

Minutes



Meeting name	Cabinet
Date	Wednesday, 12 February 2020
Start time	4.00 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH

Present:

Chair Councillor J. Orson (Chair)

Councillors L. Higgins (Vice-Chair) R. de Burle
A. Freer-Jones A. Pearson

In Attendance P. Cumbers

Officers Chief Executive
Deputy Chief Executive & Director for People & Communities
Director for Corporate Services
Director for Governance & Regulatory Services
Assistant Director for Strategic Planning and Delivery
Legal and Governance Manager
Democratic Services Officer (CR)

Minute No.	Minute
71	<p>APOLOGIES FOR ABSENCE Apologies for absence were received from Councillor Illingworth.</p>
72	<p>MINUTES The minutes of the meeting held on 22 January 2020 were confirmed and authorised to be signed by the Chair.</p> <p>The exempt minutes of the meeting held on 22 January 2020 were confirmed and authorised to be signed by the Chair.</p>
73	<p>DECLARATIONS OF INTEREST Councillors Orson and Pearson each declared an interest in any items relating to Leicestershire County Council, due to their roles as County Councillors.</p>
74	<p>MATTERS REFERRED FROM SCRUTINY COMMITTEE IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES <u>Scrutiny of the Corporate Strategy, Budget and Medium Term Financial Strategy</u></p> <p>Councillor Pat Cumbers, Scrutiny Chairman introduced the report, which provided Scrutiny Committee feedback on the Corporate Strategy, Budget and Medium Term Financial Strategy</p> <p>During discussion the following points were noted:</p> <ul style="list-style-type: none"> • The Leader of the Council, Scrutiny Chairman and Chief Executive had been eager to engage all Members on these important issues. • The Scrutiny Committee meeting on 21 January, at which these items had been discussed had facilitated good discussion. Members had submitted questions prior to the meeting and answers had been given during the meeting. This had worked particularly well. However, it was hoped that in future more Members would feed into these issues. • The Leader highlighted the importance of the Scrutiny function and the value it added to the decision making process. • The Leader thanked officers and Scrutiny Committee for their work on these issues.
75	<p>A NEW CORPORATE STRATEGY 2020-2024 Councillor Joe Orson, Leader of the Council introduced the report, which set out the proposed Corporate Strategy 2020-2024 for consideration and recommendation to Council.</p> <p>During discussion the following points were noted:</p>

- The strategic direction of the Council over the next few years needed to be affordable and achievable.
- Corporate performance measures had identified areas of good performance and where improvements could be made.
- Improving the Council's housing stock was high priority.
- The Council working closely with Leicester and Leicestershire Enterprise Partnership and public consultation was key to achieving goals and aspirations for the community.
- The good work officers had undertaken on public consultation was noted. Public engagement was crucial and the Council had taken a new approach by its 'conversational' consultation.

DECISION (KEY)

(1) Cabinet **ENDORSED** the new Corporate Strategy 2020-2024;

(2) Cabinet **RECOMMENDED** to Council approval of the new Corporate Strategy 2020-2024.

Reason for the decision

To set the strategic direction of the Council for the next four years and to establish a set of affordable corporate priorities which provide clarity and focus at a time of ongoing significant financial pressures.

The new strategy seeks to find a balance between affordability and ambition; a balance between investing in core services and new initiatives.

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CAPITAL PROGRAMME AND CAPITAL STRATEGY 2020/21

Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources and the Director for Corporate Services, Dawn Garton introduced the report, which set out the proposed Capital Programme 2020/21 for consideration and recommendation to Council.

A modest Programme was proposed with further resources being made available as necessary. Commercial investment supported by borrowing would also be considered. Assessment of assets was needed and currently the Council needed to progress with an element of caution.

DECISIONS (KEY)

(1) Cabinet **RECOMMENDED** to Council the approval of funding for capital schemes in respect of General Expenses for 2020/21 and the sources that funding would be taken from;

(2) Cabinet **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 had been received;

(3) Cabinet **RECOMMENDED** to Council the approval of the Capital Strategy.

Reason for the decision

As part of the budget framework Cabinet are required to review the capital programme and seek the approval of Council to provide the required funding.

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REVENUE BUDGET 2020/21 AND MEDIUM TERM FINANCIAL STRATEGY 2020/24

Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources and Director for Corporate Services, Dawn Garton introduced the report, which set out the proposed General Fund Revenue Budget 2020/21 and Medium Term Financial Strategy 2020-2024 for consideration and recommendation to Council.

The latest forecasted outturn position for 2019/20 was a £98k overspend on General Expenses and £31k underspend on Special Expenses (Melton Mowbray). The deficit demonstrated the challenging position facing the Council. However, Strategic Leadership Team were making every effort to minimise the likelihood of drawing on reserves. In addition, this was a balanced budget, which recognised the importance of generating income and the need to invest in high priority areas.

The provisional finance settlement figures had resulted in a 'holding position' but now the final settlement figures had been confirmed and were in line with those set out in the report. The referendum limit had reduced over previous years, impacting negatively on the Medium Term Financial Strategy. There was also uncertainty concerning future Government funding. It was imperative that the Council progressed with an element of caution.

During discussion the following points were noted:

- Members noted the hard work and difficult decisions which had been made to secure the best financial position for the Council. The Corporate re-structure had helped with this.
- Moving forward, it was vital to increase revenue and identify further savings.
- It would be useful if Members were provided with updates on the outcomes of certain decisions (i.e. those relating to cemeteries, car parking), to assess their value and if decisions made were justified and promoted the anticipated results.

