

**CABINET**

13 February 2018

**PRESENT** – Councillor Dixon (in the Chair); Councillors, Harker, C L B Hughes, McEwan, S Richmond, A J Scott and Wallis. (7)

**INVITEES** – Councillors Curry, I G Haszeldine and Mrs Scott. (3)

**ALSO IN ATTENDANCE** – Councillors Coultas, Johnson and Tostevin. (3)

**C116. REPRESENTATIONS** – In respect of Minute C118 below, representations were made by members of the public in attendance at the meeting.

**C117. DECLARATIONS OF INTEREST** – There were no declarations of interest reported at the meeting.

**C118. MEDIUM TERM FINANCIAL PLAN** – Pursuant to Minute C91(1)/Dec/17, the Leader introduced the report of the Chief Officers Executive (previously circulated) proposing a Medium Term Financial Plan (MTFP) for 2018/19 to 2021/22, including setting a budget and council tax increase for 2018/19 and a Capital Programme for 2018/19 to 2021/22, to Council for approval on 22 February 2018, and requesting that consideration be given to the retention of the disabled person Companion Pass without charge.

The submitted report stated that the Council had faced unprecedented financial challenges between the financial years 2010/11 to 2017/18, following reductions in public sector spending, leading to an overall decrease in real terms in government funding of £42.4M, which was anticipated to increase to £51.0M by 2020/21. The reductions in funding resulted in the Council agreeing reductions to planned expenditure of £45.4M and a reduction of 730 in the Council's workforce.

It was reported that since the draft MTFP had been proposed in December 2017 there had been a number of changes that affected the Council's financial position, namely the receipt of the Local Government Financial Settlement (LGFS) and the pay offer made to the Unions by the National Employers Organisation; as a result of the added pressures caused by the increased pay offer, the LGFS had given local authorities the flexibility to increase the Council Tax referendum limit to 2.99 per cent; and that Cabinet had met in January 2018 and recommended the amendment to the proposed increase to Council Tax from 1.99 per cent to 2.99 per cent (Minute C99/Jan/18 refers).

The submitted report also stated that a significant consultation exercise that had been undertaken in 2016, following an in-depth and detailed review of all services, resulting in the agreement of a Core Offer budget by Council on 29 June 2016 (Minute 11(h)/Jun/16 refers); delivering the Core Offer remained extremely challenging with a number of savings still to be delivered over the life of the MTFP; and that £4.1M had been identified to add to the Futures Fund for investment in services across the life of this MTFP. Following consultation feedback it was proposed to allocate those additional resources

across five themes, namely community safety; maintaining an attractive street scene environment; maintaining a vibrant town centre; developing an attractive visitor economy; and neighbourhood renewal.

Representations were made to Cabinet by members of the public in attendance at the meeting in respect of the consultation survey; the benefits to the town of the library service remaining in Crown Street; the costs of moving the library service to the Dolphin Centre; and requested that further consideration be given to the use of the additional funding that had been identified to retain the Library Service in Crown Street. The Leader, Cabinet Member with the Leisure and Local Environment Portfolio, Cabinet Member with the Children and Young People Portfolio and Director of Neighbourhood Services and Resources responded thereon.

**RESOLVED** – (a) That it be recommended to the Special Meeting of Council scheduled to be held on 22 February 2018, that the Revenue Medium Term Financial Plan, as set out in Appendix 7 of the submitted report, and the proposed Capital Programme as summarised in Appendix 10 of the submitted report, be approved, including the following:-

- (i) a Council tax increase of 2.99 per cent plus the 3 per cent social care levy to fund Adult Social Care for 2018/19;
- (ii) the Schedule of Charges, as set out in Appendix 3 of the submitted report; and
- (iii) the proposed investments as set out in paragraphs 56 to 69 of the submitted report.

(b) That the retention of the disabled person Companion Pass be approved, with:-

- (i) the introduction of a new assessment criteria;
- (ii) no charge to be made for the Companion Pass; and
- (iii) the adoption of the Department for Transport guidance when assessing Disabled Pass applications, specifically that the possession of a Blue Badge did not automatically guarantee a concessionary pass, but that it would be considered as evidence during the assessment process.

**REASONS** – (a) The Council must set a budget for the next financial year.

(b) To enable the Council to continue to plan services and finances over the medium term.

(c) To ensure decisions can be made in a timely manner.

(d) To retain the Companion Pass on a sustainable basis.

**C119. INVESTMENT OPPORTUNITIES - UPDATE AND REQUEST TO INCREASE THE FUND** – Pursuant to Minute 37(4)/Nov/16, the Cabinet Member with the Efficiency and Resources Portfolio introduced the report of the Director of Neighbourhood Services and Resources (previously circulated) updating Cabinet on progress against the agreed Capital Investment Fund and requesting that consideration be given to increasing the fund.

