

CABINET

Minutes of the meeting held on 1 December 2016 commencing at 7.00 pm

Present: Cllr. Fleming (Chairman)

Cllr. Lowe (Vice Chairman)

Cllrs. Dickins, Firth, Hogarth, Piper and Scholey

Cllrs. Edwards-Winsor, Hunter and Pett were also present.

48. Minutes

Resolved: That the minutes of the meetings of Cabinet held on 10 November and 22 November 2016, be approved and signed as a correct record.

49. Declarations of interest

There were no additional declarations of interest.

50. Questions from Members

There were none.

51. Matters referred from Council, Audit Committee, Scrutiny Committee or Cabinet Advisory Committees (if any)

There were none.

52. Budget Update

The Portfolio Holder for Finance introduced the report and set out that the first stage of the budget process was the 'Financial Prospects and Budget Strategy' report to the Finance Advisory Committee and Cabinet in September. The report had taken the budget agreed by Full Council in February and updated it, which included rolling the 10-year budget on a further year.

He set out that the report under consideration set out progress made in preparing the 2017/18 budget since then. All seven Advisory Committees had discussed growth and savings suggestions relating to services within their terms of reference.

The Portfolio Holder was pleased to report that it remained very likely that the Council would continue to have a balanced 10-year budget and be financially self-sufficient from direct government funding.

The Chief Finance Officer then explained the latest 10-year budget position. He then updated Cabinet on the budget reports which had gone through the Advisory

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Committees. He reported that since the last report there had been no major changes which affected the 10-year budget position.

However, based on a recent government consultation question it seemed likely that the Council Tax Band D increase referendum limit would be £5 rather than 2%, which would be the same as the late change made by government last year. If this change did occur and Members chose to take the £5 increase, this would result in an additional £50,000 of Council Tax income per annum.

He reported that the Council had also received summary details of the superannuation fund triennial valuation. He was pleased to report that the funding level had increased and that the full amount assumed in the 10-year budget should not be required for this purpose.

He stated that changes to the Council Tax Reduction Scheme were approved by Council on 22 November 2016, a prudent view has been taken to not make any budgetary changes for the scheme in 2017/18 so that the real implications could be included from 2018/19.

The Chief Finance Officer then reported that the Autumn Statement announced in the previous week had not included anything in detail that was likely to have a major effect on the Council's budget. The Provisional Local Government Finance Settlement was expected to be announced in mid December.

He then summarised that if the net savings target of £100k were achieved the council would continue to have a balanced 10-year budget and remain self-sufficient from direct government funding, which would still be a unique achievement in local government.

The Chief Finance Officer then indicated that he had taken a budget report to all of the Advisory Committees. Each of the growth and savings proposals presented to the Advisory Committees were being recommended to Cabinet (listed in Appendix D of the report with further details in Appendix E).

However, he stated that for SCIA 2 - 'Distribution of Planning Applications to Town and Parish Councils' (p.29 of the report), the Planning Advisory Committee had requested that Town and Parish Councils provide their views on the potential change prior to Cabinet. All 33 Town and Parish Councils had been contacted and 19 had responded. All of those that had responded did not agree with the proposed change.

The Chief Finance Officer continued and explained that if Cabinet did agree all of the growth and savings proposals that had been presented to the Advisory Committees, then the net savings target of £100,000 would have been achieved. The Advisory Committees had also discussed many other ideas and a number of those were being put forward to Cabinet for debate (listed in Appendix F of the report).

The Chief Finance Officer therefore asked Cabinet to decide whether they approved the growth and savings proposals listed in Appendix D of the report (with

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further details in Appendix E) and secondly whether they wished to progress any of the further suggestions put forward by the Advisory Committees in Appendix F.

Cabinet considered the report and debated the savings proposed in SCIA 2 (distribution of planning applications to Town and Parish Councils). Cabinet considered representations against the proposal and that the responding Town and Parish Councils had been unanimous in their opposition. The Portfolio Holder for Planning made clear his opposition to the proposal and explained that when Planning Advisory Committee had considered growth and savings options they were keen that Cabinet should hear from Town and Parish Clerks as to the implications of ceasing paper notification of planning applications before deciding on the proposal.

Cabinet also considered SCIA 3 (elimination of the duty planner service). It was debated whether the service could be replicated by the contact centre and the relaunched website. However, Members were not content to agree to SCIA 3.

The Chief Finance Officer reminded Cabinet that if any of the SCIA's were not approved further savings may be required. He asked whether Members had any preferences for where those savings could come from and stated that if they did not an increase in Band D Council Tax of £5 instead of 2% could cover the required savings, or officers could consider the issue further.

