

CABINET**Tuesday, 23rd February, 2016**

Present:-

Councillor Burrows (Chair)

Councillors T Gilby
T Murphy
BlankCouncillors Huckle
Ludlow
A DioufNon Voting Bagley
Members J Innes
BrownHollingworth
Wall

*Matters dealt with under the Delegation Scheme

**153 DECLARATIONS OF MEMBERS' AND OFFICERS' INTERESTS
RELATING TO ITEMS ON THE AGENDA**

No declarations of interest were received.

154 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Serjeant.

155 MINUTES**RESOLVED –**

That the minutes of the meeting of Cabinet held on 9 February, 2016 be approved as a correct record and signed by the Chair.

156 FORWARD PLAN

The Forward Plan for the four month period 1 March – 30 June, 2016 was reported for information.

***RESOLVED –**

That the Forward Plan be noted.

157 **2016/2017 BUDGET AND MEDIUM TERM FINANCIAL PLAN**

The Chief Executive and the Chief Finance Officer submitted a report on the draft General Fund budget, making recommendations to Council on the budget allocations and the Council Tax level for 2016/17.

The Chief Finance Officer advised that since the revised budget in December 2015 further work had been undertaken to identify other possible variances for inclusion in the final 2015/16 budget, and that the updated revised budget forecast for 2015/16 showed a surplus of £225,000. It was noted that the continuing late announcement of funding settlements and the complexities of the Business Rate Retention scheme had made the budget setting process very difficult again this year.

The report included proposals for maintaining a sustainable and affordable budget over the medium term, taking into account the effects of the economic climate on income streams, cuts in the revenue support grant, and changes in funding arrangements resulting from the Local Government Finance Review in 2013. Details of Government funding including the Revenue Support Grant and the New Homes Bonus were provided, and it was noted that while the £900,000 of New Homes Bonus that the council had received in 2015/16 was to be welcomed, there remained great uncertainty regarding the continuation of the scheme for future years. The other major funding sources for the General Fund were business rates growth, fees and charges (particularly car parking income), rental income from the Council's industrial and commercial property portfolio as well as council tax.

The Chief Finance Officer advised that for 2016/17 district councils were able to increase their council tax by a maximum of £5 or 2%, and that for Chesterfield a £5 increase would be equivalent to an increase of 3.45%. The report set out, and evaluated all of the council tax setting options available to the Council.

The report also provided details of the expenditure estimates for 2016/17 to 2020/21, and summarised the planned budget savings proposals over the same period. A review of the Council's reserves and priorities had been undertaken and the report also included a comprehensive risk and sensitivity analysis.

Alternative options were considered throughout the budget setting process.

***RESOLVED -**

That it be recommended to Full Council that:

1. The revised budget for 2015/16 be approved.
2. The Local Government Finance Settlement be noted.
3. That, subject to receiving a full report of the implications of the offer, the principle of receiving a four year Local Government Finance Settlement be approved.
4. The Collection Fund and the Tax Base forecasts be noted.
5. The Portfolio budgets and the overall revenue budget summary for 2016/17 be approved.
6. Authority be delegated to the Chief Finance Officer in consultation with the Leader, Deputy Leader and Chief Executive to review what is required to submit an Efficiency Strategy for the Council to ensure that maximum opportunity is taken from the proposed flexibility in relation to the future use of capital receipts.
7. The budget forecasts for 2016/17 and the medium term as well as the strategy for addressing the projected deficits be noted.
8. The estimates of reserves including:
 - I. maintaining the General Working Balance at £1.5m;
 - II. allocating £40k from the Invest to Save Reserve and £110k from the Service Improvement Reserve to finance the £150k budget growth request for support to deliver the Council's savings targets;
 - III. allocating £245k from the Property Repairs Fund to fund capital programme schemes;

be approved.

