

REGENERATION SCRUTINY AND PERFORMANCE PANEL

Thursday, 22 September 2011 at 6.00 p.m. at the Council House

Panel Members Present: Councillor I. Shires (Chair)
Councillor I. Azam (Vice-Chair)
Councillor D. Anson
Councillor B. Douglas-Maul
Councillor D. James
Councillor L. Jeavons
Councillor M. Munir

Portfolio Holders Present Councillor A. Andrew - Regeneration
Councillor C. Towe - Finance and personnel

Officers Present: Tim Johnson - Executive Director (Regeneration)
Kevin Kendall - Head of Property Services
Mike Lavender - Head of Strategic Regeneration
Paul Nicholson – Regeneration Manager - Development
Steve Law - Estates and Property Manager
Jane Kaur-Gill - Regeneration Team Leader (Economic Wellbeing)
Chris Knowles - Lead Accountant
Jennie Collier - Senior Accountancy Officer
Zoe Slattery – ‘Think Walsall’ Acting Team Leader
Craig Goodall - Scrutiny Officer

100/11 APOLOGIES

Apologies for absence were received from Councillor R. Carpenter and Councillor S. Fitzpatrick.

101/11 SUBSTITUTIONS

There were no substitutions for the duration of the meeting.

102/11 DECLARATIONS OF INTEREST AND PARTY WHIP

There were no declarations of interest or party whip for the duration of the meeting.

103/11 MINUTES

RESOLVED:

That the minutes of the meeting held on 28 July 2011, a copy having previously been circulated, be approved as a true and accurate record.

104/11 **CREATING BUSINESS AND A SKILLED WORKFORCE**

The Panel considered evidence gathered to inform the two workstreams on how to start a business and how to sustain a business.

The Head of Strategic Regeneration provided an overview of business survival rates and emphasised that the Borough was losing businesses year on year. He highlighted key questions that needed to be answered in order to create the right conditions for businesses to grow, succeed and become sustainable.

The following were the principle points from the ensuing discussion:-

- It was noted that finance was a key barrier to business growth. In particular, at the current time, as banks were not lending money easily due to the recession. The Panel were informed of the way the Council is helping new and existing business with small amounts of financial assistance;
- The Panel were intrigued how numbers of trading businesses declined over five year periods;
- The Panel questioned whether or not failing businesses had engaged any support services to assist them;
- The need to engage new and existing businesses through a multitude of methods was discussed. Members were encouraged to consider social enterprises.

In closing the item, the Chair proposed tasks for the two work groups which were agreed.

RESOLVED:

THAT:

1. **the Business Start Up Working Group engage with banks to establish barriers to lending to businesses;**

and
2. **the Business Sustainability Working Group engage with a local small business to gain an understanding of what is required to sustain a small business.**

105/11 **CORPORATE ASSET MANAGEMENT PLAN**

The Panel considered the Corporate Asset Management Plan (CAMP) for 2012 - 2017.

The Head of Property Services informed the Panel that the CAMP would set out how the Council intended to use its property portfolio to benefit the residents of Walsall.

He highlighted the following areas to Members:-

- Governance;

- Key activities since 2008;
- Smarter workplaces;
- Use of assets to promote regeneration;
- Non-operational property;
- Vacant/redundant property;
- Social Care and Inclusion directorate requirements;
- Neighbourhood directorate requirements;
- Childrens and Young People's directorate requirements.

The following were the principle points from the ensuing discussion:-

- Members were keen for the Council to use its land assets to stimulate economic growth and attract investment to the Borough;
- Regarding 'Smarter Workplaces', the Panel noted the potential for an impact on local micro-economies where the Council was planning to close offices;
- Opportunities for sharing office space with partners were being explored;
- A Member noted there could be potential for further sharing of buildings should more services be delivered on a regional basis;
- Security for buildings was a priority in the CAMP;
- A Member noted problems experienced by the Council with the transfer of assets to Community Associations and requested further details be considered at a future meeting.

RESOLVED:

That details of the lease arrangements in place with local Community Associations be considered at a future meeting. The report should include details of the strategy for Community Association leases and a full financial breakdown of Community Association costs, including:-

- (a) maintenance costs;**
- (b) repair costs, including outstanding works;**
- (c) insurance costs;**
- (d) individual lease details;**
- (e) any other financial details.**

106/11 BUSINESS RATES CONSULTATION

The Panel were informed of a consultation currently taking place to propose changes to the way that business rates were retained by local Councils.

The Senior Accountancy Officer gave a presentation on the proposals (annexed). She highlighted the following points:-

- What was changing and when;
- The reasons for change;
- Principles for reform;

- The current system;
- The proposed new system;
- The flow of money under the new system;
- The effects of the proposals on Walsall;
- Details of unanswered questions within the consultation.

The Portfolio Holder (Finance and Personnel) commented that he saw no value in altering the current business rate arrangements and the complexities of the new system outweighed the benefits of change.