Members considered that any shortfall could partially be made up by further increasing the pre-application charges proposed in SCIA4. They also proposed that Band D Council Tax could increase by £5 instead of 2%.

Cabinet then discussed the further growth and savings items suggested by Advisory Committees set out in Appendix F and indicated that some items would be worth bringing forward in future years.

Public Sector Equality Duty

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

Resolved: That

- a) the savings item relating to the distribution of planning applications at SCIA 2 be removed;
- b) the savings item relating to the duty planner service at SCIA 3 be removed;
- c) an increase in the savings proposed by the savings item at SCIA 4 relating to charges for pre-application advice be sought;
- d) an increase in Council Tax of £5 rather than 2% for a Band D property be sought.

53. Treasury Management Mid Year Update 2016-17

The Portfolio Holder for Finance presented the report and said that it was one of a number recommended for submission to Members before, during and after the financial year in order to comply with the CIPFA Code of Practice on Treasury Management.

The report constituted the mid-year update, concentrating on activity in the first six months of the financial year. It had also been considered by the Finance Advisory Committee on 15 November 2016.

He stated that the Municipal Bonds Agency was moving forward with its inaugural £100m bond issue. Although the Council had no plans to borrow for the time being, the recommendation to Cabinet was to sign up to the Municipal Bonds Agency's Framework Agreement.

The Chief Finance Officer stated that the report gave an economic update, interest rate forecasts, a review of the agreed strategy and a review of the council's investment portfolio. He stated that the Treasury Management Strategy had been approved in February and there had been no changes since that date.

The Council's Investment Portfolio at the end of September was included as Appendix A to the report (page 89) and showed the amounts, counterparties and investment terms.

The investment yield for the first 6 months of the year was 0.62% and the budgeted investment return was £277,000; performance for the year to date was just £1,000 below budget. The year-end forecast was for investment returns to be at or very slightly below budget.

The Chief Finance Officer reported that the Municipal Bonds Agency was moving forward with its inaugural £100m bond issue. The Agency had asked for all shareholders to sign up to its framework agreement and for that reason further details on the process are included in the report.

A summary of the risks and disadvantages of entering into the agreement appeared in paragraph 10 of the Appendix on Page 109 of the report.

Members were asked to approve the mid-year update and to agree that the Framework Agreement be signed.

The Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet.

Public Sector Equality Duty

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

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Resolved: That

- a) the Treasury Management Mid-Year Update for 2016/17, be approved; and
- b) the Council sign up to the Municipal Bonds Agency's Framework Agreement, and delegated authority be given to the Section 151 Officer and the Monitoring Officer to sign the documents, as appropriate, on behalf of the Council.

54. Financial Results 2016/17 - to the end of September 2016

The Portfolio Holder for Finance presented the report which on the Council's financial results 2016/17 to the end of September 2016, which showed the year end position forecast was currently an adverse variance of £284,000. The report provided information on the budget monitoring position as at end of September 2016.

The Head of Finance further reported that at the end of September there was an unfavourable year end forecast variance of £284,000 and that within that variance there were several items where additional revenue expenditure would be incurred (or income lost) in the financial year as a consequence of longer term capital projects expected to generate income in later years.

She reported that the net income in 2016/17 from acquisitions would be £110,000 less than originally budgeted due to refurbishment works and a rent free period awarded at the start of a new ten year lease. She reported that this would result in additional income over the 10-year budget period that would more than compensate for the deficit. Finance Advisory Committee had therefore recommended a supplementary estimate of £210k in respect of those items.

She advised that the results for end of October were available and had been emailed to Cabinet Members. She reported that subject to approval of the supplementary estimate, the latest forecast was an unfavourable variance of £17,000

The Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet to approve a supplementary estimate to cover the revenue consequences arising from the Investment Strategy.

Public Sector Equality Duty

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

Resolved: That

- a) the report be noted ; and

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- b) a supplementary estimate of £210,000 be approved in respect of timing issues arising from the Council's Property Investment Strategy.

55. Risk Based Verification

The Portfolio Holder for Finance presented the report which sought approval of a Risk Based Verification Policy. The Head of Revenues and Benefits advised Cabinet that the confidential appendix to the report contained information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime and for that reason should not be made public. No members of the public were present at the meeting and Members indicated that they did not wish to discuss the confidential appendix.

Finance Advisory Committee had considered the same report and had agreed to recommend it to Cabinet.

Public Sector Equality Duty

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

Resolved: That the Risk Based Verification Policy attached as a confidential Appendix A to the report, be approved.

THE MEETING WAS CONCLUDED AT 8.20 PM

CHAIRMAN

IMPLEMENTATION OF DECISIONS

This notice was published on 5 December 2016. The decisions contained in minutes 52, 53, 54 and 55 take effect immediately.