

# NORTHAMPTON BOROUGH COUNCIL

## CABINET

Wednesday, 22 February 2012

**PRESENT:** Councillor Mackintosh (Chair); Councillor Caswell (Deputy Chair);  
Councillors Bottwood, Eldred, Hadland and Markham

### 1. APOLOGIES

There were none.

### 2. MINUTES

The minutes of the meeting held on the 18<sup>th</sup> January 2012 were signed by the Chair.

### 3. DEPUTATIONS/PUBLIC ADDRESSES

Norman Adams addressed Cabinet on Item 10 – HRA Budget and Rent Setting. He stated that the administration were not being true to their manifesto which had promised to drastically reduce the number of consultants, which he argued had not happened. He commented on the £2 million, which the administration was proposing to be spent on consulting on the housing stock transfer.

Martin de Rosario addressed Cabinet on Item 9 – General Fund Revenue Budget Setting 2012-2015. He expressed his concern in the reduction of PCSO's and the possible increased crime that may occur as a result.

### 4. DECLARATIONS OF INTEREST

There were none.

### 5. ISSUES ARISING FROM OVERVIEW AND SCRUTINY COMMITTEES

There were none.

### 6. EQUALITIES REPORT

Council Eldred as the relevant Cabinet Member submitted a report and commented that there was a need for the Council to replace the Single Equality Scheme 2008-11 with a new document to cover 2012-15, which would recognise new legal duties under the Equality Act 2010. He further commented that the corporate equality objectives be incorporated within the Corporate Plan.

Councillor Beardsworth addressed Cabinet and commented that she welcomed the report and expressed her thanks and gratitude to the officers involved. She further commented that within the report, it was stated that the Council Consultation Toolkit includes guidance, which would ensure that there was extensive consultation with a wide range of people.

### RESOLVED:

1. That the document "Our Approach to Equalities" as the new equality strategy document for 2012 to 2015 was approved and adopted.
2. That the corporate priority equality objectives to be incorporated in the Corporate Plan 2012-15, taking account of feedback through the current Budget Consultation and needs identified through the development of the Corporate and Service Plans

was approved.

3. That the setting of targets and measures to deliver the proposed Corporate Equality Objectives as set out in the report be delegated to the Chief Executive in consultation with the Leader and Portfolio Holder.
4. That the progress on equalities within the Council was noted.

## **7. CORPORATE PLAN 2012-2015**

The Chair submitted a report and commented that the information contained within it was self-explanatory.

### **RESOLVED:**

That the Corporate Plan (Appendix 1 of the report) be recommended for adoption to Full Council.

That delegation be granted to the Chief Executive, in consultation with the Leader, the authority to amend if necessary and finalise the:

1. Corporate Plan for presenting to Full Council 29 February in line with the budget decisions, service plans and any other consequent changes
2. Associated set of corporate measures to underpin the Plan by 31 March to be developed alongside the service planning process

## **8. TREASURY MANAGEMENT STRATEGY 2012-2015**

Councillor Bottwood as the relevant Cabinet Member, submitted a report and commented that the report dealt with the Council's Treasury Management Strategy for 2012-13 and the following two financial years. It was noted that effective treasury management was necessary in order to protect the Council resources especially with regards to the current financial climate.

### **RESOLVED:**

That Council be recommended to approve:

- a) The Treasury Management Policy Statement at Appendix C of the report
- b) The Treasury Management Practices (TMPs) Main Principles at Appendix D of the report
- c) The TMP Schedules for 2012-13 at Appendix E of the report
- d) The Treasury Management Strategy for 2012-13 at Appendix F of the report, incorporating:
  - (i) The Capital Financing and Borrowing Strategy for 2012-13 including:
    - The Council's policy on the making of Minimum Revenue Provision (MRP) for the repayment of debt, as required by the Local Authorities (Capital Finance & Accounting) (Amendments) (England) Regulations 2008.

- The Affordable Borrowing Limit for 2012-13 as required by the Local Government Act 2003.

(ii) The Investment Strategy for 2012-13 as required by the CLG revised Guidance on Local Government Investments issued in 2010.

- e) That authority be delegated to the Council's Chief Finance Officer, the Director of Finance and Support, in liaison with the Portfolio Holder for Finance, to make any temporary changes needed to the Council's borrowing and investment strategy to enable the authority to meet its obligations.

2.2 That Council note;

a) Adherence to the Council's policy on reserves and balances (paragraph 3.2.13).

b) Compliance with the requirement under the Local Government Finance Act 1992 to produce a balanced budget (paragraph 3.2.14 & 3.2.15).

## **9. GENERAL FUND REVENUE BUDGET SETTING 2012-2015**

Councillor Mason addressed Cabinet and expressed her concerns about the reduction of CCTV and the decrease in the number of operators. She expressed apprehension about the impact of crime as a result of the cuts and feared for the safety of residents and asked Cabinet reconsider the reduction.

