

# EXECUTIVE

Excerpt of the minutes of the meeting held on Wednesday 6 January 2011 at the Town Hall, Royal Leamington Spa at 6.00 pm.

**PRESENT:** Councillor Michael Doody (Chairman), Councillors Caborn, Coker, Mrs Gallagher, Mrs Grainger, Hammon, Mobbs and Shilton.

**ALSO PRESENT:** Councillor Barrott (Labour Group Observer), Councillor Boad (Liberal Democrat Group Observer), Councillor Gifford (Chair of Overview and Scrutiny Committee) and Councillor Pittarello (on behalf of the Chair of Finance and Audit Scrutiny Committee).

## 99. **DECLARATIONS OF INTEREST**

There were no declarations of interest relevant to the items in this excerpt.

## 100. **MINUTES**

The minutes of the meeting held on 27 November 2010 were taken as read and signed by the Chairman as a correct record.

### **PART 1**

(Items which a decision by Council is required)

## 101. **GENERAL FUND BASE ESTIMATES REVISED 2010/11 AND ORIGINAL 2011/12**

The Executive considered a report from Finance which set out the latest projections for the General Fund revenue estimates in respect of 2010/11 and 2011/12 based on the current levels of service, and previous decisions. There were further matters that would need to be reviewed in order to finalise the base position as part of the 2011/12 budget setting process as set out in paragraph 7.5 of the report.

The Budget Monitoring report presented to the November 2010 Executive meeting was based upon an updated budget of £18,961,536. The Original Estimate (£18,214,214) having been reduced by some £895,825 (£300,000 Procurement, £500,000 prior year underspendings and £100,000 recycling income) and the addition of the 2009/10 Earmarked Reserves (£1,643,147). At that point, further variances were forecast, including salaries £400,000, £163,000 additional housing benefits subsidy and £130,000 VAT refund. The Revised 2010/11 budgets presented in the report incorporated these plus further budget reductions, bringing the total reduction on the Original Estimates to £1,428,400.

The Council was required to determine its budget requirements in order to set the Council Tax for 2011/12 and because it had been determined

## **EXECUTIVE MINUTES (Continued)**

under the requirements of the Financial Strategy, no alternative option was practical.

The Finance and Audit Scrutiny Committee considered the report and the supplementary report issued on 17 December. Members were unhappy with the budget saving proposal to cease provision of free grey sacks to around 6,500 homes, which could result in residents purchasing sacks of lesser quality and ultimately cost the Council more in cleaning up spilt refuse and suggested this issues be referred back to the Contract Re-let Working Party.

In response, the Portfolio Holder for Neighbourhood Services, Councillor Shilton addressed the committees comments and referred to a hand out detailing the analysis carried out regarding the provision of grey sacks. The hand out detailed savings that would be made by not issuing grey sacks and the potential gains to be made through encouraging more households to recycle.

The Portfolio Holder for Finance, Councillor Mobbs expressed his gratitude to the administration and officers for their hard work in not only putting the report together but also for the positive position this now placed the Council in. He stated that he was confident that the Council could expect a balanced budget for 2011/12 with a 0% rise in Council Tax for the coming year.

Councillor Mrs Grainger stated that she felt the Waste Management department had worked hard and coped very well during the recent weather conditions, and should be thanked for their efforts.

The Leader of the Council, Councillor Mike Doody, supported Councillor Mrs Grainger's comments and advised that he would be releasing a press comment soon, congratulating Sita and all officers involved in ensuring that the District's waste management collections continued.

The Executive thanked Finance and Audit Scrutiny Committee for their comments.

### **RECOMMENDED** that;

- (1) the Senior Management proposals for budget savings as outlined in Appendix 'C' be approved and paragraph 9.8 of the report be included in the 2010/11 Revised and 2011/12 Base Estimates;
- (2) the revised base budget revenue estimate for the General Fund services in respect of 2010/11 as outlined in Appendix 'E' of the report, be approved; and
- (3) the base budget revenue estimate for the General Fund services in respect of 2011/12 as

## **EXECUTIVE MINUTES (Continued)**

outlined in Appendix 'E' of the report, be approved.

