

MINUTES OF THE PROCEEDINGS OF A MEETING OF THE AYLESBURY VALE DISTRICT COUNCIL

31 JANUARY 2018

This meeting was webcast. To view the detailed discussions that took place please see the webcast which can be found at:

<http://www.aylesburyvaledc.publici.tv/core/portal/home>

PRESENT: Councillor S Renshell (Chairman); Councillors J Brandis (Vice-Chairman), B Adams, C Adams, M Bateman, N Blake, J Bloom, A Bond, S Bowles, C Branston, B Chapple OBE, S Chapple, J Chilver, A Christensen, A Cole, S Cole, M Collins, P Cooper, M Edmonds, B Everitt, P Fealey, B Foster, N Glover, A Harrison, M Hawkett, K Hewson, T Hunter-Watts, T Hussain, S Jenkins, R Khan, R King, S Lambert, A Macpherson, T Mills, L Monger, G Moore, H Mordue, S Morgan, R Newcombe, C Paternoster, C Poll, G Powell, M Rand, B Russel, M Smith, M Stamp, Sir Beville Stanier Bt, P Strachan, R Stuchbury, D Town, A Waite, J Ward, W Whyte and M Winn

APOLOGIES: Councillors J Blake, A Huxley, P Irwin, S Jarvis and E Sims.

WEBCASTING

Prior to the start of the meeting, the Chairman reminded everyone present that the meeting would be broadcast live to the internet and be capable of repeated viewing.

Members of the audience who did not wish to be on camera were invited to move to a marked area at the side of the chamber.

1. MINUTES

RESOLVED –

That the Minutes of the meeting of Council held on 6 December, 2017, be approved as a correct record.

2. DECLARATIONS OF INTEREST

Members declared a number of interests for the Budget Proposals 2018/19 and Capital Programme agenda items. The declarations were recorded against the individual items.

3. ANNOUNCEMENTS

- (i) **Council Tax setting meeting** – the Chairman reminded Members that the Council Tax setting meeting would now take place on Thursday 22 February 2018 (not Wednesday 21 February 2018).
- (ii) **Vote 100** – the Chairman, along with all Members present, acknowledged 'Vote 100' that was celebrating 100 years since Parliament had passed a law which allowed some women, and all men, to vote for the first time. To celebrate this milestone a series of events was taking place across the UK.

4. PETITIONS/DEPUTATIONS (IF ANY)

There were none.

5. DRAFT BUDGET PROPOSALS FOR 2018/19

Council received a report, similar to that submitted to Cabinet on 9 January, 2018, summarising the rationale behind Cabinet's budget proposals for 2018/19 and beyond. The report also contained the Chief Financial Officer's report on the robustness of the budget proposals and the adequacy of reserves. Both the Cabinet report and the Council report had been posted on the Council's website. The report covered:-

- The detail of Cabinet's budget proposals and budget recommendation.
- The position with Government Grant – the Government had largely honoured its commitments within the 4 year settlement, although they had increased the Council Tax threshold by 1% across all Councils. Information was also provided on what the Government was doing to revise the distribution methodology for Revenue Grant Support and business rates retention from 2020/21.
- The New Homes Bonus position, including that the Government had decided not to make any changes to the scheme this year. The NHB baseline growth requirement would remain fixed at 0.4%, with NHB only paid on growth above this. AVDC would receive £6.3m in 2018/19.
- Retained Business Rates – the revaluation of all properties had taken effect from 1 April 2017. Based on the trends which sat below the revaluation, previous year's outturn income and in-year financial performance, an initial target of £476,000 had been included in the Budget for 2018-19 as the AVDC retained share of the Business Rates Growth. By way of mitigation, the Council also held a Business Rates revaluation Reserve.
- Business Rates Pooling – to continue with the arrangement that had benefited the Council in the last financial year. For 2018/19 planning purposes, no account has been taken of any anticipated gain from this pooling arrangement. As such, any gain achieved would be placed in the Business Rates Equalisation Reserve.
- Budget Pressures – a list of the significant budgetary pressures impacting in the financial plan for 2018/19 were detailed at Appendix C to the Council report. These comprised £1.65m in relation to service delivery pressures, £0.68m inflationary cost pressures and £0.27m relating to revenue consequences of capital decisions.
- Savings and Income identification options (including information at Appendix D). A total of £2.63m of savings had been identified including £0.78m in further savings opportunities arising from the continued review of staffing requirements, £0.85m from improved income opportunities and £1m from proposed improvements in efficiencies. Some of the areas these related to included the leasing of waste vehicles, increased income from planning (applications, pre-planning agreements and Building Control fees), proactive and effective management of contracts and reduced costs for the HB Law contract. This last contract savings would be offset by the cost of appointing an in-house expert.
- Fees and charges changes – which had been reviewed and proposals agreed by Cabinet on 9 January, 2018. A significant review was planned during the forthcoming financial year of the car parking charges and season ticket prices. Any proposed changes to income levels might potentially be implemented in year, although any additional income was not currently factored into the financial

plan. The fees and charges for Taxi Licensing were subject to review by the Licensing Committee.

- The position with reserves and working balances. The current minimum assessed level of balances was £2.0m which had been arrived at based upon a risk and probability assessment of potential budgetary factors during 2018/19.
- Capital Planning and the Impact of Spending Decisions – the Capital Programme for 2018/19 would be considered separately at this Council budget meeting. The revenue financing implications from it had been factored into the budget for 2018/19 and beyond.
- Aylesbury Vale Estates – the AVE Business Plan for 2018/19 had been submitted for scrutiny and subsequently approved by Cabinet. A dividend payment of £200,000 had been included in the budget proposal. Non-payment had also been recognised as a budgetary risk and had been taken into account in determining the appropriate level of Working Balances.
- Connected Knowledge – a detailed report on the second tranche of Connected Knowledge had recently been submitted for scrutiny and to Cabinet. The budget proposals included funding of £1.53m from the unallocated balances of New Homes Bonus, that would ensure the Council continued to progress the Council's digital agenda, promoting innovation in the way services and IT solutions were delivered and assist in achieving continuing efficiencies.
- Commercial AVDC – which had been initiated in 2015 to manage the process of balancing the budget in the run up to the predicted total loss of Government grant in 2020. Savings of £2m had been realised as a result of the organisational re-design underpinning the Commercial AVDC agenda in 2017/18. In the last year the Council had significantly grown its council to council sales, through activities such as implementing the Vale Lottery concept, behavioural assessments/culture change and digital work.

Information was also provided on Vale Commerce and Aylesbury Vale Broadband. The draft budget proposals for 2018/19 included earmarking £50,000 from reserves for ideas generation and development of future commercial activities for the Council.

- Council Tax Strategy – the budget proposals recommended increasing Council Tax by the assumed maximum expected amount of £5.00 (3.48%). The Finance Settlement confirmed the Council's ability to increase its Tax by this amount and so, for the reasons justified by Cabinet in December (i.e. as a means of partially mitigating the reductions in Government Grant and thereby protecting services valued by residents and businesses in the Vale), it had been proposed that this maximum increase be implemented from 1 April 2018.

A Council Tax increase of £5.00 would generate £362,400 per annum and would represent an increase equivalent to 10 pence per week at Band D and would increase the Band D Council Tax for Aylesbury Vale District Council to £149.06.

- Council Tax Collection Rates – for planning purposes the MTFP assumed collection rates at 98.5%. This target varied slightly from year-to-year, possibly due to wider economic factors. An allowance had been made in the MTFP for a reduction in the collection rates and a lower surplus as a consequence.

- Medium Term Financial Plan (2018/19 and After) (including information at Appendices B1 and B2) – whilst some of the uncertainty surrounding the Government Settlement and the future of NHB had diminished following the publication of the draft Settlement in December, there were still uncertainties and risk factors that needed to be managed beyond 2020. The single biggest issue was the ongoing and severe impact of the reductions in Government Grant and how public-sector austerity continued to impact upon local government. The austerity agenda was expected to continue into the next Parliamentary term, thereby potentially spanning a further 6 years.

Members were informed that Brexit was also likely to feature as a budget planning issue within the life of the MTFP but the impacts, positive or negative, were likely to be far reaching and much harder to predict at this stage. No direct financial implications of the change had been incorporated into the current MTFP. The implications for the Council would be wide ranging with likely impacts on value of the pound and spending power, possible impacts on local business and business rates and impacts on the availability of workforce.

The current financial modelling to 2022/23 also did not include any financial provision relating to outcomes arising from any future decisions on unitary government in Buckinghamshire. It had been assumed that any developments and costs relating to HS2 would be cost neutral to the Council with all costs being reimbursed by developers.

The key elements of the budget strategy were commercially minded, financially fit, customer and innovation, and commercially focussed. This was consistent with the “Connected Vision” of the organisation.

- Aylesbury Special Expenses (including information at Appendix F) – the budgets for Special Expenses had been reviewed as part of the normal budget development process to ensure that costs were correctly allocated. It had been recommended that in 2018/19 the equivalent Band D charge again be frozen at the current level of £45.

