

BROMSGROVE DISTRICT COUNCIL

MEETING OF THE CABINET

6TH JANUARY 2016 AT 6.00 P.M.

PRESENT: Councillors M. A. Sherrey (Leader), G. N. Denaro, R. L. Dent, R. J. Laight and P. J. Whittaker

Observers: Councillors S. J. Baxter, S. R. Colella, M. Glass, C. A. Hotham, L.C. R. Mallett, K. A. May and M. Thompson

Officers: Mr K. Dicks, Ms S. Hanley, Ms J. Pickering, Mr J. Godwin, Mrs S. Sellers and Ms R. Cole

68/15 **APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor C. B. Taylor.

69/15 **DECLARATIONS OF INTEREST**

There were no declarations of interest on this occasion.

70/15 **MINUTES**

The minutes of the meeting of the Cabinet held on 2nd December 2015 were submitted.

RESOLVED that the minutes of the meeting of the Cabinet held on 2nd December 2015 be approved as a correct record.

71/15 **OVERVIEW AND SCRUTINY BOARD**

The minutes of the meetings of the Overview and Scrutiny Board held on 23rd November 2015 and 14th December 2015 were submitted.

23rd November 2015

(a) Joint Health and Well-Being Strategy 2016-19

Following consideration of details of the Overview and Scrutiny Board Minute No. 75/15 (a) and the associated recommendation it was

RECOMMENDED that air quality be proposed as an additional priority for inclusion in the Joint Health and Well-Being Strategy 2016-2019.

(b) It was

RESOLVED that the remainder of the minutes of the meeting of the Overview and Scrutiny Board held on 23rd November 2015 be noted.

14th December 2015

(a) Dolphin Centre Update

The Cabinet considered the following recommendation contained within Overview and Scrutiny Board Minute No. 84/15:

“that the Cabinet remain observant of its decision in December 2104 to reconsider options for the leisure centre to include a sports hall if the negotiations with BAM are unsuccessful as detailed in the Cabinet response to the Leisure Provision Task Group Report”

It was noted that Councillor M. Thompson had requested to submit an associated question on this matter and therefore, during the consideration of this recommendation, at the invitation of the Leader Councillor Thompson asked the following question:

“in view of the public opposition to the Dolphin Centre, has the council undertaken a second risk assessment to consider the financial risk of introducing an unpopular leisure centre to Bromsgrove?”

The Portfolio Holder for Finance responded that it was felt that the Risk Assessment process should not be aligned to any public opposition in respect of the sports hall issue. It had been made very clear that officers would be working with existing users of the hall to minimise the effects of the loss of the sports hall. The vast majority of the existing users of the leisure centre as a whole would benefit from the greatly improved facilities.

The Portfolio Holder for Finance also stated that the figures used within the business case and the viability of the project had been confirmed by Sports England and by soft market testing. Once the new facility was built it would be contracted to a Leisure Operator and the financial risk to this Council would be minimal. In view of the situation the existing risk assessment was adequate with no requirement for adjustment.

During the discussion on the recommendation from the Overview and Scrutiny Board, The Portfolio Holder for Leisure Services paid tribute to the work undertaken by officers in progressing the project to this point.

The Portfolio Holder also stated that whilst it was understood that there was disappointment from some users in respect of the lack of a sports hall, the business case (which had been reviewed again) and prudential borrowing did not support a more extensive scheme which would not be viable. Even if discussions with BAM were unsuccessful It was important to concentrate now on progressing the project as designed and agreed as efficiently as possible. To delay further would not be in the best interests of the majority of residents.

(The Leader agreed to a short adjournment to enable officers to advise on suitable wording for the resolution.)

It was

RESOLVED:

- (i) that having considered the recommendation from Overview and Scrutiny Board contained in Minute No. 84/15 the Cabinet believe the negotiations with BAM are progressing positively and therefore the Cabinet rescinds its decision in December 2014 as set out in the preamble above; and
- (ii) that given the financial position of the Council and regardless of the outcome of discussions with BAM this Council proceeds with a scheme in line with the July 2014 facility mix i.e. without a sports hall.

(b) **Quality of Acute Hospital Services**

Following consideration of details of the Overview and Scrutiny Board Minute No. 89/15 (b) it was

RESOLVED that the Leader provide clarification with regard to the Council's position in respect of the future of the Worcestershire Acute Hospital's Trust and to the recent vote taken by Redditch Borough Council that the Trust be broken up.