(The Portfolio Holder for this item was Councillor Mobbs)  
(Forward Plan reference 254)

### **102. HOUSING REVENUE ACCOUNT BASE ESTIMATES REVISED 2010/11 AND ORIGINAL 2011/12**

The Executive considered a report from Finance which detailed the latest projections for the Housing Revenue Account, (HRA), revenue estimates in respect of 2010/11 and 2011/12 based on the current levels of service, and previous decisions.

There were further matters that would need to be reviewed in order to finalise the base position as part of the 2011/12 rent setting process as set out in paragraph 7.4 of the report. The proposed 2010/11 Revised Estimates would present a decrease in HRA balances, compared to the Original Estimate, of £22,500 and the proposed 2011/12 Base Budget would present a surplus of approximately £1.3m, with the Council continuing to provide Housing Services and meet its commitments.

The Council was required to determine its budget requirements in order to set Council Housing Rents for 2011/12 and the purpose of this report was to produce estimates as determined under the requirements of the Financial Strategy. Any alternative strategies would be the subject of separate reports.

The Finance and Audit Scrutiny Committee supported the recommendations in the report.

#### **RECOMMENDED** that;

- (1) the revised base budget revenue estimate for Housing Revenue Account services in respect of 2010/11 as outlined in Appendix 'B', of the report, be approved; and
- (2) the base budget revenue estimate for the General Fund services in respect of 2011/12 as outlined in Appendix 'B' of the report, be approved.

(The Portfolio Holder for this item was Councillor Mobbs)  
(Forward Plan reference 255)

### **103. COUNCIL PROCEDURE RULES**

The Executive considered a report from Members' Services which set out proposals from Group Leaders and the Chairman of the Council for revisions to the Council procedure rules, following the trial of the revised Council agenda.

## **EXECUTIVE MINUTES (Continued)**

The revised Procedure Rules were compiled and produced following consultation between the Group Leaders, along with the Chairman of the Council. It brought together what they felt were inconsistencies within the procedure rules and clarifies areas of uncertainty and a copy of this was attached as an appendix to the report.

The public interest debate topics had been set, in accordance with Council Procedure Rules by the Group Leaders and Chairman of the Council. It was agreed the topics for the next two Council meetings be included as part of this report so that the information was publicly available. It was decided that these would be 'Alternative vote Proposals' to be discussed on 22 January 2011 and 'HS2' to be discussed on 9 March 2011

### **RECOMMENDED** that

- (1) the revised Council Procedure Rules, as set out at Appendix 1 of the minutes be approved; and
- (2) the public interest debate topics, agreed by Group Leaders, be noted as:
  - (i) Alternative vote Proposals – 22 January 2011
  - (ii) HS2 – 9 March 2011

(The Portfolio Holder for this item was Councillor Michael Doody)  
(Forward Plan reference 288)

### **104. WARWICK RESPONSE FEES AND CHARGES**

The Executive considered a report from Finance and Housing and Property Services which reviewed the recommendation considered by the Executive in October 2010 with regard to the proposed delay in the charges for Warwick Response and recommended that the increases for Warwick Response charges, originally agreed for 1 April 2011, be implemented from that date.

An alternative option would be that the fee increase could be delayed until April 2012 for Warwick Responses customers still paying the reduced amount. This would give a second year at which there have been some customers paying the lower amount, whilst new customers are paying increased fees. However, this delay would cost the Housing Revenue Account approximately £21,000.

The Finance and Audit Scrutiny Committee supported the recommendation in the report.

**RECOMMENDED** that the increases for Warwick Response charges originally agreed for 1 April 2011 are confirmed to be implemented from that date.

## **EXECUTIVE MINUTES (Continued)**

(The Portfolio Holders for these items were Councillors Mrs Grainger and Mobbs)

### **105. AMENDMENTS TO THE CURRENT 2010/11 CAPITAL PROGRAMME FUNDING FOR WATERCOURSE FLOOD ALLEVIATION**

The Executive considered a report from Community Protection which proposed that some virement takes place within the Community Protection Portfolio for the reprioritising of funding associated with flood alleviation projects in the District and that part of the existing funding contained in the 2010/11 capital programme be returned to the Capital Investment Reserve.