After receiving an overview of the new scheme the Panel considered that it appeared to be unnecessarily complex and that the initial changes would result in minimal change to the current value of business rates awarded to each Authority. Members noted the importance of re-distributing business rates in an equitable way and the financial benefits this created for local Councils who would be worse off in the long term under the new proposals. The principle of local authorities retaining business rates collected in their areas was recognised. However, the potential long term financial disadvantage that would be caused to those authorities who currently receive additional business rates to those they collected under the current system was viewed with concern. Whilst a baseline business rate level for each local authority would be set in 2012/13, Members recognised that as each year passed, those local authorities who collected lower levels of business rates would become real time losers as their business rate levels would remain at 2012/13 levels rather than rise each year as would happen under the current system.

It was noted that businesses were only consulted about business rates if they belonged to a business improvement district and that the new homes bonus 'top slice' on business rates as set by the Government.

RESOLVED:

That the Chairman write to the Secretary of State for Communities and Local Government outlining the Panel's comments regarding the proposed changes to business rates retention.

107/11 NEW HOMES BONUS

The Panel were informed of the decision taken by Cabinet on 14 September, 2011 regarding New Homes Bonus (NHB). The item did not appear on the Forward Plan since the decision (annexed) was taken under the general exception rule in the Constitution.

The Regeneration Manager Development reported the decision taken by Cabinet and explained the scoring criteria for NHB projects that had been amended by Cabinet to place more emphasis on deliverability (annexed). He explained further details on the first tranche of NHB and how money would be used to support housebuilding projects. It was the intention that the majority of funding would be used to make loans to developers so the money could be recycled to support further development in the future.

The Portfolio Holder (Regeneration) reported that Walsall received the largest share of NHB in the Black Country.

The following were the principle points from the ensuing discussion:-

- It was important to bring empty homes back into use;
- It was important that the 'Think Walsall' approach was pursued to ensure local residents and businesses benefited with work and contracts through NHB;
- The Council was required to provide traveller and showman sites. It was noted it was more cost effective to provide sites than to pursue enforcement against illegal traveller settlements;
- The Chair stated that he felt the NHB should be spent in areas based on need and deprivation, rather than be equally shared between Area Partnership areas;
- Concern was expressed that the environmental standards for new homes was diminishing. The long term benefits of increased energy efficiency in the home were without question, therefore, the Council should actively push for higher standards in new homes. The Chair felt that it should be reflected in the scoring criteria;
- It was noted that Accord Housing was a national centre of excellence for the construction of timber framed houses with a licence to construct properties all over the UK;
- The Portfolio Holder (Regeneration) noted that the majority of the Borough's housing stock was old. It could be argued that more disadvantaged residents would be helped through retro fitting of energy efficiency methods to existing homes.

RESOLVED:

That the Panel monitor the scoring criteria and outcomes from the use of New Homes Bonus funding.

108/11 2010/11 FINAL BUDGETARY POSITION PRE-AUDIT

Members were informed of the outturn revenue and capital position for the year ending 2010/11 for services within the remit of the Regeneration Scrutiny and Performance Panel.

The Lead Accountant reported that the 2010/11 year end financial position for services under the remit of the Panel was a revenue underspend of £737,000 and a capital underspend of £3,000. He highlighted the outturn by service area, net transfers to reserves and the final capital programme.

RESOLVED:

That the report be noted.

109/11 QUARTER 1 FINANCIAL MONITORING POSITION

The Panel were informed of the predicted revenue and capital outturn position for 2011/12 based on the performance of quarter 1 (to end of June, 2011) for services within the remit of the Panel.

The Lead Accountant reported that the forecasted year end financial position for services under the remit of the Panel was for revenue spendings to be on budget and for the capital programme to be overspent by £4,000. He highlighted risks within the revenue budget and slippage in the capital programme.

RESOLVED:

That the report be noted.

110/11 FINANCIAL PLAN 2012/13 TO 2014/15: DRAFT REVENUE AND CAPITAL BUDGET PROPOSALS FOR CONSULTATION

The Panel were informed of the Cabinet portfolio plans for future service delivery, along with the approach being taken to delivering service improvements and cost efficiency over the next three years (2012/13 to 2014/15).

The Portfolio Holder (Regeneration) highlighted his portfolio plan and emphasised that the plan was based on stimulating economic growth in the Borough. He also highlighted service improvements and efficiencies, including the smarter workplaces scheme, which would release resources through the reduction of the Council's property portfolio.

The Portfolio Holder (Finance and Personnel) commented that it was Cabinet's strategy for the Council to become the best in class for cost by 2014.

RESOLVED:

That the report be noted.

111/11 WORK PROGRAMME 2011/12 AND FORWARD PLAN

The Panel considered their Work Programme and the latest version of Cabinet's Forward Plan of key decisions.

RESOLVED:

That the following items be added to the Panel's Work Programme:-

- (a) Local Enterprise Partnership;**
- (b) Community Association leases.**

112/11 DATE OF NEXT MEETING

It was noted that the date of the next meeting was 6.00 pm. on 3 November, 2011.

The meeting closed at 7.30 p.m.

Signed:

Date: