



BROMSGROVE DISTRICT COUNCIL

MEETING OF THE COUNCIL

WEDNESDAY 24TH FEBRUARY 2016, AT 6.00 P.M.

PARKSIDE SUITE - PARKSIDE

SUPPLEMENTARY DOCUMENTATION

The attached papers were specified as "to follow" on and are additional papers to be added to the Agenda previously distributed relating to the above mentioned meeting.

7. Independent Alliance Budget Proposals for consideration as part of this item.
(Pages 1 - 10)
12. Motions on Notice (Pages 11 - 12)

K. DICKS
Chief Executive

Parkside
Market Street
BROMSGROVE
Worcestershire
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17th February 2016

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INDEPENDENT ALLIANCE GROUP –2016/17 ALTERNATIVE BUDGET AND MEDIUM TERM FINANCIAL PLAN

The Independent Alliance Group (IAG) has great pleasure in presenting its alternative budget for 2016/17 to Bromsgrove District Council at its full Council meeting on the 24th February 2016.

Introduction

The IAG would like to thank the Executive Director, Ms Pickering and her team in helping the Group in this submission.

The IAG believes that this budget is necessarily radical but forward thinking to address the recently confirmed changes to the Government's Revenue Support Grant. The immediate reduction and the potential loss of NHB income has meant much of what has become to be expected have got to change. These changes are in the interests of the future of Bromsgrove District Council, the services that it provides and its residents.

The IAG group seeks support for both the alternative 2016/17 budget and associated financial Plan.

The recommendations below are integrated into a rounded strategy, designed to reverse capital costs out of revenue budgets and relieve the pressure of taking funds from balances to support operating budgets.

The impact of hitherto capital projects is no longer manageable and this is a timely but final opportunity to future proof the council and to protect its tax payers from reducing services and increasing tax.

The IAG has made difficult decisions and ask that the members support these recommendations. These are based on;

- **The sports centre, including sports hall and pool is to be re-housed in Sanders Park and built to option 5A (Sunesis) in the Sport England's Sports Consultancy Reduced Cost Option report September 2013, presented to the Cabinet July 2014.**
- **The excess land at the current Dolphin site to be sold for housing, a 100 space car park to be retained.**
- **The Head of Planning is encouraged to seek s106 (or Cil if appropriate) monies from developers as part of any leisure contributions as planning applications come forward to the new community and sports centre.**
- **Burcot Lane is not sold, but refurbished and re-occupied by the council.**
- **Burcot Lodge to be saved.**
- **Spadesbourne suite to be saved; refurbished and re-used for community events.**

- **The proportion of Parkside under the ownership of BDC to be re-marketed for town centre living apartments or small office units.**
- **Closure of the Final Pension scheme and replaced with a new money plan scheme.**
- **A critical review of operating budgets is undertaken.**
- **Review of the Town Centre Development Plan.**
- **The instigation of a Community Governance Review.**
- **The introduction of a Community Investment strategy.**

The tabled alternative budget shows the tough measures in 2016/17 taking effect and building a base from which future budget pressures can be mitigated with a view to giving the council the best possible foundation on which the council can operate. The budget also presents the forecast balances for 2017/18 and 2018/19.

The recommendations are essential to future proof the Council services without relying on unsustainable government funding and taking money from balances to bolster operations.

A significant risk to this Council is the burden from servicing its cost of borrowing over a fifty year period; the loss of state funding £3.2m in by 2019/20, short term capital replacement costs; depleted capital reserves and pressure on frontline services.

Recommendations

- 1 Recommendation: The IAG supports a 1.9% rise in district council tax base in 2016/17.**

The IAG has previously supported a zero percentage council tax rise. For reasons that follow this recommendation it is the group's opinion that the budgets and financial plan must reflect frontline services being financially fit for purpose.

- 2 Recommendation: The IT Budget is reduced by £120,000 in 2016/17 (£200,000 in a full operating year).**

The IAG is asking this council to support a cut in the ICT base budget

- 3 Recommendation: charging policy for evenings and weekend town centre car parking is re-instated saving the council £60,000.**

The Overview and Scrutiny led working car parking groups have not tabled any firm car parking charging solutions to support a town centre car park strategy.

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Therefore the IAG recommends that the charging policy for evenings and weekend town centre parking is re-instated saving the council £60,000.

4 Recommendation: £369,000 is taken from the 2016/17 operating budgets (£638,000 in a full operating year) as below.

- Printing/repro
- ICT
- Democratic services
- Corporate/corporate admin
- Business development
- Grants and Donations
- Cultural and community cohesion
- Development control

4a Recommendation: A further £80,000 (2016/2017) to be taken from out of the following budgets (£148,000 in full operating year).

- Double bin lorry shifting
- Cabinet reduced by one
- All chairs at standard rate
- Pavement parking

4b Recommendation: The events budget is reduced by £150,000.

