

**WEST NORTHAMPTONSHIRE**  
**SHADOW OVERVIEW AND SCRUTINY COMMITTEE**

**Monday, 17 August 2020**

**Shadow Overview and Scrutiny Committee Members present:**

Councillor Jane Birch (Chair)	Councillor Jamie Lane (Deputy Chair)
Councillor Ann Addison	Councillor Dermot Bambridge
Councillor Julie Davenport	Councillor Andre Gonzalez de Savage
Councillor Dennis Meredith	Councillor Ken Ritchie
Councillor David Smith	Councillor Allen Walker
Councillor Mike Warren	

**Other Shadow Council Members present:**

Councillor Rebecca Breese, Chair, Council Tax Harmonisation Task and Finish Group, West Northamptonshire Shadow Authority

**Officers present:**

George Candler	Interim Chief Executive, West Northamptonshire Shadow Authority
Martin Henry	Interim Chief Finance Officer, West Northamptonshire Shadow Authority
Susan Zeiss	Interim Monitoring Officer, West Northamptonshire Shadow Authority
Paul Hymers	Strategic Finance Adviser, South Northants Council
Belinda Green	Operations Director CSN Resources
Tracy Tiff	Democratic and Member Services Manager, Northampton Borough Council
Ed Bostock	Democratic Services Officer, Northampton Borough Council

**1 APOLOGIES FOR NON-ATTENDANCE**

Apologies for absence were received from Councillor Penny Flavell, Councillor James Hill, Councillor Ian Morris and Councillor Mark Wesley.

**2 NOTIFICATIONS OF REQUESTS TO ADDRESS THE MEETING**

There were none.

**3 MEMBERS' DECLARATIONS OF INTEREST**

There were none.

**4 CHAIR'S ANNOUNCEMENTS**

There were none.

## **5 MINUTES**

**RESOLVED:** That the Shadow Overview and Scrutiny Committee approved the minutes of the meeting held on 30 June 2020.

## **6 UPDATE - FINANCE**

Councillor Rebecca Breese, Chair of the Council Tax Harmonisation Task and Finish Group, introduced the report, highlighting that Council Tax is a substantial element of the budget and can therefore impact on both services provided and residents.

Councillor Breese highlighted the disparity between Council Tax of the sovereign councils of the West and that the Task and Finish Group was investigating how Council Tax could be harmonised. One of two different methods of harmonisation can be used and either method would create a financial impact.

Martin Henry, Interim S151 Officer, gave the Shadow Overview and Scrutiny Committee a comprehensive presentation on the Council Tax Harmonisation and Council Tax Reduction Scheme highlighting the salient points:

Different levels of Council Tax are raised in each of the constituent areas across West Northamptonshire.

The charge for the County Council's element of the Council Tax charge will be consistent across the County but the individual districts and boroughs will have historically levied different amounts of Council Tax for the services they provide.

The Committee was provided with an example: Council Tax for 2020-21 levied for each of the individual areas (based on a Band D property):

Daventry District Council £1,451.56

Northampton Borough Council £1,516.26

South Northants Council £1,481.75

Average Council Tax for a band D property in an English Shire Authority is £1,541.

Council Tax income equates for around two thirds of the entire budget, approximately £207 million.

The Committee was provided with details and the financial implications of both methods of harmonisation:

Average Council Tax approach – referendum principles are applied to the average Council tax calculated for the area. This approach generates a greater amount of total Council Tax income.

Individual Area Council Tax approach – referendum is applied to each of the individual areas. This limits the amount of Council Tax that can be derived as the referendum amount can only be applied to the lowest levying Council Tax area.

The Shadow Overview and Scrutiny Committee made comment, asked questions and heard:

- It was confirmed that Parish and Town Council precepts are not included as they have their own powers.
- Council Tax setting levies must be harmonised by year eight at the latest.
- In response to a query regarding percentage increases, the Interim S151 Officer advised that increases would appear steep in year one but if increased over a number of years the increase would be gradual. All modelling presented to the Committee was based on 3.99% referendum and no change in the tax base.
- Concerns were raised regarding a potential increase in Council Tax due to the harmonisation and whether an additional option of a zero-percentage increase could be provided also. It was confirmed that this could be provided as an option.
- It was noted that the Average Council Tax approach to harmonisation would always generate more.
- It was emphasised that although Council Tax is just one element of the budget setting process, it is a significant component. Council tax income is crucial to the financial viability of the new Unitary. The Interim S151 Officer confirmed that further information on the budget would be shared with the Committee at future meetings.

