

REPORT OF CABINET

(Meeting held on 3 February 2016)

1. LEADER'S STATEMENT (MINUTE 50)

The Leader has advised Members that the Council faces significant decisions as the Cabinet has found it necessary to recommend an increase in council tax for the first time in 6 years, as a result of continuing reductions in Government funding. The Leader is emphasising that it is important to maintain front line services, such as refuse collection and recycling, planning and environmental health, on which local residents rely.

The Leader is satisfied that the increase in Council tax, which it is proposed will be 1.7%, equivalent to just 5 pence per week for a Band D property, represents the best compromise between maintaining essential services and being fair to Council Taxpayers. This will bring the total cost of providing all the Council's services to £3.05 per week. The decision to increase council tax is not being taken lightly but, looking forwards, the financial challenges facing the Council are significant. The Council is already taking steps to meet this challenge, with the savings made through the new senior management structure one signal of the Conservative Group's determination to continue to provide the services that are valued by the local community at a fair cost. The developing Corporate Plan is now supported by a delivery plan that sets out the areas that will need to be reviewed over the coming year, in order to identify further savings and improvements in services to ensure the Council continues to meet its objectives.

The changes being made within this Council, together with the Government's commitment to provide a longer term settlement, mean that the Medium Term Financial Plan will be reviewed early within the next financial year and will therefore be included in the programme for the June meeting of the Cabinet.

The Leader has thanked the Chief Executive and Executive Heads for their continuing efforts to support this process.

2. THE CORPORATE PLAN 2016-2020 – "OUR CORPORATE PLAN" (MINUTE 51)

Members will recall that in November 2015 (Minute 34 of Cabinet) they approved a draft Corporate Plan to form the basis of consultation. Since that time the Plan has been subject to extensive consultations, including with key partner organisations and the Council's employees.

The response to the draft Plan has been very positive, with a number of helpful suggestions made. The general form of the Plan, using a single side of "infographics", remains unchanged but several suggestions, to improve clarity and focus, have been incorporated.

The Plan is now supported by a delivery plan, which sets out detailed actions for 2016/17 and also refers to the actions that will be required in the longer term. Key actions will be updated annually and progress monitored and reported to Members. Monitoring will be through a simple and proportionate performance management framework.

It is expected that a number of the reviews that are highlighted in the delivery plan will involve Members through various members' boards and task and finish groups.

As with the previous Corporate Plan the majority of the communication about the Plan will be primarily through electronic means to optimise expenditure in the Plan's production and also in disseminating the key messages.

RECOMMENDED:

That the new Corporate Plan for 2016-2020, "Our Corporate Plan", and associated delivery plan, as attached as appendices to report item 4 considered by the Cabinet, be approved.

3. MEDIUM TERM FINANCIAL PLAN AND THE ANNUAL BUDGET 2016/17 (MINUTE 52)

The Medium Term Financial Plan has continued to evolve since the last report to the Cabinet in January (Minute 46 refers). At that stage initial notification of the Government's financial settlement had been received and a budget gap of £483,000 identified against the 2016/17 budget. Work has continued to achieve a balanced budget. Further savings of £180,000 have been achieved through the senior management review; and the work programme for planned maintenance and replacement in 2016/17 has been reduced by £300,000.

It is intended to use reserves to fund £389,000 of the cost of new Business Development schemes and for third party grants (total budget £405,000). In addition, if the cost of the continuing organisational changes in the authority exceeds further savings that may be identified, these surplus costs will also be met from reserves.

It is proposed that the Band D Council Tax for 2016/17 will be £158.36, an increase of 1.7%. The Cabinet propose that the net budget requirement will be reduced to £17,491,770 for 2016/17.

A summary of the Medium Term Plan covering the next 5 years is set out in Appendix 1 of Report Item 5 to the Cabinet. The continuing climate of financial austerity makes it clear that the Council will have to continue the process of review to identify further savings and efficiencies.

The Council's capital programme has also been developed to reflect the continuing financial constraints and the General Fund Capital programme for 2016/17 is now £4.133 million. Full details are set out in Appendix 6 to the report considered by the Cabinet.

RECOMMENDED:

- (a) That it be agreed that there is a General Fund Net Budget Requirement of £17,491,770 in 2016/17, as set out in Appendix 5 to report item 5 considered by the Cabinet, including Business Development and Third Party Grant schemes as set out in Appendix 3 to report item 5;***
- (b) That the site licence fees and service charges at the Stillwater Park be increased by 0.8%, in line with RPI inflation;***
- (c) That the Band D Council Tax for 2016/17 shall be £158.36;***

- (d) That the General Fund Capital Programme for 2016/17 of £4.133 million, as set out in Appendix 6 to report item 5 to the Cabinet, be approved; and**
- (e) That each of the Prudential Indicators, the Limits for 2016/17 to 2018/19 and the Minimum Revenue Provision Policy Statement, as set out in Appendix 7 to report item 5 to the Cabinet, be approved and adopted.**

4. HOUSING REVENUE ACCOUNT BUDGET AND HOUSING PUBLIC SECTOR CAPITAL EXPENDITURE PROGRAMME 2016/17 (MINUTE 53)

The Cabinet has also considered the Housing Revenue Account budget and housing public sector capital programme for 2016/17. This is the fifth year of the Housing Revenue Account self-financing system, with the first instalment of principal repayment of the settlement loan, amounting to £4.1 million, due to be made in 2017/18, reducing the spending resources available in that year.

It is proposed that rents will be reduced by 1% in line with Government requirements. The service charges for hostels and older persons' accommodation will be increased by 2% to ensure full cost recovery from the beneficiaries of the services. The increases in service charges, together with other budget variations such as increased income from reductions in vacant properties; will offset the loss of income arising from the rent reduction to £53,000 for the year. It is proposed that the charge for renting a garage will remain unchanged as it has been established that it is already at the optimal level to maximise income.

The proposed revenue expenditure for 2016/17 shows an increase of £1.409 million compared to 2015/16. The sources of the major variations are set out in section 4 of the report. The budget for 2016/17 is projected to break even, maintaining a revenue account balance of £1.014 million. In accordance with the Council's policies the additional savings that were identified during 2015/16 will be transferred to the acquisitions and development reserve.

The capital programme also shows a significant increase, with significant property development and enhancement programmes, in addition to new acquisitions.

RECOMMENDED:

- (a) That the Housing Revenue Account budget, as set out in Appendix 1 of report item 6 considered by the Cabinet, be agreed;**
- (b) That from 4 April 2016 a reduction in rents of 1% from the 2015/16 rent level, in accordance with Government requirements, be agreed;**
- (c) That from 4 April 2016 an increase of 2% in hostel service charges, be agreed;**
- (d) That from 4 April 2016 an increase of 2% in older persons' accommodation service charges, be agreed;**
- (e) That from 4 April 2016 no increase in garage rents, be agreed; and**
- (f) That a 2016/17 Housing Capital Programme of £16.536m, as set out in paragraph 7.1 of report item 6 considered by the Cabinet, be agreed.**

**5. MEMBERS' ALLOWANCES – SCHEME TO APPLY FROM 1 APRIL 2016
(MINUTE 54)**

The Council is required, each year, to make a scheme of members' allowances and to publish the scheme. It is not proposed to make any changes to the current scheme.

RECOMMENDED:

That the current scheme of members' allowances be made as the scheme to apply from 1 April 2016.

**Councillor B Rickman
CHAIRMAN**