9. The budget risks and sensitivity analysis be noted.
10. The Local Business Rate Retail Relief schemes, for which the Government will no longer be providing funding, cease.
11. The recommended £5 increase in Council Tax for 2016/17 be approved.
12. The 2016/17 Council Tax Requirement and financing be approved.
13. The Chief Financial Officer's assurances be noted.

REASON FOR DECISIONS

In order to meet the statutory requirements relating to setting a budget and the council tax.

158

GENERAL FUND CAPITAL PROGRAMME

The Chief Finance Officer submitted a report recommending for approval the updated General Fund Capital Strategy and Programme for 2015/16 to 2018/19.

The report provided details of:

- The updated Capital Strategy.
- Updated Capital Programme forecasts.
- Schemes added to the Programme during 2015/16.
- Progress made on current major schemes including Waterside Canal Infrastructure Works.
- Recurring schemes including expenditure on Disabled Facilities Grants, vehicle and plant maintenance, ICT and major property repairs.

The report also provided details of capital financing arrangements, capital receipts and the net financing position.

The Chief Finance Officer advised that based on current forecasts there would be no surplus resources available to fund new capital schemes until 2017/18. In this situation new schemes would only be able to be added to the Programme where they were aligned with a Corporate Plan

priority and that the additional funding required had been identified and secured. The Senior Leadership Team had reviewed the capital growth requests submitted by Service Managers had recommended four programmes to be added to the Capital Programme, which were:

- Reconfiguration of administration area to create usable space at the Healthy Living Centre;
- Increasing the budget for the Town Hall restack as part of the Great Place; Great Service, transformation programme;
- Replacing the lift at the Winding Wheel;
- Installing new pay on foot machines at the council's surface car parks.

The report also included recommendations on capital schemes which should be placed a waiting list, pending the availability of capital receipts, as well as schemes where a decision to add to the Capital Programme should be deferred.

***RESOLVED –**

That it be recommended to Full Council that:

1. The Capital Strategy be approved.
2. The updated General Fund Capital Programme expenditure and financing be approved.
3. The new schemes outlined in paragraph 8.4 of the Chief Finance Officer's report are added to the Capital Programme.
4. The prioritised list of "waiting list" schemes for the Capital Programme be approved.

REASON FOR DECISIONS

To update the Council's General Fund Capital Programme, and ensure that it is affordable and deliverable over the medium term.

The Policy Manager attended to present the Corporate Management Team's report recommending for approval the Council Plan 2015-2019, updated for 2016/17.

In 2015/16 the Council had moved from the production of a one year plan to a four year strategic Council Plan following a recommendation from the Local Government Association's peer challenge in 2013. The updated plan had set out the Council's key priorities and aims, based on those identified by Cabinet Members and officers and taking account of a wide range of evidence. The plan was aimed at providing focus, and setting out priorities and projects that would require a collected corporate effort during the period.

The Council Plan had been revised to show the progress made during the first year of the plan, and also to highlight the progress expected by the half-way point of the plan which would be in April 2017. The refreshed plan provided continuity with the 2015/16 version of the plan, maintaining the same vision, three overarching priorities, four year aims and Council values. The Policy Manager also provided information on how the plan would be monitored and reviewed throughout the year in order to ensure that it delivered the council's planned objectives.

***RESOLVED -**

That it be recommended to Full Council that:

1. The Council Plan 2015-2019, updated for 2016/17 is adopted as the Council's strategic framework.
2. The Deputy Leader is delegated authority to approve any minor drafting changes that may be required in order to improve the readability of the plan.

REASON FOR DECISIONS

To provide the Council with a clear statement of its strategic priorities for 2015-2019 and a framework within which decisions can be made about the allocation of resources.

The interim Environmental Services Manager submitted a report recommending for approval the proposed fees and charges for Outdoor Recreation facilities to take effect from 1 April, 2016.

