

## Policy Review Committee

Venue:	Committee Room
Date:	Thursday 21 July 2016
Time:	5.00 pm
Present:	Councillors J Cattanach (Chair), K Arthur, and R Packham.
Apologies for Absence:	Councillors J Deans, M Hobson, D Hutchinson and Mrs J Shaw-Wright.
Officers Present:	Karen Iveson – Chief Finance Officer, Chris Watson – Assistant Policy Officer and Janine Jenkinson - Democratic Services Officer.
In Attendance:	Councillor C Lunn – Lead Member for Finance and Resources.

### 1. ELECTION OF CHAIR

In the absence of the Chair and Vice Chair of the Committee, the Democratic Services Officer sought nominations of a Chair for the meeting.

It was proposed and seconded that Councillor J Cattanach be elected Chair of the meeting.

**RESOLVED:**

**That Councillor J Cattanach be elected Chair for the meeting.**

### 2. DISCLOSURES OF INTEREST

There were no declarations of interest.

### **3. MINUTES**

The Committee considered the minutes of the meeting held on Tuesday 14 June 2016.

#### **RESOLVED:**

**To approve the minutes of the Policy Review Committee held on 14 June 2016 for signature by the Chair.**

### **4. CHAIR'S ADDRESS**

There was no address from the Chair.

### **5. DEVELOPMENT OF A CHARITABLE COLLECTIONS POLICY**

The Assistant Policy Officer introduced the report and explained that currently the Council did not have a charitable collection policy in place. The Committee was informed that there was no legislative requirement for the Council to have a policy; however, it was considered best practice to implement a policy.

Councillors were advised that the need to implement a policy had been raised by the increased number of charitable collection applications received, during popular events, such as the Tour de Yorkshire.

The Committee was advised that implementing a policy was in-line with best practice and would reduce the risk of legal challenge.

In response to a query, the Assistant Policy Officer explained that to ensure an adequate proportion of a donation directly benefited a named charity, the Council had the discretion to require that a minimum proportion of donations made directly benefited the relevant charity.

Councillors noted that the policy would include a street collection section that set out the number of collections allowed per week, and per locality.

The Assistant Policy Officer explained that the draft policy would be presented to the Executive on 6 October 2016, seeking approval for public consultation. If approved for consultation, the draft policy would be advertised on the Council's website for a 6 week period from 6 October – 16 November 2016.

The Chair thanked the Assistant Policy Officer for the report.

#### **RESOLVED:**

**To note the update.**

## 6. MEDIUM TERM FINANCIAL STRATEGY

The Chief Finance Officer introduced the report and explained that the report provided the Policy Review Committee with the opportunity to comment on the proposals for the developing Medium Term Financial Strategy (MTFS) prior to it being considered by the Executive and Full Council in September 2016.

The Chief Finance Officer provided the Committee with a presentation that set out the key issues and assumptions that underpinned the MTFS.

The following issues were discussed:

- It was highlighted that the MTFS assumed that the 0.5% interest base rate would be cut following the vote to leave the European Union. The Chief Finance Officer explained that a range of scenarios had been modelled to accommodate a change in interest rates. The Committee was advised that it was reasonable to assume that interest rates would remain low for a significant length of time.
- The Chief Finance Officer informed Councillors that it was anticipated that by 2019/20 there would be approximately a £1 million per annum reduction to the Council's 'settlement' funding from central government.
- In relation to Business Rates, the Committee was advised that the Council's retention of rates for renewable energy projects was forecast as £5.4 million for 2016/17; however there was some uncertainty regarding future arrangements and whether the Government would continue to allow local authorities to retain 100% of the rates raised by renewable energy projects. Councillors were informed the Department for Communities and Local Government was currently running consultations on business rate retention and fair funding review; the consultations were scheduled to close on 26 September 2016. Councillors queried the impact on Business Rates and Rate Relief in relation to schools converting to academies status.
- With regard to the New Homes Bonus, Councillors were informed that it was expected that the incentives would be reduced and the scheme shortened from 6 years to 4 or 5 years. The MTFS modelled £1.5 million per annum going forward, this represented a £1 million reduction.
- The Chief Finance Officer informed the Committee that Council Tax represented the Council's single largest income stream, equating to 50% of the General Fund resources. The MTFS included, as per the Government's assumptions, a £5 increase in the Band D charge.
- In relation to the Council Tax Support Grant it was noted that the support for parish councils would be reduced as the Council's Settlement Funding reduced. Provision would continue until 2018/19, but it was

planned that payments would cease thereafter. Councillors noted that the Council would continue to engage with parish councils in order to prepare them for the change.

- The Committee noted there were no changes proposed regarding the existing reserves strategy, although Councillors queried the application of the New Homes Bonus to the Programme for Growth when revenue savings were required. The Chief Finance Officer advised that given the risk to this funding it was prudent not to rely on it to support on-going expenditure but the resources could be diverted if necessary.
- With regard to the budget outlook, Councillors were informed that the Council's structure review aimed to invest in capacity in order to generate sustainable future income streams. The Committee was informed that it would become increasingly challenging for the Council to deliver savings, and therefore it was important that a clear and decisive savings plan was in place.
- Councillors were informed that the Programme for Growth would be crucial to the Council's long term income generation requirements. The current Programme was subject to review and proposals for a future programme would be brought forward as part of the budget process.

The Chief Finance Officer explained that the MTFs would be considered by the Executive on 1 September and submitted to Full Council for approval on 20 September 2016.

**RESOLVED:**

**To note the report and presentation provided.**

**7. WORK PROGRAMME 2016/17**

The Committee considered the Committee Work Programme 2016/17.

**RESOLVED:**

**To note the Work Programme 2016/17.**

The meeting closed at 6.00 p.m.