

CABINET

Minutes of the meeting held on 15 September 2016 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Lowe (Vice Chairman)

Cllrs. Dickins, Hogarth, Lowe, Piper and Searles

An apology for absence was received from Cllr. Firth

Cllrs. Clark, McGarvey, Scholey, Clark, Pett and Thornton were also present.

24. Minutes

Resolved: That the Minutes of the meeting of Cabinet held on 9 August 2016, be approved and signed as a correct record.

25. Questions from Members

There were none.

26. Declarations of interest

There were none.

27. Reference from Scrutiny Committee - Report of the Leisure In-Depth Scrutiny Working Group

Cabinet discussed the reference from Scrutiny Committee and agreed that the report be referred to the Housing and Health Advisory Committee.

Resolved: That the report be referred to the Housing and Health Advisory Committee.

28. Treasury Management Annual Report 2015/16

The Portfolio Holder for Finance presented the report which provided the customary review of investment activity during 2015/16 as required by the Council's Financial Procedure Rules and the CIPFA code. The report outlined the strategy adopted during the year, showed the position of the investment portfolio at the beginning and the end of the year, and gave details of how the fund performed in comparison with previous years and against various benchmarks.

The overall rate of return was in line with a neighbouring authority and exceeded the recognised benchmarks, but interest receipts did not meet budget by

approximately £43,400. This was due to increases in bank rates being forecast for the latter part of the financial year that never materialised. He advised that the Finance Advisory Committee had considered and debated the same report and agreed to recommend it to Cabinet.

In response to a question from a Member the Principal Accountant explained that during the year the Council had operated within the treasury limits and prudential indicators set out in its Treasury Policy Statement and Annual Treasury Strategy Statement (as amended in July 2015) with two exceptions.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the Treasury Management Annual Report for 2015/16 be approved.

29. Financial Prospects and Budget Strategy 2017/18 and Beyond

The Portfolio Holder for Finance presented the report which was the first report for the 2017/18 budget setting process.

This would be the seventh year of using the current Financial Planning Strategy that included the ten year budget which had proved successful to date and put the Council in a much stronger financial position than most other Councils.

The major message in the report was that the Council was able to remain financially self-sufficient.

The report was also presented to the Finance Advisory Committee on 6 September where Members discussed the ten year budget approach and the assumptions contained within it. The Government's multi-year settlement offer was also discussed and the Finance Advisory Committee recommended that Cabinet accept the offer as it was likely to provide greater certainty going forward. The Portfolio Holder advised that the Finance Advisory Committee had considered and debated the report which was now being considered and agreed to recommend it to Cabinet.

The Chief Finance Officer set out that the report was intended to start the debate and the assumptions would be updated as more accurate information became available during the process. The ten year budget at Appendix B included no Revenue Support Grant or New Homes Bonus in any year as the Council is no longer reliant on direct Government funding.

Any amounts that are received from these sources are placed into the Financial Plan Reserve which can be used to support the ten year budget by funding Invest to Save initiatives and support for the Property Investment Strategy. Using the

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funding for these purposes will result in additional year on year income that is not impacted by Government decisions.

Members agreed the last ten year budget in February and the changes that had been made since then were:

- Rolling the ten year budget on for one year and updating base figures.
- Reducing the interest receipts assumptions following the Bank Base Rate reduction last month.

These changes result in a £553,000 (or £55,000 per annum) improvement in the budget position at this stage.

The Chief Finance Officer explained that Appendix A showed the Budget Setting Timetable and that the report now under consideration had already been to the Finance Advisory Committee. Between September and November the Advisory Committees get the opportunity to review the Service Dashboards and Service Change Impact Assessments (SCIAs). A budget update report would then go to Cabinet in December to include the comments from the Advisory Committees. Also at that point the Council would have received a new pension fund valuation and know more about any financial implications of the new Council Tax Reduction Scheme subject to consultation.

The ten year budget approved in February included the need for £100,000 of new savings or additional income each year. Chief Officers were discussing their ideas with the respective Portfolio Holders before they are presented to the Advisory Committees.

Over recent years the Council had tried various ways to get the Advisory Committees engaged in the process and discussing budgetary issues for their services rather than just looking at the SCIAs. The Chief Finance Officer said that he considered this to have been achieved last year and was preparing a slightly different process this year. Once again all Members would have the opportunity to make a significant contribution to the process.

The report also requested Cabinet to advise officers whether they wished to accept the Government's multi-year settlement offer (explained on pages 30-31). This was a proposal included in the Final Local Government Finance Settlement in February. It was suggesting that if a council signed up to the agreement they would be guaranteed the amounts shown in the table on page 31.

The figures were very small and did not include the 'tariff adjustment' (also known as negative Revenue Support Grant) included in the settlement, which may have raised the question of why the Council would wish to accept. The Chief Officer Finance explained that the reason for accepting the situation would be to obtain a degree of certainty, and that he was not aware of any Councils not planning to accept. The danger of not accepting the proposal was that if the Government planned to make greater savings from Local Government they may only be able to take it from the councils who had not signed up, therefore the others would be likely to be hit harder.

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The Chief Finance Officer explained that the recommendations were to approve the budget process, ask Advisory Committees to look at savings and growth, report back to Cabinet in December and advise officers whether it was wished to accept the Government's multi-year settlement offer.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the ten-year financial planning approach and principles set out in this report, be endorsed;
- b) Advisory Committees be requested to review the Service Dashboards and advise Cabinet of possible growth and savings options;
- c) Officers continue to review the assumptions in the report and report back to Cabinet on 1 December 2016;
- d) the Government's multi-year settlement offer be accepted; and
- e) the budget timetable set out in Appendix A to the report, be noted.

30. Financial Results 2016/17 - to the end of July 2016

The Portfolio Holder for Finance presented the report on the Council's financial results 2016/17 to the end of July 2016. He advised that the Finance Advisory Committee had considered and debated the same report and agreed to recommend it to Cabinet.

The Head of Finance explained that the report showed the year end position forecast was £1,000 better than budget.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted.

THE MEETING WAS CONCLUDED AT 7.30 PM

CHAIRMAN

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IMPLEMENTATION OF DECISIONS

This notice was published on 19 September 2016. The decisions contained in Minutes 27, 28, 29 and 30 take effect immediately.