

POLICY COMMITTEE15th September 2015

Present – The Chairman (Foster) and Councillors Brockbank, Clark (substitute for Sutcliffe), Dawson, English, Heseltine, Ireton, Hull, Kerwin-Davey, Lis, Mulligan, Place, G Quinn and Solloway (substitute for Barrett).

Officers – Chief Executive, Director of Services, Strategic Manager – Financial Services (S.151 Officer), Strategic Manager (Planning and Regeneration), Solicitor to the Council and Monitoring Officer, Economic Development Manager and Committee Administrator.

Apologies for absence were received from Councillors Barrett, Myers and Sutcliffe.

Start: 6:30pm

Finish: 8.25pm

The minutes of the Committee's meetings held on 21st July 2015 and 28th July 2015 were confirmed and signed by the Chairman.

Statement by the Leader of the Council

Councillor Richard Foster, Leader of the Council made a statement regarding the Syrian refugee crisis. Details of how the programme of allocating refugees throughout the UK and in particular North Yorkshire were awaited, but based on the population which represented 1% of the UK, around 5/6 people per year of the proposed 20,000 refugees would come to Craven. The Council was aware of offers of help and accommodation from members of the public, details of which were being collated whilst the Council's response was being worked through. Residents were also being directed to local and national charities who were already offering support to refugees in the UK.

Minutes for Report

POL.688

TREASURY MANAGEMENT OUTTURN REPORT 2014/15

The Strategic Manager for Financial Services submitted a report informing Members of the treasury activity undertaken in the year in the context of current and forecast economic climates.

The Council's debt and investment position was organised to ensure adequate liquidity for revenue and capital activities, security for investments and to control risk within all treasury management activities. The Council's investments had been managed in accordance with the Council's Investment Policy. As at 31st March 2015 the Council had a total debt of £5,988m with investments of £8,956m. The Council's investments had also been boosted by a discount of £13,000 on the annual pension fund contribution as a result of making payments in advance.

Resolved – (1) That, the actual Treasury Management Indicators for 2014/15 are noted.

(2) That, the Treasury Management Annual Report for 2014/15 is noted.

POL.689

REVENUE BUDGET MONITORING Q1 – 2015/16

The Strategic Manager for Financial Services submitted a report advising Members of the revenue budget monitoring position of the Council based on the quarter one review of income and expenditure to the end of June 2015.

The Council had approved its net revenue budget for 2015/16 at £7,183k which was subsequently increased from slippage amounting to £145k from the 14/15 budget giving a revised net budget of £7,713k.

The Council's overall performance against revenue budget was a projected underspend of £72k for the full financial year which included £18.5k from the Council's Income and Savings Plan.

The 2015/16 budget included a contribution of £57K to parishes to assist them with the impact of the localisation of council tax, a New Homes Bonus grant of £794k; net contribution to/from earmarked reserves of £155k; and a corporate contingency of £75k.

The General Fund balance stood at £995k and it was expected that this balance would remain during 2015/16 assisting in mitigating against the risk of unplanned movements from budgeted net expenditure levels as well as the impact of changes in local government funding.

The report stated that the financial pressures would continue and whilst the current estimates from the Long Term Financial Strategy showed that savings or additional income of £246k would be required in 2016/17 increasing to a total of £468k by 2018/19, latest Government announcements indicated that this would certainly increase.

Resolved – (1) That, the revenue budget monitoring position as at 30th June 2015 is noted.

(2) That, £18.5k of the savings expected to be achieved this year are identified as green in Appendix B to the report now submitted are noted and that these savings will be carried forward for support to the 2016/17 budget and beyond.

(3) That, the Council's Long Term Financial Plan be amended to take account of the 'green' savings in 2016/17 and beyond where these are not currently allowed for in the budget.

POL.690

CAPITAL PROGRAMME MONITORING Q1 – 2015/16

The Strategic Manager for Financial Services submitted a report informing Members of the capital programme position of the Council based on the first quarter review of income and expenditure to the end of June 2015.

The 2015/16 capital programme of £2,937k included £1315k of slippage from 2014/15 and £293k from previously approved projects.

The current forecast was for expenditure of £2,936k and the report summarised the programme and provided an update on the status of various projects. The Council was forecasting £475k in capital receipts during 2015/16 and had received £510k with £2,226k of receipts carried forward from previous years. It was estimated that £1,186k would be required to support the capital programme with the balance being carried forward to support future years.

Resolved – That, the capital budget monitoring position as at 30 June 2015 and the additions to the programme are noted.

POL.691

PERFORMANCE MONITORING Q1 – 2015/16

The Strategic Manager for Financial Services submitted a report presenting the Council's first quarter performance monitoring report for the 2015/16 financial year as determined by arrangements set out in the Council's performance management framework. Members were informed of progress and details of current performance against the Council Plan and priority indicators.

Monitoring against the Council Plan showed that good progress had been made on implementing the council Plan actions. Fourteen had been assessed as on target by those completing the updates. Three actions had not been started as they were not yet required. Six had been classified as amber i.e. some elements of the project were behind schedule and one project regarding the development and implementation of the Customer Access Strategy had not progressed.

Resolved – That, the performance monitoring position as at 30 June 2015 is noted.

POL.692

DEVOLUTION

The Chief Executive submitted a report updating Members on the submissions to Government on devolution impacting on Craven and seeking agreement on a consultation process. In addition he thanked officers and the Leader for all their efforts in what had been an intense period of meetings and discussions.

