

NORTHAMPTON BOROUGH COUNCIL

CABINET

Wednesday, 15 February 2017

PRESENT: Councillor Nunn (Chair); Councillor Larratt (Deputy Chair); Councillors Eldred, Hadland, Hallam, Hibbert and King

1. APOLOGIES

There were none.

2. INTENTION TO HOLD PART OF THE MEETING IN PRIVATE

There were no items to be heard in private.

3. DEPUTATIONS/PUBLIC ADDRESSES

There were none.

4. DECLARATIONS OF INTEREST

Councillor Hadland declared a personal non pecuniary interest as member of Delapre Abbey Preservation Trust.

Councillor Larratt declared a personal non-pecuniary interest as a client of Community Law.

5. ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES REPORT

Councillor Stone questioned what the impact of the provision of the New Homes Bonus for properties approved on appeal would be, what the timescale of risk of business rate valuation unwinding effects and what the 3% (per annum) increase in tax base would be per person. She further questioned whether the Environmental Services contract could be put out to private tender to reduce costs and requested more information be provided detailing the how the claim to NTFC was split up and how the Council were performing on each element. She also asked that further detailed information be included in the Efficiency Plan.

Councillor Eldred elaborated on his report and noted that all questions raised by Councillor Stone would be answered in detail by him and the Chief Finance Officer due to time restraints.

Councillor Eldred explained that he was happy to present the report on behalf of the Chief Finance Officer and was pleased to announce another balanced budget for which he credited the finance team. He noted that there was a 4 year projection but that there was an amount of uncertainty as the Government had the potential to change funding.

RESOLVED:

That Council carefully consider the content of this report with regards to the General Fund and Housing Revenue Account prior to recommending the approval of the Council's Medium Term Financial Plan 2017/22, the Revenue Budget for 2017/18, Capital Programme 2017/22 and Treasury Management Strategy 2017/18.

6. GENERAL FUND REVENUE BUDGET AND CAPITAL PROGRAMME 2017/18 AND MEDIUM TERM FINANCIAL PLAN 2017/18 - 2021/22

Councillor Stone questioned why the Council had not signed up to the municipal backing scheme and asked if there was an intention to do so. She reported that she considered

there to be some high risks in future years, compared to the current budget and suggested that a risk register be produced for loans and investments with SEMLEP to mitigate and manage risks. She further stated that more needed to be done in order to contain the number of interim staff and the use of consultants.

Councillor Birch questioned what plans were being put into place to ensure that the Community Empowerment Fund be utilised and how it could be beneficial to the maximum number of people and projects.

Councillor Eldred, as the relevant Cabinet Member. Commented that the risks mentioned by Councillor Stone were well documented throughout the report and that the administration continued to work with Auditors to assess investment and borrowing. He further noted that they were examining ways to increase investments in the future in an attempt to ensure that they received better returns than currently received. He further reported that the Council had given over £0.5million through CEFAP and that numerous Community projects had received cash injections as a result,

RESOLVED:

- 2.1 That the feedback from consultation with the public, organisations and the Overview and Scrutiny and Audit Committees be considered and welcomed (**detailed at Appendices 1, 2 and 3** of the report).
- 2.2 That the changes to the proposed budget (detailed at paragraph 3.2.22), in light of technical adjustments and the Local Government Funding Settlement be agreed.
- 2.3 That the General Fund Revenue Budget for 2017/18 of £28.015m (excluding parishes) be recommended for its own purposes (detailed in paragraph 3.2.23 and **Appendices 4 and 5** of the report).
- 2.4 That Council increase the Council Tax for its own purposes, i.e. excluding County, Police and Parish Precepts, by £5 per year per band D property for 2017/18.
- 2.5 That Council approve the General Fund Capital Programme and proposed financing for 2017/18, including the inclusion of schemes in the Development Pool, as set out in **Appendix 6** of the report.
- 2.6 That the enhanced capital governance arrangements described in paragraph 3.2.31 and 3.2.32 of the report be noted
- 2.7 That Council be recommended to confirm a minimum level of General Fund reserves of £5.5m for 2017/18, having regard to the outcome of the financial risk assessment, and also note the position on earmarked reserves (**Appendix 7** of the report).
- 2.8 That authority be delegated to the Chief Finance Officer in consultation with the Chief Executive and the Cabinet Member for Finance, and where appropriate the relevant Director and Cabinet Member to:
 - Transfer monies to/from earmarked reserves should that become necessary during the financial year.
 - Update prudential indicators in both the Prudential Indicators Report and Treasury Strategy Report to Council, for any budget changes that impact on these.
- 2.9 That the draft Fees and Charges set out in **Appendix 9** of the report, including