5 Recommendation: It is recommended that the council adopts the following 'Future of Bromsgrove' Strategy.

5a Burcot Lane is not sold, Burcot Hostel is retained and the Spadesbourne suite is saved for community use.

5a(i) Proceeds from Hanover street and excess Dolphin lane to offset Parkside borrowings.

5b. Burcot Lane offices are refurbished and the site is consolidated to meet the needs of Bromsgrove Council, any unrequired land offered for sale for housing again offsetting Parkside interest, recouping £57,000 in 2016/17.

5c BDC's Parkside owned office is leased for town living space or for small office space (based on business case with estimated income from rents of £75,000 in 2016/17 (£168,000 in full operating year 2018/19 at 4.5% factorisation).

This strategy is seen as being unprecedented but necessary. With the unparalleled cuts in Government's Revenue Support Grant and proposed cuts in the NHB scheme this council has to be strong and take the appropriate actions now.

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The move to Parkside is seen as unpopular and is a poor substitute to Burcot Lane and represents poor value for money.

The reversal reinstates the authority's status and relieves it from the balance cost of borrowing. This is seen as making financial sense and will be a popular step. It is a step in which Parkside can still be used for the benefit of Bromsgrove without drawing down on capital and an on-going annual cost of borrowing charges to the value of £61,000.

6 Recommendation: The Dolphin Centre is closed as soon as is practically possible saving the council £436,000 in running costs.

6a A new multi-use sports centre, pool and gym sports hall is built on Sanders Park and built to option 5A (Sunesis) in the Sport England Sport Consultancy reduced cost options report 'September 2013'. The site is currently occupied by tennis courts and tarmac outdoor space and Cafe toilets changing rooms and office. These will be demolished and replaced by the Sunesis complex.

6b The Head of Planning is encouraged to seek s106 (or Cil if appropriate) monies from developers as part of any leisure contributions as planning applications come forward to the new community and sports centre.

6c Funding for the new centre is made up from. Dolphin centre land £700,000, Sport England £1.5m, Section 106 and Affordable homes claw back £2.65m. Long term borrowing requirement £1.75m with a cost of c£91,000 p.a.

This strategy is seen as being unprecedented but necessary. With the unparalleled cuts in Government's Revenue Support Grant and proposed cuts in the NHB scheme this council has to be strong and take the appropriate actions now.

The immediate closure of the Dolphin centre will save the council part of the current running costs of £436,000 p.a. The proposed benefit from new pool and sports hall would be an annual surplus of £101,000 before interest assumed from Sunesis model and is supplemented by the introduction of car park charges in Sanders Park generating a net surplus of £90,000 after borrowing costs.

The IAG proposes that a sports hall and community facility is built around the Sunesis 'off the shelf design' for £6,900,000 and expects the £1.5 million Sports England grant to be secured.

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The problem that is council is faced with is capital funding, running costs and location. For these reasons the following proposals are made to support the recommendations above

- The Community Hub and Sports Centre (CHSC) are sited on Sanders Park.
- The site is currently occupied by Cafe, changing rooms and offices, tennis courts and basketball court. We would seek to incorporate tennis courts on site depending on the business case.
- The CHSC will include community facilities such as health and wellbeing centre, adult learning classes, youth hub, small café and community area, revolving around a sports centre to meet the Sports England sports for all targets. Thus maintaining grant eligibility.
- Utilisation of current staff employed to manage the building/park/tennis/bowls along with the sports hall.

The Group does not favour using public money to be handed over to a third party and run with a view to making profit. It is also questionable if a third party could turn a profit on such a public amenity.

7 Recommendation: That Fees and charges are increased to 5% bringing in an additional £67,000 to offset budget deficits in 2016/17 followed by 3% in the following two years.

The proposal is to make paid for services be self-sufficient.

8 Recommendation: Urgent review of Transformation budget

The IAG is recommending an urgent review of the Transformation budget. The Group believes that Transformation has been a part of the Shared Service programme and that the programme is complete and therefore reached a natural end.

This has the potential to relieve the council of £20,000 costs in 2016/17 and £34,000 in a full operating year.

9 Recommendation: BDC to implement and support a programme of community investment taking £1,000,000 from balances to support the four tabled bids and to receive additional bids in 16/17.

9a Recommendation: £1,000,000 to be made available from balances for future community investment in 2017/18, 2018/19 and 2019/20

It is a long held belief of the IAG that investment across Bromsgrove should be fair and equitable with investment supporting the other half of the district's population and communities.

Through the centres manager, working in liaison with ward councillors the IAG is proposing that BDC invests in out-of-town communities, as well as town centre capital expenditure.

Financial Plan

The following recommendations are to inform the three year financial plan tabled by the IAG.