The fees and charges proposals had taken into account:

- The need for the Council to achieve a balanced budget.
- The fees and charges structures of other local public and private sector providers.
- The ability of all customers to pay in the current economic climate, and the demand for facilities.
- The need to address health inequalities across the borough, and to encourage young people to participate in sporting activities.

The option of introducing lower increases was ruled out as the proposed increases in the charges were required to deliver a balanced and sustainable budget. An option of introducing a significantly greater increase in the charges was ruled out as there would have been a risk in terms of putting off potential customers, harming the council's finances, as well as negatively impacting on local sports teams.

***RESOLVED –**

1. That the charges set out in Appendix A of the officer's report be approved and implemented for the financial year 2016/17.
2. That the Interim Environmental Services Manager, in consultation with the Cabinet Member for Health and Wellbeing be authorised to revise the approved Fees and Charges where threats to income generation emerge and/or opportunities to raise additional income arise, when they are in line with the Council's general principles for charging.

161 HOUSING REVENUE ACCOUNT BUDGET 2016/17 - 2021/22

The Housing Service Manager – Business Planning and Strategy and the Chief Finance Officer submitted a report on the probable outturn on the Housing Revenue Account for the current financial year and seeking approval for the budget estimates for 2016/17.

The rent and service charge levels agreed by Cabinet in January (Minute No.144 (2015/16)) had been incorporated into the 2016/17 budget forecast. The report also proposed a schedule of priority growth requests.

The Housing Manager noted that the financial strategy for the HRA was to deliver a balanced and sustainable budget which is self-financing in the longer term and which reflected both the requirements of tenants and the strategic vision and priorities of the Council. However the implications arising from the new Welfare Reform and Work Bill, Housing and Planning Bill and the announcements in the Comprehensive Spending Review, most notably the 1% per annum reduction in social rents would have a significant impact on the Housing Revenue Account creating large deficits in future years. The introduction of the 1% rent reduction over four years would mean a loss of £10 million in rental income in real terms, and over the life of the Business Plan the loss would be £172.4 million in rental income. This would mean that for the council to continue delivering services and investing in the housing stock as planned it would require borrowing up to the debt cap of £155.6 million by 2018/19, and that even with increased borrowing there would still be a significant shortfall for the Housing Capital Programme

The Housing Manager advised that as this situation was financially unsustainable work was continuing to make changes within the HRA Business Plan in order to reach a long term sustainable position, and that a report regarding these proposals would be brought Cabinet in March, 2016.

***RESOLVED -**

1. That the probable outturn for the current financial year be noted.
2. That the draft estimates for 2016/17 be noted.
3. That the "Growth Items" at Annexe 6 of Appendix A of the officers' report be approved.
4. That further work is undertaken to identify actions required which will return the working balance for 2017/18 onwards to acceptable levels, and that the findings are reported back as part of the Housing Revenue Account 30 Year Business Plan Report.

162 **HOUSING CAPITAL PROGRAMME - NEW PROGRAMME FOR 2016/17, 2017/18 AND 2018/19**

The Housing Service Manager – Business Planning and Strategy submitted a report on the Housing Capital Programme, outlining proposals for the New Programme for 2016/17, as well as for the provisional 2017/18 and 2018/19 programmes.

The report outlined the financial strategy to maintain the Decent Homes Standard for 100% of the council's properties, which had first been achieved in March 2015, as well for plans to improve the non-traditional housing stock and to deliver improvements to the estates environment in the immediate short term.

The Housing Service Manager advised that the proposed 2016/17 programme continued to broadly reflect the capital programme used in the Housing Revenue Account Business Plan in previous years and addressed needs arising due to the ageing housing stock, as identified in the Stock Condition Survey. The focus of the programme remained the modernisation of properties to maintain the 100% level of stock being maintained at the Decent Homes Standard, with the balance of activity over the next twelve months concentrating on building elements such as heating, roofs and rewires. It was noted that due to the large reduction of income to the Housing Revenue Account due to the annual 1% reduction in social rents over the next four years, a review of the way in which it would deliver future maintenance programmes would be carried out.