Councillor Wire commented that not only were the Labour group opposed to the cut in the numbers of PCSO's, but residents too and stated that on this issue, the Conservatives had got it wrong. Residents had signed a petition, which had over two thousand signatures on it, which would be submitted to the next Council meeting and hoped that the Administration would reconsider and give thought to alternative options.

Councillor Marriott commented that he was concerned about problems of families being housed in bed and breakfast accommodation. He further commented that the increased enhanced Housing Management Charge would have a significant effect on Council tenants even with no increase in Council Tax and commented that it was an unfair budget.

Councillor Beardsworth referred to the consultation process and commented that 71% of respondents had disagreed with reduction of PCSO funding as they had a presence and offered residents a certain reassurance and warned that it would be a very unpopular decision with residents of Northampton.

Councillor Bottwood as the relevant Cabinet Member submitted a report. He commented that one of the recommendations stated that there would be no increase on Council Tax, which would assist in alleviating the financial burden experienced by residents. It was noted that delegation to the Chief Executive and the Director of Finance and Support on a number of issues would allow for flexible and adaptable approach. He explained that the General Fund Reserve would be increased to £3 million by the end of 2012/13.

The Chair commented that he was pleased that there would be no increase in Council Tax and that further savings had been made since the proposed budget, which included a saving of £325,000 from a senior management review.

Councillor Hadland explained that the administration's manifesto had included the pledge to introduce the 'one hour free' car parking, which had been implemented. This has led to increased car park usage, from which £70,000 had been generated and put back into the budget. He also mentioned the inclusion of nearly half a million pounds to support the promotion of the Enterprise Zone, which would increase jobs and prosperity in the whole of

the town.

Councillor Eldred mentioned that the extra money agreed by Cabinet for the Councillor Empowerment Fund would also be beneficial to residents.

**RESOLVED:**

1. That the feedback from consultation with the public, organisations and the Overview and Scrutiny Committee be considered and welcomed (detailed at Appendices 1a, 1b, 1c and 1d of the report).
2. That the Council's representations on the provisional formula grant settlement be noted (Appendix 2 of the report)
3. That the changes to the proposed budget (detailed at Appendix 3 of the report), in light of the consultation responses, equalities issues and the final formula grant settlement be noted.
4. That a General Fund budget for 2012/13 of £27.38m (excluding parishes) be recommended to the Council (detailed in Appendices 4 and 5 of the report) for its own purposes.
5. That the key medium term financial issues as set out at Appendix 6 of the report was noted.
6. That the Chief Finance Officer's legal duties detailed in the letter from the Chairman of CIPFA (Appendix 7 of the report) be noted.
7. That the issues and risks detailed in the Section 151 Officer's statement on the robustness of estimates and the adequacy of the reserves (Appendix 8 of the report) be acknowledged.
8. That the draft Fees and Charges set out in Appendix 9 of the report be noted
9. That authority be delegated to the Director of Finance to make any technical changes necessary to the papers for the Council meeting of 29 February 2012.
10. That Council be recommended to delegate authority to the Chief Executive and Director of finance and Support to implement all budget options and restructures.
11. That authority be delegated to the Director of Finance and Support in consultation with the Portfolio Holder for Finance, and where appropriate the relevant Director and Portfolio Holder to:
  - transfer monies to/from earmarked reserves should that become necessary during the financial year.
  - update the budget tables and appendices, prior to Council should any further changes be necessary.
  - update prudential indicators in both the Prudential Indicators report and Treasury Strategy report, for Council for any budget changes that impact on these.
12. That the Council be recommended to confirm the reserves strategy of protecting balances wherever possible to allow the option of supporting future years' budgets, aiming for a minimum level of unallocated general fund balances of £3m at the end of 2012/13 having regard to the outcome of the financial risk assessment and remaining at this level over the medium term.
13. That the Council be recommended not to increase the Council Tax for its own purposes, that is, excluding county, police, and parish precepts for 2012/13.

## 10. HRA BUDGET AND RENT SETTING

Councillor Mennell addressed Cabinet and stated that the reports had been very late and Councillors had not been given enough time to read them.

Councillor Bottwood as the relevant Cabinet Member introduced the report and explained that for the HRA reform the Council would have to borrow £192 million, which was less than the initial estimation of £194 million to move to a self financing position.

Councillor Markam commented that it had previously been stated by the administration that they would immediately start the process of consulting with tenants with regards to the stock transfer to housing associations, the aim of which would be to release funding to pay for urgent improvements to meet the decent homes standard. However, there had been a delay as clarification and guidance from central Government that had not been forthcoming on the HRA and the National Housing Strategy. Due to the improvements needed to the Housing Stock, it was not deemed a long-term solution and was currently unsustainable. She stated that there was a commitment to improving living conditions for tenants, which was why it remained a priority for the Administration to consult with tenants on a large-scale stock transfer. She commented that it was essential for the process to be handled properly and responsibly and thus the money put aside would allow the process to begin to ensure residents would be fully consulted on the matter.