(In this regard the Leader undertook to attend the next meeting of the Overview and Scrutiny Board to give an update on the situation.)

- (c) **RESOLVED** that the remainder of the minutes of the meeting of the Overview and Scrutiny Board held on 14th December 2015 be noted.

72/15 **AUDIT, STANDARDS AND GOVERNANCE COMMITTEE**

The minutes of the meeting of the Audit, Standards and Governance Committee held on 10th December 2015 were submitted.

RESOLVED that the minutes of the meeting of the Audit, Standards and Governance Committee held on 10th December 2015 be noted.

73/15 **DOLPHIN CENTRE REPLACEMENT - SPORT ENGLAND GRANT FUNDING AND PROJECT UPDATE**

The Cabinet considered a report which outlined the progress made in respect of the Dolphin Centre replacement project. The report also contained an overview of the significant funding offer which had been achieved from Sport England.

It was noted that the submission made to Sport England had been successful and that the Dolphin Centre replacement project would be supported with a grant of £1.5million which would bring the project budget to a total of £13million. Members noted with pleasure the commitment and confidence demonstrated in respect of the project by Sport England.

Members' attention was drawn to section 3.6 of the report which set out the proposed facility mix for the project totalling £13million including an increase in the size of the learner swimming pool with additional seating for spectators, additional dance studio/multi-functional space and improved fitness suite facilities.

RECOMMENDED:

- (a) that the funding offer from Sport England be approved and the Capital Programme in respect of the replacement leisure centre be increased by £1.5million to £13million;
- (b) that the revised facility mix for the centre as set out in section 3.6 of the report be approved, based upon the increased funding available; and
- (c) that authority be delegated to the Head of Legal, Equalities and Democratic Services and the Head of Leisure and Cultural Services to enter into the required Lottery Funding Agreement in order to draw down the funding from Sport England and that any performance criteria stipulated be passed on to the future operator of the site.

74/15 **COUNCIL TAX BASE 2016/17**

Members considered a report which contained details of the calculation of the District's tax base for Council Tax setting purposes for 2016/17.

RESOLVED that the amount calculated by Bromsgrove District Council as the Council Tax Base for the whole areas for 2016/17 be approved at 35,404.87 as detailed at appendix 1 to include the individual parish elements.

75/15 **MEDIUM TERM FINANCIAL PLAN UPDATE 2016/17 - 2018/19**

The Executive Director Finance and Corporate Resources gave an update on the position in respect of the Medium Term Financial Plan 2016/17 – 2018/19. A briefing note was circulated. (This is attached as an appendix to these minutes).

It was reported that the impact of the provisional funding settlement received by this Council from Central Government was more severe than previously anticipated. It was currently proposed that the Revenue Support Grant for Bromsgrove would all be lost after 2016/17 rather than being reduced over a few years to zero by 2019/20 as previously announced. In 2017/18 it appeared that this Council would be contributing funds back to Government.

The assumptions by Central Government on the Council improving its spending power were based on an estimate of the Council Tax base growth exceeding current expectations and therefore increasing available funding to support services.

The table illustrating the impact of the settlement on this Council over the next four years compared to previous forecasts showed a £3.2million shortfall in funding compared to the original budget assumptions. The impact on this Council was severe and Bromsgrove District Council was one of only 15 Councils across the Country which would lose its Revenue Support Grant in one year.

In addition it was reported that there were proposals to change the New Homes Bonus Scheme for future years which it was possible would reduce the available funding.

It was reported that representations were being made to the Department for Communities and Local Government in conjunction with a number of the other Councils similarly affected. Information would be circulated to Members when available.

The Executive Director Finance and Corporate Resources referred to the work Heads of Service were undertaking as part of the budget process in order to deliver a balanced budget. There would be further reports to cabinet in February and to the Overview and Scrutiny Board.

As far as they were able at this stage, the Executive Director Finance and Corporate Resources and the Chief Executive answered queries from Members relating to:

- Business Rates;
- the timetable for the changes;
- the impact of the changes on Bromsgrove District Council specifically in relation to the reduced timetable;
- the actions which could be taken to make representations;
- the possibility of agreeing a budget for one year only

The meeting closed at 7.10 p.m.

Chairman

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Council Tax Base Calculation 2016/17

The Council Tax Base calculation for each parish is detailed below (band D equivalents).