Information was provided on the commitment to use local contractors where possible, and tenant involvement in reviewing and prioritising the Capital Programme. The Housing Manager advised that the proposed programme broadly reflected tenants' priorities in particular the increased investment in environmental improvements. The allocation of work to the Housing Services' Operational Services Division was also outlined.

***RESOLVED -**

That Cabinet recommends to Full Council that:

1. The Housing (Public Sector) Capital Programme for 2016/17 be approved, and its procurement, as necessary, be authorised.

2. The provisional Housing (Public Sector) Capital Programme's for 2017/18 and 2018/19 be noted.
3. The Operational Services Division share of the Programme be approved.
4. The Housing Service Manager - Business Planning and Strategy be delegated authority to vire between programme heads and budgets in order to manage the Capital Programme as set out in the report.

REASONS FOR DECISIONS

The Council will be able to maintain its 'Decent Homes Standard' targets in line with the Council's Vision and Corporate Plan.

The condition of the Public Sector housing stock and its environment will be maintained and improved.

163 HOUSING REPAIRS BUDGET 2016/17

The Housing Services Manager – Operational Services Division submitted a report recommending for approval the Housing Repairs Budget for 2016/17.

It was noted that other than minor changes to reflect seasonal demands (such as storm damage and central heating break downs); there had been not been any major amendments required to the budget during 2015/16. The 2016/17 repairs budget proposed was otherwise consistent with that of 2015/16.

The Tenants Executive, the Tenant Challenge Panel and individual focus groups had been involved in reviews of the repairs policy to ensure continuous improvement.

***RESOLVED -**

1. That the Housing Repairs Budget for 2016/17 at Appendix 1 of the officer's report be approved.
2. That the Housing Services Manager - Operational Services, be authorised to vire between responsive repairs budget heads in order to effectively manage and respond to fluctuations in tenant-led or weather dependent repairs.

REASONS FOR DECISIONS

To permit required maintenance of the Housing Stock.

To support working with tenants through the tenant participation Strategy.

To support the Council's Vision and Corporate Plan.

164 LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

RESOLVED -

That under Regulation 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information))

165 SHEFFIELD CITY REGION INVESTMENT FUND – FUNDING AGREEMENTS

The Development and Growth Manager submitted a report to update members on the Sheffield City Region Investment Fund (SCRIF) and the requirements of the Sheffield City Region Combined Authority with regard to funding agreements with local authority sponsors of SCRIF schemes, and to consider the proposal that Chesterfield Borough Council entered into funding agreements with the Sheffield City Region Combined Authority for the delivery of infrastructure works on the Chesterfield Waterside and Peak Resort schemes, as well as the mechanism by which funding could be forwarded on to the developers of those schemes with minimum risk to the Council.

It was stated that funding would provide an opportunity to help enable the delivery of infrastructure, and to bring forward the delivery of Basin Square as part of the Waterside development as well as Phase 1 of Peak Resort. It was noted that both schemes were within the Council's Corporate Plan and that their implantation would bring benefits to the Chesterfield economy.

The report provided details and a full assessment of both the benefits and risks of entering into funding agreements with the Sheffield City Region Combined Authority.

***RESOLVED -**

That Cabinet recommends to Full Council that:

1. The Council enters into the Sheffield City Region Investment Fund (SCRIF) funding agreement with Sheffield City Region Combined Authority for the delivery of Chesterfield Waterside and Peak Resort, subject to a satisfactory business case being in place.
2. The Cabinet Member for Regeneration is delegated authority to approve back to back funding agreements with the final recipients of SCRIF funding – Chesterfield Waterside Ltd and Birchall Properties Ltd.

REASON FOR DECISIONS

To bring about the successful delivery of the Chesterfield Waterside and Peak Resort schemes, both of which are Council Corporate Plan objectives.