### RESOLVED:

- 1) That Cabinet recommended to Council to approve:
  - a) An average rent increase of 6.79% per dwelling, in line with the Government's rent restructuring regime, convergence in 2015/16, to take effect from 2 April 2012.
  - b) The de-pooled service charges listed in Appendix 6 of the report.
  - c) The increase in existing service charges listed in Appendix 6 of the report, which includes Sheltered Accommodation Warden charges (including Eleonore House), Heating service charges, garage charges and Brookside Meadows service charges.
- 2) That the feedback from the Overview and Scrutiny Committee be considered and welcomed (detailed at Appendix 1 of the report).
- 3) That the Council's representations on the draft HRA Self-financing determination be noted (Appendix 2 of the report).
- 4) That the changes to the proposed budget (detailed at Appendix 3 of the report), in light of the consultation responses, equalities issues and the Governments Draft then Final HRA Self-financing Determinations be agreed.
- 5) That the HRA budget for 2012/13 of £50.2m expenditure (including options) be recommended to the Council (detailed in Appendix 4 of the report) for its own purposes.
- 6) That the Cabinet acknowledges the issues and risks detailed in the Section 151 Officer's statement on the robustness of estimates and the adequacy of the reserves (Appendix 7 of the report).

- 7) That Council be recommended to delegate authority to the Chief Executive and Director of Finance and Support to implement all budget options and restructures.
- 8) That authority be delegated to the Director of Finance and Support in consultation with the Portfolio Holder for Finance, and where appropriate the relevant Director and Portfolio Holder to:
  - transfer monies from earmarked reserves should that become necessary during the financial year.
  - update the budget tables and Appendices, prior to Council should any further changes be necessary
  - update prudential indicators in both the Prudential Indicators report and Treasury Strategy report, prior to Council for any budget changes that impact on these.
- 9) That the Council be recommended to confirm the reserves strategy of protecting balances wherever possible to allow the option of supporting future years budgets, aiming for a minimum level of unallocated HRA reserves of £5.0m at the end of 2012/13 having regard to the outcome of the financial risk assessment and remaining at this level over the medium term and in line with the 30 year Business Plan.

## **11. CAPITAL PROGRAMME AND CAPITAL STRATEGY 2012-2015**

Councillor Ansell addressed Cabinet and thanked them for their contribution in providing Abington Park with some toilet facilities. He commented that the park was a jewel in the town and that the users of the park had been waiting for a number of years for the facilities.

Councillor Bottwood as the relevant Cabinet Member commented that it had been an extremely challenging budget and noted that the General Fund schemes had been prioritised within the resources available.

Councillor Caswell commented that he was glad that they had been able to assist with the provision of toilet facilities in Abington Park.

Councillor Hadland reported that progress was still being made with the bus interchange, which would be completed next year and it was noted that £250,000 had been invested in work to improve Delapre Abbey.

### **RESOLVED:**

That Council approve the following:

- a) The Capital Strategy for 2012-13 to 2014-15, as set out in Appendix A of the report.
- b) The capital programme for 2012-13, including future year commitments, as set out in Appendix B of the report.
- c) The capital financing principles to be applied in 2012-13, as set out in the Capital Strategy (Appendix A of the report) pages 10-11.
- d) The proposed financing of the capital programme for 2012-13 and future years, as set out at paragraphs 3.2.16 and Appendix C of the report.
- e) That authority be delegated to the Director of Finance and Support in consultation with the Portfolio Holder for Finance, and where appropriate the relevant Director and Portfolio Holder to update prudential indicators in both the Prudential Indicators report and Treasury Strategy report, prior to Council for any capital

programme changes that impact on these.

- f) That Cabinet be authorised, once the programme has been set, to approve new capital schemes and variations to existing schemes during 2012-13, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.

## **12. PRUDENTIAL INDICATORS FOR CAPITAL FINANCE 2012-2015**

Councillor Botwood, as the relevant Cabinet Member submitted a report and it was noted that the prudential indicators for capital finance had been set within the CIPFA code of practice.

### **RESOLVED:**

That Council approve the following:

1. The prudential indicators required under the CIPFA Prudential Code for Capital Finance in Local Authorities (2011 edition) as set out at paragraph 3.2.3 of the Cabinet report.
2. That authority be delegated to the Section 151 Officer to make adjustments between the “borrowing” and “other long term liabilities” categories within the overall total of the indicators for the operational boundary and the authorised limit for external debt set out at paragraphs 3.2.3 (g) and (h) of the Cabinet report.

The meeting concluded at 18.34