The report explained that the Portfolio Holder for Community Protection had a capital programme allocation of £212,000 for flood alleviation to undertake a scheme on St Johns Brook. However, this particular Brook was the responsibility of the Environment Agency as a main river and it was felt this was not the most appropriate use of resources to spend Council funds on this third party asset.

The report suggested that of this £212,000, part be vired to give a value of £100,000 towards a multi agency flood alleviation scheme for Cubbington. This scheme had been designed by the Council for multi agency partners, namely the Environment Agency and Warwickshire County Council, was costed in the region of £600,000 and had a cost benefit of 3:1. It also had the approval of the Environment Agency and the Cubbington Flood Forum, which was made up of village residents, Councillors and supported by officers as well as Jeremy Wright MP.

An alternative option was to not accept the recommendations and leave the Capital funding in place for it to be ongoing Capital slippage.

The Portfolio Holder, Councillor Hammon stated his support for the report and hoped that this would alleviate problems for Cubbington with surface water flooding. He also expressed his gratitude to the report author and other officers involved for working hard to devise an acceptable scheme.

#### **RECOMMENDED that;**

- (1) the Capital allocation of £212,000 for the St Johns Brook watercourse improvement be removed from the capital programme and £70,000 of this be reallocated towards a partnership fund for a flood alleviation scheme in Cubbington.

This sum being supplemented by the £30,000 held in the external contributions account for Flood Alleviation to create a total budget of £100,000 towards the Cubbington project, the funding of which would be equally spread over the 2011 to 2013 financial years. If the allocated funding is not spent within the

## **EXECUTIVE MINUTES (Continued)**

2011/13 financial years, a further report be brought back to the Executive for consideration about the future continuation of this funding; and

- (2) the remaining £142,000 from the original allocation for St Johns Brook be offered back to the Capital Investment Reserve.

(The Portfolio Holder for this item was Councillor Hammon)

### **106. DISCRETIONARY RATE RELIEF REVIEW**

The Executive considered a report from Finance which described the current scheme for the awarding of mandatory and Discretionary Rate Relief. The Chairman advised members that this item needed to be a recommendation to Council and was therefore considered with the other Part One items on the agenda.

It proposed that the scheme be amended so that applications be assessed in line with this Council's aims and objectives. The report highlighted that updating was needed to ensure that relief was restricted to organisations that provide a benefit to the local community and introduced a threshold for the awarding of maximum relief unless exceptional circumstances applied.

The existing criteria had been in place since 1990, were endorsed by the Executive in January 2003, and apart from the inclusion of community amateur sports clubs (as provided for under the Local Government Act 2003) from April 2004, remained largely unchanged. During the same period of time, the Council's own aims, objectives and priorities had changed.

It was highlighted that the Executive could leave the existing scheme unchanged, but as outlined in section 3 of the report this would result in an out-dated scheme, not necessarily aligned to the Council's priorities, alongside an on-going budgetary pressure.

A number of alternative options were considered, including limiting relief to a maximum of 80% or Members could recommend a different threshold to the proposed R.V. of 5,000. However, these options could impact on small local organisations.

The Finance and Audit Scrutiny Committee supported the recommendations in the report.

#### **RECOMMENDED** that;

- (1) the scheme for the Discretionary Rate Relief for Charitable, kindred "Not for Profit" and Community and Amateur Sports Clubs be amended to restrict the maximum award for

## **EXECUTIVE MINUTES (Continued)**

premises with Rateable Values (R.V.s) above a threshold of 5,000 to 80% , unless exceptional circumstances dictate that a higher award should be made;

- (2) the Policy and Guidance as in appendix A of the report be approved;
- (3) the savings from the introduction of such will not take effect until 2012-13. These will be included in the budget presented to the Executive in December 2011 for their approval.
- (4) a further report be brought back to the Executive, twelve months following the introduction of the new scheme; and
- (5) officers continue to explore other means of pro-actively encouraging organisations who do not currently qualify for Mandatory relief to apply for Charitable or Community and Amateur Sports Club (CASC) status.

(The Portfolio Holder for this item was Councillor Mobbs)

(The meeting ended at 7.20 pm)