The Interim S151 Officer appraised the Committee of the context of the Local Council Tax Reduction Scheme (LCTRS). LCTRS replaced Council Tax benefit in 2013. Council Tax benefit was a nationally prescribed scheme, LCTRS is a local scheme set at the discretion of the relevant district or borough council.

The scheme applies to working age claimants. Eligible pensioners continue to receive up to 100% Council Tax support depending on the levels of income they are in receipt of.

The Committee was advised that the schemes (minimum Council Tax payable) are different across the three district and borough Councils in the West:

Daventry District Council 20%

Northampton Borough Council 31%

South Northants Council 8.5%

It is estimated that a move to an 8.5% scheme across the West would cost an additional £2.5million, a move to a 20% scheme across the West would cost an additional £0.9million and a move to a 31% scheme across the West would save £0.6million.

A change to the LCTRS would impact upon the tax base and on the precept raising ability of the Police, Fire and Crime Commissioner and Town and Parish Councils.

The scheme will need to be fully consulted upon and it was envisaged there would be a comprehensive, meaningful consultation process for a six-week period

commencing in October 2020. Various options would be included within the consultation process.

An LCTRS must be in place by 31 January 2021.

The Committee made comment and heard:

- It was highlighted that the Council Tax Harmonisation Task and Finish Group is mindful of the impact that a potential increase in Council Tax could have on the most vulnerable residents and the Committee received details of case studies to explain this.
- Concerns were raised regarding individuals currently exempt from paying Council Tax, for example students and how the scheme might impact upon them. A full list of exempt categories of individuals should be considered.
- In answer to a query regarding how care leavers would be affected by the LCTRS, the Interim S151 Officer advised that details provided do not include care leavers and further modelling would have to take place. This would generate further budget pressures.
- It was noted that issues such as single occupancy reduction are not dealt with under the LCTRS
- It was confirmed that Officers were able to calculate the number of people eligible under the LCTRS

Shadow Overview and Scrutiny Councillors further commented:

- It was felt that it would be more beneficial for the Shadow Overview and Scrutiny Committee to undertake further finance scrutiny work, rather than setting up a separate Working Group to undertake this role.
- The Committee commended the excellent presentation provided to it on the Council Tax Harmonisation Scheme and LCTRS.
- Councillors reiterated that the Council Tax Reduction Scheme should include a zero-percentage option. A full list of those exempt from Council Tax should be added for information.
- A balanced budget must be produced and the need for increases in certain areas were recognised.

**RESOLVED:** :

- (1) That the report in relation to the harmonisation of Council Tax and the Local Council Tax Reduction Scheme was noted.
- (2) That other financial topics in relation to the budget would be included within the Shadow Overview and Scrutiny Committee's work programme.
- (3) That the Shadow Overview and Scrutiny Committee, rather than a smaller working group of Overview and Scrutiny members, will receive further detailed financial information in relation to the budget.

## **7 WNSA – EXECUTIVE FORWARD PLAN**

George Candler, Interim Chief Executive, West Northamptonshire Shadow Authority, addressed the Shadow Overview and Scrutiny Committee and referred Members to the WNSA Executive Forward Plan. He advised that the Shadow Executive was scheduled to receive an update on the Transformation Programme at its September meeting and it was suggested to the Shadow Overview and Scrutiny Committee that it receives an update on the Transformation and Financial Programme at its meeting on 8 September 2020.

The Shadow Overview and Scrutiny Work Programme 2020/2021 is currently being drafted and would be circulated to the Committee shortly. Topics that were suggested at the informal workshop would be included, for example:

Transformation

Finance

Governance, including and review of the constitution and localism

It was suggested that recommendations from the Shadow Overview and Scrutiny Committee regarding the transformation and financial programme could be presented to the Shadow Executive at its November 2020 meeting.

### **RESOLVED:**

- (1) That the Shadow Overview and Scrutiny Committee receives a presentation on the Transformation and Financial Programme at its meeting on 8 September 2020.

## **8 URGENT BUSINESS**

There was none.

There being no further business, the meeting concluded at 20:15 hours

