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Executive

Committee

Monday, 22 February 2016

MINUTES

Present:

Councillor Bill Hartnett (Chair), Councillor Greg Chance (Vice-Chair) and Councillors Juliet Brunner, Brandon Clayton, John Fisher, Mark Shurmer, Yvonne Smith, Debbie Taylor and Pat Witherspoon

Also Present:

Councillors Joe Baker, Roger Bennett, Natalie Brookes, David Bush (during Minute No.'s 96 and 97), Michael Chalk, Anita Clayton, Matthew Dormer (during Minute No.'s 96 and 97), Andrew Fry, Pattie Hill, Gay Hopkins, Wanda King, Jane Potter, Gareth Prosser, Antonia Pulsford, Rachael Smith, Paul Swansborough, David Thain, Jennifer Wheeler and Nina Wood-Ford

Officers:

Kevin Dicks, Claire Felton, Sue Hanley, Anne-Marie Harley, Sheena Jones and Jayne Pickering

Committee Services Officer:

Debbie Parker-Jones

93. APOLOGIES

There were no apologies for absence.

94. DECLARATIONS OF INTEREST

There were no declarations of interest.

95. LEADER'S ANNOUNCEMENTS

Additional Papers

It was noted that two sets of Additional Papers had been circulated ahead of the meeting, both of which related to the Medium Term Financial Plan 2016/17 – 2018/19 and Council Tax Resolutions at Agenda Item 5, as follows:

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Chair

Additional Papers 1: Medium Term Financial Plan cover report and report Appendices 1 and 2 (Capital Programme 2016/17 to 2018/19 – General Fund and Pay Policy Statement 2016/17); and

Additional Papers 2: report Appendix 2 (Council Tax Setting 2016/17).

An updated set of recommendations, incorporating the relevant recommendations from both the 2nd February and 22 February 2016 meetings of the Executive Committee, was also tabled for Members' information/assistance. Updates had been required to some of the 2nd February recommendations owing to a change in the grant which the Council was to receive from the Government as part of the final finance settlement, together with additional savings which had been identified by Officers.

96. MINUTES

RESOLVED that

the minutes of the meeting of the Executive Committee held on 2nd February 2016 be agreed as a correct record and signed by the Chair.

97. MEDIUM TERM FINANCIAL PLAN 2016/17 - 2018/19 AND COUNCIL TAX RESOLUTIONS

Members considered revisions to the Medium Term Financial Plan 2016/17 – 2018/19 which had been presented to the 2nd February Executive Committee. The revised report also included the recommended Council Tax Resolutions and Pay Policy Statement for 2016/17. Two sets of Additional Papers had been circulated for this item in advance of the meeting, and an updated set of recommendations incorporating the relevant recommendations from both the 2nd February and 22 February 2016 meetings of the Executive Committees were also tabled for Members' information/assistance.

Updates had been required to some of the 2nd February recommendations in light of changes to the grant which the Council would be receiving from the Government under the final finance settlement. Additional income had also been identified by Officers which altered the position. The Council Tax resolutions had been circulated following receipt of precept levels from other precepting authorities.

Following an appeal by the Leader against the initial proposed finance settlement, the Council had been awarded a transitional grant allocation of £44k for both 2016/17 and 2017/18, to partially

offset the impact of the cut in Revenue Support Grant. As a balanced budget had already been set for 2016/17 Officers were proposing that the additional funding be used to reduce the amount required from balances to support the budget shortfall in 2016/17.

In addition, all shire districts (including borough councils) had been given the flexibility to increase Council Tax by £5 per Band D equivalent property, without the requirement to hold a referendum. This represented an increase to residents of 2.2% and would see an increase of approximately 0.80p (per Band D) above the previously estimated 2% increase. The resulting total charge for the Borough services for 2016/17 would be £222.54p, which was approximately 14% of the total Council Tax charge for the year. The income generated from the £5 charge would be approximately £20k. It was therefore proposed that this opportunity be taken for 2016/17, and that the additional income again be used to reduce the amount required from balances in 2016/17.

Officers were continuing to review budget estimations and additional income had been identified relating to rental revenue from the Town Hall Crèche of £20k and Woodrow Library of £15k. This income was to be added to the budgets for 2016/17 and future years. It was again proposed that the additional income be used to reduce the amount required from balances.

As a consequence of the additional funding and identified income, the proposed transfer from balances for 2016/17 had reduced from £579k to £479k. Officers were currently working on the Quarter 3 Finance Monitoring Report, which at that stage had indicated a favourable position, and which it was envisaged might result in further additional savings by the end of the financial year.

Further details in relation to the Business Rates Retention Scheme were expected in the Summer, which would be taken to Members once published. The Council's response to the New Homes Bonus consultation was due to be submitted to Government by 10th March, a copy of which Officers undertook to forward to all Members prior to the deadline.

In relation to the requirements that the Council's Section 151 Officer had to include in the budget report, Officers wished to add under paragraph 3.12 that there were concerns around the 2017/18 and 2018/19 budgets which were currently being worked on. To this end, Officers were carrying out an exercise to cost up demand for all of the Council's services, the results of which would be considered as part of future years' budgets.

There was a 1-year balanced budget for 2016/17 and whilst Grant Thornton, the Council's external auditors, had raised concerns with

a 1-year balanced budget in the past, Members had before them a context at least of the 2017/18 and 2018/19 budgets moving forward. Whilst the additional interim funding received from the Government following the Leader's appeal against the Council's proposed settlement was appreciated, the significance of the funding cuts and changes overall were noted.

Differing points of view were expressed in relation to how the Council was choosing to spend its finances, with Officers confirming that they were looking, where possible, to carry over previous savings to future budgets. A query was raised in relation to the level of fee which Grant Thornton would be charging for the additional work which they had been required to undertake as part of the 2014/15 audit, which Officers advised had still to be confirmed. It was noted however that the Council would receive a 40% reduction on Grant Thornton's normal fees.

RECOMMENDED that

- 1) the additional savings of £35k for 2016/17 be approved;**
- 2) the reduction in release from balances of £100k for 2016/17, resulting in a total release from balances of £479k, be approved;**
- 3) the increase in Council tax by £5 (2.2%) per band D equivalent for 2016/17 be approved;**
- 4) the Council Tax resolutions as set out in Additional Papers 2 to Executive Committee on 22 February be approved; and**
- 5) the Pay Policy Statement as set out at appendix 2 to the report to Executive Committee on 22 February be approved.**

The Meeting commenced at 7.00 pm
and closed at 7.35 pm

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Chair