

# Minutes



<b>Meeting name</b>	<b>Cabinet</b>
<b>Date</b>	<b>Wednesday, 9 February 2022</b>
<b>Start time</b>	<b>4.00 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH</b>

## Present:

**Chair** Councillor J. Orson (Chair)

**Councillors** M. Graham MBE (Vice-Chair) R. Bindloss  
R. Browne R. de Burle  
A. Freer

**Observers** R. Child (Scrutiny Chair)

**Officers** Chief Executive  
Director for Housing and Communities (Deputy Chief Executive)  
Director for Corporate Services  
Senior Democratic Services and Scrutiny Officer  
Democratic Services Officer (HA)

Minute No.	Minute
229	<p><b>APOLOGIES FOR ABSENCE</b> There were no apologies for absence.</p>
230	<p><b>MINUTES</b> The Minutes of the meeting held on 12 January 2022 were confirmed.</p>
231	<p><b>DECLARATIONS OF INTEREST</b> Councillor Orson declared an interest in any items relating to Leicestershire County Council, due to his role as a County Councillor.</p>
232	<p><b>MATTERS REFERRED FROM SCRUTINY COMMITTEE IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES</b></p> <p><b>Scrutiny feedback on the budget proposals</b> The Chair of the Scrutiny Committee, Councillor Robert Child, introduced the report which outlined the Scrutiny Committee’s feedback on the budget proposals.</p> <p>Cllr Child informed Cabinet that all Members were invited to attend the Budget Scrutiny meeting to ensure no one was excluded. In addition, there was a Budget Scrutiny Workshop on 14 December 2021, which was attended by 5 Members and discussed various topics.</p> <p>Cllr Child gave Cabinet an overview of the key issues that the Scrutiny Committee wanted to highlight.</p> <p>The Leader commended Cllr Child for inviting all Members to the Budget Scrutiny meeting.</p> <p>The Portfolio Holder for Corporate Governance, Finance and Resources thanked Cllr Child, as Chair, and Scrutiny Committee for providing useful feedback, which had been fed into the budget through its development.</p> <p>Cabinet:</p> <p><b>AGREED</b> to have regard to the Scrutiny Committee’s feedback when considering the budget proposals.</p>
233	<p><b>TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2022/23</b> The Director for Corporate Services introduced the report, following which the Portfolio Holder for Corporate Governance, Finance and Resources provided Cabinet with some comments on the report. It was noted that the Portfolio Holder and the Director for Corporate Services would be collaborating to work out what the requirements of the new prudential code would mean for the Council.</p>

Cabinet:

- 1) **RECOMMENDED** to Council the prudential indicators and limits are adopted and approved as outlined in Appendix A, Section 2.
- 2) **RECOMMENDED** to Council that delegated authority is given to the Director for Corporate Services to update the prudential indicators once the updated HRA business plan has been approved as referred to in paragraph 5.2 of the report.
- 3) **RECOMMENDED** to Council they approve the Treasury Management Strategy as outlined in Appendix A.
- 4) **RECOMMENDED** to Council the Minimum Revenue Provision (MRP) Statement, as outlined in paragraph 5.4 of the report, is approved.
- 5) **NOTED** the linkages to the Capital Strategy due to the integral nature of how the Council manages its treasury finances to support capital development.

*Reasons for the recommendations*

*The Treasury Management Code requires the Council to approve annually a Treasury Management Strategy and to provide a mid-year update on Treasury Management activities to the Council. It is a requirement that Treasury Management is scrutinised during the year which falls within Cabinet's remit.*

*To facilitate the decision-making process and support capital investment decisions the Prudential Code requires the Council to agree a minimum number of prudential indicators.*

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**GENERAL FUND REVENUE BUDGET 2021/22 AND MEDIUM TERM FINANCIAL STRATEGY 2022/23 TO 2025/26**

The Director for Corporate Services introduced the report. It was noted that the Council's finances continue to be challenging due to the impact Covid has had upon income. Members were also informed that any surplus at year end on general expenses would be added to the General Expense Working Balance.