Members were informed that the Finance and Services Scrutiny had requested that the transfer of assets held within the Special Expense again be reconsidered and Cabinet had agreed at its meeting on 9 January 2018 to receive further information on the subject.

- Budget Management – the MTFP and the proposed budget set out the Plan against which budget monitoring would be reviewed. Budget holders would need to manage any in-year pressures including in built staff savings and would be mindful of specific messages including:-
 - reducing agency spend.
 - identifying where things could be done more efficiently, and at a reduced cost.
 - maximising all opportunities to increase income.
 - reduce spend on non-pay items, where possible.

The level of savings realised would be monitored on a regular basis and any variance to plan escalated, with alternative plans being sought, if necessary.

- Risk Assessment and Scrutiny on Budget Proposals – significant risks facing the Council were recorded in the Corporate Risk Register (CRR), along with information on what was being done to reduce or mitigate these risks. The CRR

was regularly reported to the Audit Committee and had been considered by Cabinet in putting together the budget proposals.

The Finance and Services Scrutiny Committee had considered the draft final proposals on 8 January 2018, and the comments made had been considered and noted by Cabinet in determining their final proposals.

Having outlined the rationale behind the budget proposals, the Cabinet Member for Resources, Governance and Compliance proposed the adoption of the recommendations contained in the Council report. This was seconded by Councillor Mrs Glover.

In accordance with Council Procedure Rules, each of the Leaders of the political groups represented on the Council made a statement in connection with the budget proposals after which the budget proposal was opened up for debate.

Before the budget recommendations were opened up to debate Members were informed that Council Procedure Rules required the names of Members voting for, against or abstaining from voting on any decision at a budget meeting of the Council, including amendments, to be recorded in the Minutes.

It was thereupon proposed by Councillor Lambert and seconded by Councillor Monger that the following two recommendations be added to the budget recommendations:-

Part A

- “1. That this council notes that this year a Pool arrangement for the business Rates Trial for all Bucks Councils was not entered into.
2. This council recognises that this could have given a sum of money back to the councils in Buckinghamshire had the pool been successful.
3. This council notes however, that the Secretary of State has announced in his speech on the Local Government Finance Bill on 19th December, that there is to be a further round of 100% business rates retention pilots this year.
4. This council therefore resolves to open negotiations as soon as possible with all Buckinghamshire Councils to prepare a joint case of submission to ensure a timely submission to the Secretary of State, with a view to entering into any further business rates retention pilot as announced.”

Part B

“That this council commits to ending the practice of Special Expenses for Aylesbury Town Council listed in the Special Expenditure schedule and to transfer assets where ever practical and to end the Special Expenses regime.”

It was agreed that the two additional recommendations would be dealt with separately.

Additional recommendation ‘Part A’ was then debated, at the conclusion of which the mover and seconder of Part A agreed to points 1-3 becoming the preamble, with point 4 becoming the Part A additional recommendation.

Additional recommendation ‘Part A’, as amended, was then put to the meeting and declared to be **CARRIED**. Voting was as follows:-

FOR: Councillors B Adams, C Adams, Bateman, N Blake, Bloom, Bond, Brandis, Branston, S Chapple, Christensen, A Cole, Collins, Cooper, Edmonds, Everitt, Fealey, Foster, Harrison, Hawkett, Hewson, Hunter-Watts, Hussain, Jenkins, Khan, King, Lambert, Mills, Monger, Moore, Mordue, Morgan, Paternoster, Poll, Powell, Renshell, Russel, Smith, Stamp, Stanier, Strachan, Stuchbury, Town, Waite and Winn.

AGAINST: Councillor S Cole.

ABSTENTIONS: Councillors Bowles, B Chapple, Chilver, Glover, Macpherson, Newcombe, Rand, Ward and Whyte.

Following a lengthy debate on the additional recommendation 'Part B', it was proposed by Councillor Cooper and duly seconded by Councillor C Adams that the question be now put. Upon being put to the meeting additional recommendation 'Part B' was declared to be **LOST**. Voting was as follows:-

FOR: Councillors B Adams, C Adams, Bateman, Christensen, A Cole, Cooper, Harrison, Hunter-Watts, Hussain, Khan, Lambert, Monger, Morgan, Smith and Stuchbury.

AGAINST: Councillor N Blake, Bond, Bowles, Brandis, Branston, Chilver, S Cole, Collins, Edmonds, Everitt, Fealey, Foster, Glover, Hawkett, Jenkins, King, Macpherson, Mills, Moore, Mordue, Newcombe, Paternoster, Powell, Rand, Renshell, Stamp, Strachan, Stanier, Town, Waite, Ward and Winn.