The submitted report outlined the schemes that had utilised the fund since it had been established; stated that the additional funding was required to allow investment decisions to be taken in a timely and commercial manner; and that any use of the fund would be subject to a full detailed report to Cabinet.

Particular reference was made to the potential risks to the Council of increasing the fund. The Director of Neighbourhood Services and Resources responded thereon.

**RESOLVED** – That it be recommended to the Special Meeting of Council scheduled to be held on 22 February 2018 that:-

- (a) the Capital Investment Fund be increased to £30M; and
- (b) the operation of the fund be delegated to Cabinet in line with previous Council approval.

**REASONS** – (a) To allow Council to take up opportunities to gain investment returns.

(b) To enable Cabinet to consider detailed proposals many of which will be commercially sensitive.

(c) To allow the investment fund to be established and financed.

**C120. HOUSING REVENUE ACCOUNT – MTFP 2018/19 TO 2021/22** – Pursuant to Minute C91(2)/Dec/17, the Cabinet Member with the Housing, Health and Partnerships Portfolio introduced the report of the Director of Neighbourhood Services and Resources (previously circulated) requesting that consideration be given to proposals for the revenue budget, rent levels and service charges for the Council's Housing Revenue Account (HRA) for the financial year 2018/19 in the context of the HRA Medium Term Financial Plan to 2021/22 and the 30 Year Business Plan.

The submitted report stated that the Government had introduced a compulsory one per cent reduction in social and affordable rents for four years commencing in 2016/17, through the Welfare Reform and Work Bill 2015, and as a result, all Council tenants would receive an average 61p reduction in weekly rent in 2017/18.

It was reported that the proposals contained within the submitted report had been considered and supported by the Customer Panel.

**RESOLVED** – That it be recommended to the Special Meeting of Council scheduled to be held on 22 February 2018 that:-

- (a) an average weekly social rent reduction of one per cent for 2018/19, be implemented, giving an average social rent of £70.88 and affordable rent of £81.72;
- (b) garage rents and service charges be increased, as shown in Table 3 of the submitted report;
- (c) the budget, as set out at Appendix 1 of the submitted report, be approved; and

- (d) the Housing Business Plan, as set out at Appendix 2 of the submitted report, be agreed.

**REASON** - To enable the Council to deliver an appropriate level of service to tenants to meet housing need and to support the economic growth of the Borough through housing development.

**C121. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2018/19** - The Director of Neighbourhood Services and Resources submitted a report (previously circulated) requesting that this consideration be given to the Prudential Indicators and Limits for 2018/19 to 2020/21, relating to capital expenditure and Treasury Management activity; a policy statement relating to the Minimum Revenue Provision (MRP); and the Council's Treasury Management Strategy 2018/19, which included the Annual Investment Strategy 2018/19.

The submitted report outlined the Council's Prudential Indicators for 2018/19 to 2020/21 and set out the expected treasury operations for this period and it was reported that the Council's capital expenditure plans, treasury management and prudential borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice, prudent, affordable, and sustainable and were an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

The submitted report also included a Treasury Management Strategy for 2018/19, covering the Council's debt and investment projections estimates and limits on future debt, expected movements in interest rates and the Council's borrowing and investment strategies for future years. Key objectives of the investment strategy were outlined noting that the primary objective was the safeguarding of the repayment of principal due to the Council, ensuring adequate liquidity of those investments and finally the rate of return on the investment.

It was reported that the Council's Audit Committee, under their responsibilities for ensuring effective scrutiny of the Treasury Management Strategy and its policies, had considered the report and resolved that they were satisfied with the Prudential Indicators, the Treasury Management Strategy and Minimum Reserve Position, as presented therein.

**RESOLVED** – That it be recommended to the Special Meeting of Council scheduled to be held on 22 February 2018, that:-

- (a) the Prudential Indicators and limits for 2018/19 to 2020/21 summarised in Tables 1 and 2 of the submitted report, be approved;
- (b) the Minimum Revenue Provision (MRP) statement, as detailed at paragraph 31 of the submitted report, be approved;
- (c) the Treasury Management Strategy 2018/19 to 2020/21, as summarised in paragraphs 40 to 97 of the submitted report, be approved; and
- (d) the Annual Investment Strategy 2018/19, as contained in paragraphs 59 to 97 of the submitted report., be approved.

**REASONS –** (a) In order to comply with the Prudential Code for Capital Finance in Local Authorities and the Department for Communities and Local Government (CLG) guidance on investments.

(b) To comply with the requirements of the Local Government Act 2003.

(c) To approve a framework for officers to work within when making investment decisions.

**DECISIONS DATED -  
FRIDAY 16 FEBRUARY 2018**