- 1 Recommendation: The IAG proposes that the council respond to the NHB consultation recommending that the proposed changes to the scheme are not supported.**

The IAG does not support the direction in which the Government proposes to reduce the New Homes Bonus scheme. This Group considers that the proposed changes fail to recognise the motives for the scheme when introduced.

The IAG points to whether it is constitutionally appropriate for the proposals related to where any bonus would not be paid is actually permitted under planning laws and within the NPP.

- 2 Recommendation: Democratic Services to conduct a Community Governance Review for Town Centre and non-parished areas in Bromsgrove.**

The benefits of forming a Town Council and parish currently un-parished areas are to give greater democratic and financial autonomy to communities without expecting the whole district to support localised services.

Financial autonomy allows local precept to be raised without impact on whole district; it targets local pressures effectively and builds stronger communities.

The effective date for a change in governance will be from 2017/18

- 3 Recommendation: Close the staff Final Pension Salary scheme and offer alternative money purchase plan effective from 17/18 following statutory consultation.**

4 Recommendation: Review of Town Centre Development Plan

Town centres up and down the country have changed. With the sudden and sustained increase in online shopping, one stop, multi- commodity super markets, internet and remote access to information and services the footfall through town centre shopping centres has dramatically reduced. Bromsgrove Town Centre is no exception.

This has resulted in a lost identity for many, continued loss of high street businesses and an unbalanced business mix which has led to the town centre having an unsustainable number of independent retail outlet units.

The driving focus behind the review of the Town Centre development is the consolidation of the centre, with a view to bringing more town centre living accommodation. This must be supported by incentivised conversion of businesses to dwellings.

The IAG does not support the 2.5% discretionary council tax increase as a transitional measure.

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BROMSGROVE 2016/17-2018/19			
	2016-17	2017-18	2018-19
	£000	£000	£000
Departmental Expenditure (Starting Position)	11,381	11,582	11,582
Incremental Progression/Inflation on Utilities	281	383	595
Unavoidables	507	525	531
Savings and Additional income	-401	-395	-393
Net Service Expenditure	11,767	12,095	12,314
Investment Income	30	122	169
Cost of Borrowing	274	394	458
Recharge to Capital Programme	-25	-25	-25
Net Operating Expenditure	12,046	12,586	12,916
Revenue Support Grant	-560	0	0
Changes to Government Grant - Admin Subsidy	35	66	94
RSG to Parishes & Non Parished	21	0	0
Business Rates Retention (Baseline Funding)	-1,600	-1,630	-1,680
Funding from Business Rate Growth	0	-150	-150
New Homes Bonus	-1,703	-1,703	-1,103
New Homes Bonus Community Scheme	101	79	83
Collection Fund Surplus (Council Tax)	-167	0	0
Council Tax	-7,224	-7,426	-7,674
Funding Total	-11,096	-10,763	-10,430
FUNDING GAP	950	1,822	2,486

Close Dolphin centre/build replacement	-236	-436	-436
Sunesis net profit	0	-90	-90
Increase fees by 5%+3%+3%	-67	-227	-396
Rent out Parkside	-75	-168	-168
Parkside interest saving			
Sale of Burcot £0.5m Hanover £2m XS Dolphin £1m	-57	-62	-60
Double bin lorry shifting	-60	-120	-120
Charge for evening parking	-60	-60	-60
Reduce events budget	-150	-150	-150
Cabinet reduced by one	-5	-5	-5
All chairs at standard rate	-8	-8	-8
Pavement parking	-7	-15	-15
Department savings/ see below	-389	-672	-672
Total budget savings	-1114	-2013	-2180
Transitional grant	-118	-114	
Surplus from 16/17, 17/18			-587
REVISED FUNDING GAP/SURPLUS	-282	-305	-281

Breakdown of Department savings :

Transformation	-20	-34	-34
Printing/repro	-8	-12	-12
ICT	-120	-200	-200
Democratice services	-27	-47	-47
Corporate/corp admin	-20	-35	-35
Business development	-130	-250	-250
Grants and donations	-24	-24	-24
Cultural and community cohesion	-12	-20	-20
Development control/planning	-28	-50	-50
TOTAL	-389	-672	-672

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COUNCIL

24th February 2016

NOTICE OF MOTION – PARKSIDE DRINKS POLICY

The following Notice of Motion has been submitted in accordance with Procedure Rule 10 by Councillor M. Thompson:

“Council recognises that Parkside is a building of government and acknowledges that the Chair’s recent decision not to host gatherings for Councillors where alcohol is consumed is excellent and up-to-date practice. Council wishes to formally acknowledge this as good practice. Therefore, this motion proposes, aside from consumption by members of the public at functions where its facilities are hired, that Parkside becomes an alcohol free zone as far as Councillors and Council business are concerned”.

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