Cabinet was informed that due to finalised financial settlement there was no longer a requirement for a recommendation to delegate authority to Director for Corporate Services to make necessary amendments, this was because the budget had already been adjusted to take the final financial settlement into account.

In moving the recommendations, the Portfolio Holder for Corporate Governance, Finance and Resources reminded the Cabinet that 2021/22 had been challenging and that the confirmed financial settlement is welcome. The future for the Council's finances remain uncertain and the Council need to be ready to respond to ensure any reductions in central government funding has minimal effect upon the core services of the Council.

The Leader congratulated all involved in the preparation of the budget and recognised the year round hard work that Officers do towards it.

Cabinet:

- 1) **NOTED** the year end forecast and financial position for the General Fund and Special Expenses for 2021/22.
- 2) **RECOMMENDED** to Council that:
  - a) The proposals for General Expenses and Special Expenses Melton Mowbray as set out in Appendix B (i) and (ii) and summarised in section 4.5 of the report be approved for inclusion in the 2022/23 budget resulting in the estimates set out in Appendix C;
  - b) The revenue budget for 2022/23 for General and Special Expenses, as set out in Appendix C, be approved resulting in an overall council tax increase of £5, the individual council tax levels being as set out in paragraph 4.5 of the report;
  - c) Any surplus against the target working balance on General Expenses at 31 March 2022 is transferred to the General Expenses Working Balance and any shortfall is made up from the Corporate Priorities Reserve and for Special Expenses Melton Mowbray any surplus/deficit be transferred to/from the Special Expenses Reserve thereby bringing the actual Special Expenses Melton Mowbray Working Balance back to the target;
  - d) Members note the changes made to the risk categorisation of budgets as set out in paragraph 4.6.2 of the report and Appendix E;
  - e) That a new General Property Repair Fund be established using the residual balance on the Waterfield Leisure Centre Income Smoothing Reserve with delegation provided to the Director for Growth and Regeneration in consultation with the Director for Corporate Services to access the reserve to meet unexpected repairs and maintenance needs that arise during the year that cannot be met from existing revenue budgets.

*Reasons for the recommendations*

*The Council, having set a Budget at the start of the financial year, needs to ensure the delivery of this Budget is achieved. Consequently, there is a requirement to regularly monitor progress so corrective action can be taken when required, which is enhanced with the regular reporting of the financial position.*

*To propose to Council a General Fund budget and level of council tax for the 2022/23 financial year which takes into account the proposals set out in the approved Corporate Strategy. The proposals take into account the net expenditure that the Council expects to spend in the next financial year to deliver services to our customers. The report also includes details of the funding and income received to support these services to ensure a balanced budget is proposed.*

*The Council also holds a number of reserves which can be drawn upon to fund future expenses. The level of reserves is considered within this report, as is the future outlook for spending in the years ahead in order for the Council's future financial resilience to be considered as part of the proposals.*

Cabinet and Council are required to consider and approve the General Fund Revenue Account budget proposals in order to set the budget and council tax for the forthcoming financial year.

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### **CAPITAL PROGRAMME 2021/26 AND CAPITAL STRATEGY**

The Director for Corporate Services introduced the report and the Portfolio Holder for Corporate Governance, Finance and Resources provided Cabinet with some comments on the report.

The Leader commented that it was pleasing to see that the Capital Programme contains a number of projects for the period 2022-2026.

Cabinet

- 1) **RECOMMENDED** to Council that the addition to the 2021/22 General Fund Capital Programme of £77k for works required at Waterfield leisure centre, as referred to in paragraph 5.2 of the report, to be funded from the Waterfield Leisure Pool sinking fund be approved;
- 2) **RECOMMENDED** to Council the General Fund Capital Programme for 2022-26, as attached at Appendix B, be approved;
- 3) **RECOMMENDED** to Council the sources of funding for the General Fund capital programme for 2022/23, as set out in Appendix C, be approved;
- 4) **RECOMMENDED** to Council that delegated authority be given to the Director for Corporate Services to amend the amount in the capital programme for Disabled Facilities Grants once funding confirmation has been received as referred to in paragraph 5.9 of the report;
- 5) **RECOMMENDED** to Council the Capital Strategy 2022/23, as attached at Appendix D, be approved.

