amplified various aspects thereof. It was reported that the Council's future participation in the Gloucestershire Business Rates Pool was determined on an annual basis and that, in the opinion of Officers, there would be a significant benefit to the Council to remain in the Pool for the financial year 2016/17.

(iv) Council Tax

It was reported that the Council was able to consider an increase of up to £5 per Band D equivalent property. The Chief Finance Officer referred to the best and worst case scenarios, attached at Appendix 'A5' to the circulated report. In response to a question, it was further reported that a potential freeze on Council Tax for the financial year 2016/17 could be supported.

(v) Collection Fund

It was suggested that the report to the Cabinet and Council should be amended to include a break-down of the Gloucestershire County Council, Police and Town/Parish Council elements of Council Tax.

(vi) Financial Planning Assumptions

It was noted that the financial planning assumptions, detailed at paragraph 6 of the circulated report, were reviewed on an annual basis.

(vii) Unavoidable Budget Pressures

In response to a question, it was reported that the proposed development at Brewery Court, Cirencester would result in a loss of income to the Council in a sum of £15,000 in the forthcoming financial year.

(viii) Revenue Reserves

In response to a question, it was reported that the Council practice was to pool income from business rates and Council Tax, and to invest the monies for as long as possible in order to generate a return on investment.

(ix) Risks

It was reported that the risks to the Council had been assessed and had been built into the worst case scenario attached at Appendix 'A5' to the circulated report. The total value of the risk to the Council was estimated to be in a sum of £1.1m, and it was noted that the level of general fund balances was in excess of such sum.

A Member suggested that this paragraph should be amended to include an explanation of the financial impacts if risks were realised, including the impact on reserves, and other financial mitigations. Another Member suggested that a distinction should be made between 'inherent' risks and those that could be controlled by the Council, including a comment on the ability of the Council to mitigate against such risks. The Member also contended that reference should be made to achieving a balanced budget.

(x) Appendix 'C' - Summary of Budget Consultation Responses

A Member contended that this was the worst consultation exercise ever, achieving only twelve responses out of a population of approximately 80,000. The Member suggested that consideration be given to better publicising such exercises in the future in order to achieve an improved response rate, and that the questions should be better phrased.

In endorsing the comments made, another Member expressed the view that too much information had been presented to Town/Parish Councils at the recent liaison Meetings, and that a better presentation of the information was required.

The Chief Finance Officer commented that, in part, the response rate had been low because the consultation was in respect of what was, essentially, a 'standstill' budget. However, consideration would be given to promoting future consultations through social media.

RESOLVED that the report be noted and the Committee's comments be forwarded to the Cabinet and the Council.

Record of Voting - for 7, against 0, abstentions 0, absent 0.

(END)