ABSTENTIONS: Councillors Bloom, B Chapple, S Chapple, Hewson, Russel and Whyte.

The original budget recommendations, as amended by the 'Part A' additional recommendation were then put to the meeting and declared to be **CARRIED**. Voting was as follows:-

FOR: Councillors B Adams, C Adams, N Blake, Bond, Bowles, Bloom, Brandis, Branston, B Chapple, S Chapple, Chilver, A Cole, S Cole, Collins, Cooper, Edmonds, Everitt, Fealey, Foster, Glover, Hawkett, Hewson, Jenkins, King, Macpherson, Mills, Moore, Mordue, Newcombe, Paternoster, Poll, Powell, Rand, Renshell, Russel, Stamp, Stanier, Strachan, Town, Waite, Ward, Whyte and Winn.

AGAINST: Councillors Bateman, Christensen, Harrison, Hunter-Watts, Hussain, Khan, Lambert, Monger, Morgan, Smith, Stuchbury,

ABSTENTIONS: There were none.

Accordingly it was,

RESOLVED –

- (1) That the content of the Statement of the Chief Financial Officer, attached as an Appendix to the Council report, be noted.
- (2) That in respect of the General Fund Budget and associated issues:-
 - (a) Council Tax be increased by the maximum permissible £5.00 (3.48%) at Band D for District Councils with effect from 1 April, 2018.
 - (b) Approval be given to a General Fund Budget package that will result in net expenditure of £14,695,000 and a District Precept of £10,807,500.

- (c) Approval be given for contributions of £240,000 to be made to working balances in 2018/19 (representing savings realised in advance of need, which will then be used in 2019-20 to balance the budget).
 - (d) Approval be given for a 2% pay award for staff for 2018/19, being payable across all grades and being the second year of the two year agreement.
 - (e) Approval be given for the use of £1.53m of New Homes Bonus to meet the costs of the Connected Knowledge programme in 2018/19.
 - (f) Approval be given to expenditure totalling £864,700 and a precept of £839,400 in respect of Aylesbury Special Expenses, giving an unchanged Band D Special Expense Council Tax of £45 for 2018/19.
- (3) That the following General Fund net expenditure be used for the years indicated as the basis of future budget planning:-
- 2019/20: £14,630,600.
 - 2020/21: £14,575,700.
 - 2021/22: £14,528,300.
 - 2022/23: £14,490,300.
- (4) That, should a further round of pilots for 100% retention of business rates growth be announced, the council will open negotiations as soon as possible with all Buckinghamshire Councils to prepare a joint case to ensure a timely submission to the Secretary of State.

NOTE:

1. Councillors Bowles, B Chapple, Chilver, Glover, Khan, Lambert, Macpherson, Ward and Whyte declared a Personal Interest in relation to the 'Part A' additional recommendation as Members of Buckinghamshire County Council.
2. Councillors B Adams, C Adams, Bateman, Bloom, S Chapple, B Chapple, Christensen, Harrison, Hunter-Watts, Hussain, Moore, Morgan, Russel, Smith and Winn declared a Personal Interest in relation to the 'Part B' additional recommendation as Members of Aylesbury Town Council.
3. Councillor A Cole declared a Personal Interest in relation to the 'Part B' additional recommendation due to a personal association with Aylesbury Town Council.

6. CAPITAL PROGRAMME UPDATE 2018/19 TO 2021/22

Council received a report that had been considered by Cabinet on 20 December, 2017 and 9 January 2018, and by the Finance and Services Scrutiny Committee on 8 January, 2018. The report covered the position in relation to capital resources from 2018/19 to 2021/22 and explained the situation in connection with the three main elements that make up the Capital Programme, namely, major projects, housing schemes and other projects, within the context of both the national and local economic climate.

During discussions, Members of the Finance and Services Scrutiny Committee had commented that they were supportive of the use of residual Right to Buy capital receipts and nominal sums from New Homes Bonus for affordable housing, to fund new

affordable housing schemes. The Scrutiny Committee had also been satisfied with the information provided in response to its comments and endorsed the Capital Programme overall.

Proposed by Councillor Mordue, seconded by Councillor Winn, and

RESOLVED –

That the updated Capital Programme for 2018/19 onwards be approved.

NOTE: Councillors Hewson, Macpherson and Ward declared a pecuniary interest in this item as Board Members of the Vale of Aylesbury Housing Trust and left the chamber whilst this matter was considered.