immediate implementation where appropriate be approved

2.10 That Council be recommended to approve the Treasury Management Strategy for 2017-18 at **Appendix 10** of this report: incorporating:

(i) The Capital Financing and Borrowing Strategy for 2017-18 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) (England) (Amendment) Regulations 2008.
- The Affordable Borrowing Limit for 2017-18 as required by the Local Government Act 2003.

(ii) The Investment Strategy for 2017-18 as required by the CLG revised Guidance on Local Government Investments issued in 2010.

2.11 That authority be delegated to the Council's Chief Finance Officer, in liaison with the Cabinet member for Finance, to make any temporary changes needed to the Council's borrowing and investment strategy to enable the authority to meet its obligations.

2.12 That authority be delegated to the Chief Finance Officer to make any technical changes necessary to the papers for the Council meeting of 27th February 2017, including changes to the Finance Settlement and change relating to Parish Precepts and Council Tax levels associated with those changes.

7. HOUSING REVENUE ACCOUNT- RENT SETTING, REVENUE AND CAPITAL BUDGETS 2017/18

Councillor Eldred, as the relevant Cabinet Member, explained that the administration continued to work hard and alongside Northampton Partnership Homes (NPH) in order to produce a balanced budget and noted the 1% rental reduction per dwelling/

RESOLVED:

2.1 That Council be recommended to approve:

- a) An average rent decrease of 1% per dwelling, in line with the legislation and the government's national rent policy, to take effect from 3rd April 2017.
- b) The HRA budget for 2017/18 of £52.7m expenditure including options detailed in Appendix 1.
- c) The proposed service charges listed in Appendix 3.
- d) The HRA capital programme for 2017/18, including future year commitments, and proposed financing as set out in Appendix 2.
- e) That Cabinet be authorised, once the capital programme has been set, to approve new capital schemes and variations to existing schemes during 2017/18, subject to the funding being available and the schemes being in accordance with the objectives and priorities of the Council.
- f) The Total Fees proposed for NPH to deliver the services in scope for 2017/18

detailed in Appendix 4.

- 2.2 That the issues and risks detailed in the Chief Finance Officer's statement on the robustness of estimates and the adequacy of the reserves be acknowledged
- 2.3 That 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 Housing Revenue Account balances of at least £5m for 2017/18 having regard to the outcome of the financial risk assessment.
- 2.4 That authority be delegated to the Chief Finance Officer to make any technical changes necessary to the papers for the Council meeting of 27th February 2017.
- 2.5 That Council be recommended to delegate authority to the Chief Executive and Chief Finance Officer to implement any retained HRA budget options and restructures.
- 2.6 That authority be delegated to the Chief Finance Officer in consultation with the Chief Executive and the Cabinet Members for Finance and for Housing to:
 - transfer monies to/from earmarked reserves should that become necessary during the financial year.
 - transfer monies to /from HRA working balances between the Council and NPH for cash flow purposes 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.

8. CORPORATE PLAN

The Leader of the Council, submitted his report and elaborated thereon.

RESOLVED:

That Council be recommended that, at its meeting of 27th February, 2017, the Corporate Plan for 2017 - 2022 be approved, and that the Chief Executive and the Leader of the Council be delegated to make any necessary amendments to finalise the Corporate Plan for publication.

The meeting concluded at 6.21pm