#### *Reasons for the recommendations*

*Approving the capital programme and capital strategy will support the Council in delivering its commitment to manage its assets effectively and to ensure the benefits from them are maximised for the benefits of the Council and community as a whole. These Capital plans will support the effective delivery of these ambitions and will ensure appropriate levels of capital expenditure and investment are in place to meet Corporate priorities and objectives whilst ensuring that plans are affordable, prudent and sustainable. It is a requirement of the CIPFA Prudential Code for Capital Finance in Local Authorities published in 2017 to produce a capital strategy and for the Chief Finance Officer to report explicitly on the affordability and risk associated with it.*

*The Capital Programme for 2022-26 for the General Fund is attached at Appendix B. The Programme gives the total cost of each scheme, the spending profile, the amounts authorised to be spent and the stage each scheme has reached within the Capital Programme.*

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### **REVENUE BUDGET PROPOSALS 2022/23 - HOUSING REVENUE ACCOUNT**

The Director for Corporate Services introduced the report. Members were informed

that there was a forecast underspend of £172k underspend in 2021/22 and the reason for this was primarily due to reduced costs of stock condition surveys and the reprofiling of costs to later years. It was noted that the capital budget was for one year only until business plan has been approved, at which point a five year capital programme would be produced.

In moving the recommendations, the Portfolio Holder for Council Homes and Landlord Services outlined the recommendations and the changes that have been made since the publication of the report. The Cabinet were made aware of the challenges facing the service including: inflationary pressures, the need for income in order to invest back into the stock and ensure that homes are safe and the decarbonisation agenda.

Members were also informed that the Council would offer tenants advice and assistance in order to help them cope in times of hardship.

The Leader stated that he welcomed how Officers will work with tenants particularly around the issue of hardship. In addition, the Leader commended the work done and stated that it would go some way to ensuring resilience and financial stability to the Housing Revenue Account.

Cabinet:

- 1) **NOTED** the financial position on the HRA, as at 30 November 2021, and the year end forecast for both revenue and capital;
- 2) **RECOMMENDED** to Council that the budget estimates for 2022/23 be approved;
- 3) **RECOMMENDED** to Council that the average rent increase of 4.1% for all Council dwellings for 2022/23 be approved, with effect from 1 April 2022;
- 4) **RECOMMENDED** to Council that the working balance is maintained at the approved minimum balance of £750k and any residual amounts be transferred to the Regeneration and Development Reserve, as approved in February 2020 when the budget was set for 2021/22.
- 5) **RECOMMENDED** to Council that, subject to an amendment to the estimates to allow for the freezing of IHMS charges, any resulting reduction of income be funded by the Regeneration & Development Reserve in order to maintain the £750k working balance be approved.
- 6) **RECOMMENDED** to Council that the 2022/23 capital programme be approved.

*Reasons for the recommendations*

*The Local Government and Housing Act 1989 requires the Council to produce and publish an annual budget, including the setting of rents, for the HRA which avoids a deficit. It is a requirement that this be scrutinised prior to its submission which falls within the Cabinet's remit.*

*The rent increase of 4.1% is based on CPI of 3.1% plus a further 1.0%. This is based on Government policy and is the maximum increase allowed.*

*The increase will enable the Council to ensure resilience and financial stability of its housing revenue account and will enable the Council to respond to stock investment requirements as identified by a comprehensive stock condition survey, whilst also enabling the Council to remain resilient to increasing contractor cost pressures.*

*The proposed rental increase demonstrates the council meeting its fiduciary duty. However, the Council is mindful of the cost of living pressures for tenants and in response to this, will be providing additional advice and assistance to tenants.*

The meeting closed at: 4.47 pm

Chair