Parish Name	Gross	Net
Whole Area	35,762.50	35,404.87
101/107 Unparished	13,402.15	13,268.13
111 Alvechurch	2,279.77	2,256.97
102 Barnt Green	930.60	921.29
116 Belbroughton	1,206.94	1,194.87
118 Bentley Pauncefort	186.09	184.23
119 Beoley	452.47	447.95
103 Bournheath Catshill &	220.81	218.60
104 Marlbrook	2,337.77	2,314.39
120 Clent	692.05	685.13
121 Cofton Hackett	947.75	938.27
122 Dodford /Grafton	396.01	392.05
105 Finstall	295.26	292.30
123 Frankley	50.29	49.79
124 Hagley	2,665.94	2,639.28
106 Lickey & Blackwell	2,105.20	2,084.14
125 Hunnington	233.16	230.83
126 Romsley	661.83	655.22
127/131 Stoke Prior	1,700.88	1,683.87
129 Tutnall & Cobley	366.45	362.79
130 Wythall	4,631.08	4,584.77
	35,762.50	35,404.87

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Impact of the settlement

Revenue Support Grant (RSG)

The Council receives an element of funding from Central Government to support services across the District. We were expecting this RSG to reduce to zero by the end of the Parliament ie 2019/20, as announced previously, and were considering plans to address this. As a result of the provisional settlement Bromsgrove lose all RSG in 2016/17, move to having to contribute funds back to Government in 2017/18 and this increases to £740k by 2019/20. This is under discussion with Government at present and the Council will be responding to the consultation on the financial settlement.

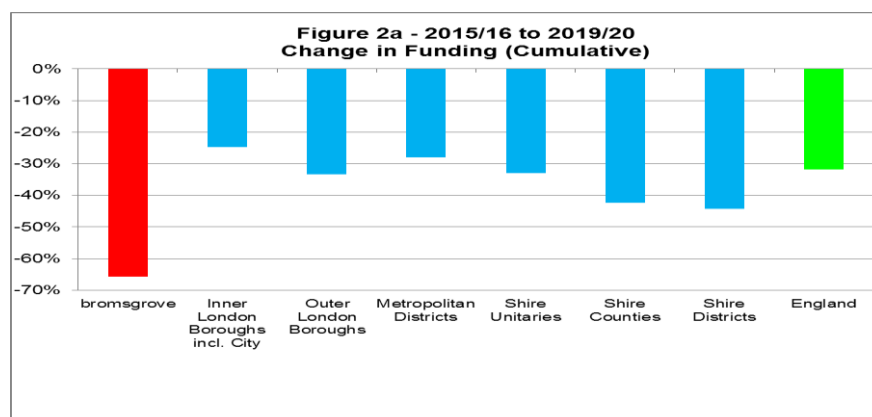
This table reflects the RSG funding for 2015/16 & 2016/17 and the negative grant for the following 3 years.

£000's	2015/16	2016/17	2017/18	2018/19	2019/20
Bromsgrove	1,229	560 (54%)	-20 (-101%)	-360 (-129%)	-740 (-162%)

The following illustrates the impact of the settlement on council, the loss of RSG over the next 4 years up to and including 2019/20 compared to previous forecasts

Revenue Support Grant	Medium Term Financial Plan Assumption £'000	Settlement December 2015 £'000	Reduction £'000
2016/17	1,058	560	-£498
2017/18	947	-20	-£967
2018/19	450	-360	-£810
2019/20	200	-740	-£940
Total			£3,215

This is a £3.2m shortfall in funding to that compared with the original budget assumptions. The graph below shows the impact of the funding reductions over the 4 year period for Bromsgrove compared to other Councils.



Spending Power

The assumptions on the Council improving its spending power is based on an estimate of the Council Tax base growth exceeding current expectations therefore increasing available funding to

support services. The optimistic assumptions include Council Tax base increases of approximately 1% initially (which is double the current estimations) arising to 2.5% increase in future years which are highly optimistic based on current growth across the District.

New Homes Bonus

Also there are proposals to change the New Homes Bonus Scheme whereby we currently receive a 6 year payment for any property built in the District the Government is looking to change this to 4 years. In addition to a number of proposals to reduce New Homes Bonus (NHB) where there is no local plan, where homes have been allowed on appeal or where the growth would have occurred anyway. The potential reduction of income to the Council over the 4 year period is:

£000's	2017/18	2018/19	2019/20	2020/21	Total
Bromsgrove	542	531	523	663	2,259