

Full Council – 18 February 2016

Councillor questions:

1. **By Councillor Mary Lawes of Councillor Susan Carey, Cabinet Member for Finance**

There was an item which appeared in the MTCP on Agenda 4 November cabinet meeting with regard to Princes Parade for (£500,000) which was not discussed or debated. It is on the Agenda under MTCP item 3.2 for 18 February page 35. I would like to know why this has been approved and what exactly preparation costs for redevelopment proposal mean and how do you know you need that exact amount?

ANSWER

The question asks why an item in the MTCP on Agenda 4 November cabinet meeting with regard to Princess Parade for (£500,000) was not discussed or debated. This would be because there was no such item on the agenda for 04 November. There was a report about Hythe swimming pool and Princes Parade (not Princess) and a separate report on General Fund Capital Budget Monitoring. Both these reports were discussed and debated and the minutes show the recommendations were agreed.

The funding for preparation costs for the redevelopment of Princes Parade was in the Medium Term Capital Programme which went to the cross party Resources Scrutiny Committee on 6 January (item 3.2 page 71) where it was agreed unanimously. The programme was then considered by cabinet at our meeting of 13 January and also agreed unanimously.

You will have to ask your colleagues on Resources Scrutiny Committee why they agreed to the proposal but I voted for it as I want to our capital programme (including Princes Parade) to deliver the investment needed to fund our plans including a replacement swimming pool and leisure centre for Hythe.

Any large scheme has significant upfront costs and the amount in the capital programme is the best estimate at this stage for likely expenses. The project is subject to normal budget monitoring and more precise costs will be reported as the project develops.

The funding for the development costs now appears on tonight's agenda under the Update to the General Fund Medium Term Capital Programme for council to consider.

2. By Councillor Mary Lawes of Councillor Susan Carey, Cabinet Member for Finance

Item 4.5 page 38, New major capital@invest to save' investment initiatives for the future such as Princes Parade. Hythe will have to be funded at least in part by prudential borrowing in the first instance. It is envisaged that these 'invest to save' schemes will provide capital receipts and/or an ongoing net revenue stream for the council in the future allowing the borrowing to be repaid or a commercial return to be made to absorb the financial costs incurred. Surely borrowing on this scale should be subject to a more robust assessment than, 'it is envisaged'? Is it not the case that you are not sure of the return on the councils borrowing and or investment with such large projects in the type of climate of uncertainty we are it at present?

ANSWER

The Update to the General Fund Medium Term Capital Programme is an overview of the programme. All projects within the programme must produce a business plan and are subject to detailed financial analysis. This can only happen once the details of the proposals are worked through. Paragraph 4.5 makes clear that some of the schemes will need funding through prudential borrowing. This will not happen until the business case has been thoroughly appraised.

3. By Councillor Mary Lawes of Councillor Susan Carey, Cabinet Member for Finance

Do you believe that this Council Tax is too high on top of the precept from KCC, and that it will hit low paid families hard, pushing them onto benefits and into needing food banks in order to live? Should this council not be challenging the Government to slow its (so called) austerity measures as it is causing great hardship to the people of this country?

ANSWER

Whether you support the Government's efforts to balance the national finances or not, we must balance our books and we are doing so by a mixture of savings, increased income and a small rise in council tax.

Since 2011/12 we have either frozen or reduced the Shepway share of council tax. Over the same period inflation has risen nearly 15%. In both relative and absolute terms over the last five years our taxpayers have paid less council tax for their Shepway services.

Our funding from central government is being phased out and has reduced by over £1 million for 2016/17. We are being expected to raise more money locally to fund our services. This is why we are investing in projects to provide alternative income in the future and keep our share of council tax low.

In 2011/12 a Band D house paid £231.48 a year for services from Shepway. If the budget is agreed as in our papers tonight a Band D household will pay £232.56 a difference of just over a £1 a year from its level six years ago.

We are answerable for Shepway's budget and no one else's and I believe we have struck the right balance.

SUPPLEMENTARY QUESTION

Does the member believe it is morally right to increase Council tax and to have stealth tax increases which have also increased in recent years?

ANSWER

Tonight we are talking about Shepway District Council. The town and parish council budgets are not for this authority nor are the county, the police or the fire and rescue services. Just Shepway District Council. It is morally right that we present a balanced budget for what our residents need. It is a fact that the less well off tend to benefit more from the services that we provide and this budget does not cut council services.

4. By Councillor Mary Lawes of Councillor Alan Ewart-James, Cabinet Member for Housing

Page 21 item 3.3 New Build rents. Can the member clarify whether these figures are for social housing (Council properties) and or private affordable rents from the Council housing supply? How many homes have been acquired by the council to rent during 2015/16? at these rates?

ANSWER (Given by Councillor David Monk on behalf of the Cabinet Member)

The figures quoted are for council owned rented properties and the rents are set in line with government criteria. So far in 2015/16 there has been a total of 9 properties built/acquired (at 17 February 2016).

SUPPLEMENTARY QUESTION

What happened to the programme agreed in 2012 for 30 properties per annum for 10 years?

ANSWER

The Government changed the rules and we therefore have had to change the HRA business plan as the previous one had been blown out of the water. We do want to build houses but whether it will be possible to do so at the same rate it remains to be seen.

5. By Councillor Claire Jeffrey of Councillor Susan Carey, Cabinet Member for Finance

What is the lowest amount of individual household Council Tax owed to Shepway District Council, excluding the cost of the summons, that has resulted in a summons being issued in the current financial year 2015/16 and what was the lowest amount of individual household Council Tax owed to the Council that resulted in a summons being issued in 2014/15?

ANSWER

Shepway District Council has a special role to play on behalf of all public services that are funded by council tax in calculating and collecting the amount required from each household. The legislation covering this is the council tax (Administration and Enforcement) Regulations 1992 SI 613. This sets out the process that the council must follow when payment is not received by the due date.

Put simply, we send a reminder letter after 10 days and a summons is issued if payment is still not received. If part payment is made after the reminder a second reminder is issued and a summons issued if full payment is not made.

This is the legal requirement but of course Shepway's officers will do more than this to try to reach an agreement so that a summons does not need to be issued and give advice to people about any reductions to which they may be entitled. In particular if a debt is below £100 we send an extra letter which explains that a summons can cost up to £125. If there is still no contact or payment a summons is then issued.

The level at which Shepway issues a summons is £60 but it may subsequently be found the amount due is less if the person who has not paid is entitled to a reduction.

Four summonses were issued for £60 in 2014/15 and three in 2015/16. Of these three two were paid before the court hearing and the third is due to go to court on 26 February.

A summons is never issued lightly and the officers will make every effort to help those who owe avoid having to go to court.