DECISIONS (KEY)

(1) Cabinet **NOTED** the year end forecast and financial position for the General Fund and Special Expenses for 2019/20;

(2) Cabinet **RECOMMENDED** to Council that

- a) The proposals for General Expenses and Special Expenses Melton Mowbray be approved for inclusion in the 2020/21 budget;
- b) The revenue budget for 2020/21 for General and Special Expenses be approved, resulting in an overall council tax increase of £5;
- c) That the permanent establishment be updated in line with the growth proposals;
- d) Any increase or shortfall against the target working balance on General Expenses at 31 March 2020, be adjusted by transfers to/from the Corporate Priorities Reserve and for Special Expenses Melton Mowbray any surplus/deficit be transferred to/from the Special Expenses Reserve;
- e) That Members note the changes made to the risk categorisation of budgets.

Reason for the decision

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 a general fund budget and level of council tax for the 2020/21 financial year for Council's consideration and approval that takes into account the proposals set out in the draft Corporate Strategy, also presented for approval. The proposals take into account the net amount of expenditure that the Council expects to spend in the next financial year to deliver services to our customers. The report also includes recognition of efficiencies secured and 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 the Council can draw 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 year.

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PRUDENTIAL INDICATORS & TREASURY MANAGEMENT STRATEGY 2020/21

Councillor Ronnie de Burle, Portfolio Holder for Corporate Finance and Resources and the Director for Corporate Services introduced the report, which outlined the Council's prudential indicators for 2020/21-2022/23 and set out the expected treasury operations for this period.

The inclusion of sustainable and ethical investments and multi-asset funds in the

investment strategy for 2020/21 was highlighted.

During discussion the following points were noted:

- The Council had an excellent record of managing its investment and the good work undertaken by the Corporate Services Manager was noted.
- In relation to the Council's commercial agenda and prudential borrowing, a commercial investment business plan together with an updated treasury management strategy would be required. The two were linked. This would be discussed further at Cabinet in March.
- The Council's commercial agenda should not be progressed in isolation but should be closely related to its aspiration to provide excellent social housing.

DECISIONS (KEY)

- (1) Cabinet **RECOMMENDED** to Council the prudential indicators and limits be adopted and approved;
- (2) Cabinet **RECOMMENDED** to Council the Treasury Management Strategy and treasury management prudential indicators be adopted and approved;
- (3) Cabinet **RECOMMENDED** to Council the Minimum Revenue Provision (MRP) Statement, which set out the Council's policy on MRP be approved;
- (4) Cabinet **NOTED** the linkages to the Capital Strategy due to the integral nature of how the Council manages its treasury finances to support capital development.

Reason for the decision

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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REVENUE BUDGET PROPOSALS 2020-2021 - HOUSING REVENUE ACCOUNT (HRA)

Councillor Alan Pearson, Portfolio Holder for Housing and Communities introduced the report, which set out the rents of Council dwellings, sought approval for the Housing Revenue Account estimates for 2020/21 and set the working balance for 2020/21.

Councillor Pearson highlighted the following amendments at 6.2 of the report:

- **The surplus/deficit (-) estimated year end position for 2019/20** – from £911,800 to £511,800.
- **The working balance carry forward** – from £985,250 to £1,385,250.
- Therefore the estimated year end position showed an increase to the original budget of £97,050. Of this £257,840 related to supplementary estimates completed in relation to the Housing Improvement Plan (HIP), this was reduced by savings of £160,790 over the approved budget. Items over £10k were set out in the report.
- **Repairs & Maintenance overspend** – from a £277k overspend to a £123k underspend.
- While there had been a significant rise in responsive repairs and voids costs in the year, the underspend on planned maintenance which allowed £450k to be transferred into the responsive repairs budget in December had continued and the need for the additional £450k, now more likely to reduce to £300k, resulted in an estimated £150k underspend.

During discussion the following points were noted:

- Councils had new powers to borrow and invest in new and existing housing and these would be explored when the Director for Housing and Communities is in post.
- The new service charging proposals were welcomed and there would be a further review of all potential service charges for Cabinet consideration in the Autumn.
- Concerning housing benefit as detailed at paragraph 6.6 of the report, referral to tenants in percentage, then in numbers was confusing.
- Funding allocated to Me and My Learning (M&ML) was noted. The work undertaken through M&ML enabled the Council to support the community (many within priority areas) to manage debt and their finances.

DECISIONS (KEY)

- (1) Cabinet **RECOMMENDED** to Council the estimates for 2020/21 be approved, subject to receipt of the rent standard, with delegated authority being given to the Portfolio Holder for Housing & Communities in consultation with the Director for Corporate Services to amend the estimated working balance based on any changes to this standard;
- (2) Cabinet **RECOMMENDED** to Council an average rent increase of 2.69% for all Council dwellings for 2020/21, with effect from 1 April 2020 and that when a property is re-let, the rent continues to be brought into line with the Government's formula rent;
- (3) That the working balance be maintained at the approved minimum working balance of £750,000, with any residual amounts transferred to the

Regeneration and Development reserve;

- (4) Cabinet **RECOMMENDED** to Council approval of a delegation to the Director for Housing and Communities in consultation with the Director for Corporate Services to access the Regeneration and Development Reserve balance for schemes and projects supporting the HAMP and in line with the HRA Business Plan;
- (5) That a working balance of £750,000 be budgeted for at 31 March 2021, based on a 2.69% average rent increase;
- (6) Cabinet **APPROVED** the new service charge for Health and Safety Works for purpose built flats in the Borough of £3.10 per week for 2020/21;
- (7) That taking account of comments from Scrutiny Committee, a further comprehensive review of all potential service changes be undertaken with a view to Cabinet considering a more detailed policy by the autumn and any further charges being introduced in April 2021;
- (8) Cabinet **APPROVED** a new electricity re-charge to tenants who make use of the new mobility scooter pods.

Reason for the decision

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 Cabinet's remit.

The meeting closed at: 5.15 pm

Chair