Combined authorities were a legal structure that could be set up by local authorities to enable the devolution of powers to drive economic growth and encourage investment, including improved transport arrangements and boosting jobs. The latest tranche Combined Authorities would come into being in April 2017.

The Government had set a deadline of 4th September 2015 for initial proposals and four submissions had been put forward:

1. A York City Region bid, involving all the North Yorkshire districts, NYCC and East Riding with the door left open for Hull and the West Yorkshire authorities.
2. A Leeds City Region bid which included the five West Yorkshire authorities, namely Leeds, Bradford, Kirklees, Calderdale and Wakefield as well as York and the three North Yorkshire districts of Craven, Harrogate and Selby.
3. A greater Yorkshire bid, covering the five West Yorkshire Authorities, NYCC and the seven districts and East Riding.
4. Hull and greater Yorkshire.

The Leader updated Members regarding the current position and stated that, out of the above proposals, the Leeds City Region bid and the York City Region bid appeared to be the most viable. The greater Yorkshire bid was currently struggling politically and was proving divisive amongst the authorities. The Government would ultimately make a decision on which option it favoured and Craven would then need to make a choice as to which Combined Authority was best suited to the needs of the residents of Craven.

Apart from geographical coverage, the notable difference between the proposals was in relation to wide public sector reform such as the alignment of health and social care. Only the Leeds City Region bid proposed the transfer of powers currently vested in the Police and Crime Commissioner. It was also clear that the Government saw the five key cities as the key growth for the economy and jobs and would therefore prioritise and fast track these areas. In addition they wanted to see the mayoral system embedded into any Combined Authority as they preferred to deal with one voice rather than many.

Included in the submissions, were so-called 'asks' of Government which the proposed Combined Authorities saw as putting them in a much stronger position to tackle shared economic challenges and shared functions such as procurement and commissioning powers. The 'asks' focussed on transport, housing, business support, public service reform and new fiscal powers.

The Chairman stated that Craven could only be a full member of one Combined Authority but could be an associate member of several and he intended that the matter should be discussed at full

AGENDA ITEM 2

Craven District Council

Council in order to get a decision from members on their preferred Combined Authority partner(s) as it would place Craven in a much better negotiating position with Government ministers and other authorities.

Although there had been wide press coverage, there had been no formal public consultation and the Chief Executive proposed that 3 or 4 public meetings should be held in the Autumn, clustering parish areas together in the areas of north Craven, the Skipton area and south Craven. In addition, a web based consultation could be undertaken in order to obtain the views of businesses and the public alike.

Resolved – (1) That, the report is noted.

(2) That, the proposed feedback process as outlined in 6.1 of the report now submitted, is approved.

POL.\$693

JOINT WORKING WITH PENDLE BOROUGH COUNCIL : CIVIL ENGINEERING SUPPORT

Further to Minute POL.642/14-15, the Strategic Manager for Planning and Regeneration submitted a report asking Member to consider the options for engaging the services of a civil engineering team, with a budget of £30,000 per annum for three years, to support the economic development service team in the development and delivery of capital projects that would make a direct contribution to achieving the Council's priority for an 'Enterprising Craven'.

Projects that the civil engineering team would be supporting included:

- Cross Hills Delivery Plan – refurbishment of the streetscape.
- Improving the road infrastructure in Bentham.
- Ingleton Village Action Plan – refurbishing the community centre car park and the market square.
- Development of Engine Shed Lane, Skipton

Based on the volume of work and limited budget, it was suggested that a collaborative arrangement with another local authority, such as Pendle Borough Council, would be more appropriate rather than going down the procurement route. This would also enable the Council to be more responsive and flexible with regard to project plans whilst providing efficiency gains for both authorities.

In making their decision, Members were provided with details of the average daily rates for several civil engineering teams.

Resolved – That, delegated authority is given to the Director of Services to enter into a collaborative arrangement with Pendle Borough Council for the provision of civil engineering services.

Minute for Decision

POL.694

LONGER TERM FINANCIAL STRATEGY (LTFS) 2016/17 - 2022/23

The Strategic Manager for Financial Services submitted a report providing Members with an update and overview on the forecast financial position for the seven year period to 2022/23.

The purpose of the Long Term Financial Strategy (LTFS) was to provide a framework for the Council to assess its financial sustainability over a ten year period. However, given the continuing volatility and uncertainty around Government funding it was proposed that the LTFS covered a seven year period to 2022/23.

On-going public sector pressures, the impact of the Council Tax Support Scheme, changes to specific grants, confirmation of the business rates retention scheme meant that further cuts to public spending were inevitable. As a small local authority delivering unprotected services it was expected that cuts would be at the higher range rather than the lower, anything between 25% - 40% and this would pose real challenges with the Council would have to make some very difficult decisions over the next few years. The LTFS has been updated to reflect best, middle and worse case scenarios. The Council would need to achieve savings ranging from £230k to £266k in 2016/17, rising by at least £220k in 2017/18 and up to £115k in 2018/19. This did not allow for any one off items of revenue expenditure and a further £75-£100k needed to be allowed for this. The strategy made a number of assumptions including income levels for services achieved in 2014/15 would continue, early indications that recycling income would cease in 2016/17 and that the Council would face a number of additional cost pressures from pension auto-enrolment, the living wage and additional National Insurance contributions. In addition, the impact of the new rateable values from businesses in 2017 could affect the income the Council received from Non-Domestic Rates, therefore the income the Council received had been left at the 2015/16 level until 2018/19.

RECOMMENDED– That, the long term financial strategy 2016/17 to 2022/23 as set out in the report now submitted, is approved.

Chairman