

COUNCIL

MONDAY, 23RD FEBRUARY 2015

MINUTES FOR CONFIRMATION

CABINET

WEDNESDAY, 4 FEBRUARY 2015

61. Budget 2015/16 and Beyond (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning (a) the context for the Council's Budget for 2015/16 and for the Medium Term Financial Plan, including revised funding assumptions for 2015/16, (b) the current forecast out-turn position of the Council's Revenue Budget 2014/15, (c) the provisional Local Government Finance Settlement 2015/16, (d) Council Tax 2015/16, (e) Business Rates Changes 2015/16, (f) New Homes Bonus 2015/16, (g) Public Power Solution Ltd. (formerly, Swindon Commercial Services Ltd.), (h) the proposed Council Budget for 2015/16, (i) the relationship between Revenue and Capital Budgets, (j) Members' Allowances, (k) Special Expenses, (l) Contingencies and Risk, (m) One-off Resources commitments, (n) Fees and Charges, (o) General Reserves, and (p) Budget consultations.

The Chair explained that two supplementary reports had been circulated at the Cabinet meeting. The first set out Appendix 6 to the joint report that detailed the outcome of the consultation process held with Non-Domestic ratepayers. The second referred to the Government's announcement on 3rd February 2015 of the Final Local Government Finance Settlement for 2015/16 and its implications for Swindon.

Councillor Russell Holland, Cabinet Member for Finance, introduced the report and detailed the Budget proposals for 2015/16. He commented on the national economic situation and the Council's commitment to providing quality services and protecting the most vulnerable. He explained the service pressures that the Council faced particularly in relation to demand in Adult Social Care and in services for Children and Families and that these were likely to continue for the foreseeable future. He referred to the hard work undertaken by Council officers and Cabinet colleagues to control budgets and make savings whilst maintaining the Council's commitment to offer quality services to the most vulnerable in Swindon. He commented on how the final Local Government Finance Settlement for 2015/16 affected Swindon and would enable it to continue to fund, in part, the Council's Emergency Assistance Fund. He explained that it would be necessary to consult on changes to the criteria associated with the use of this Fund given the reduced funding available to it. However, he was grateful that the Government had listened to

the representations made by this Council and other local authorities in respect of the proposed withdrawal of Welfare Funding.

Council Holland confirmed that the proposed Budget would enable there to be no increase in the level of Council Tax for 2015/16.

Councillor Jim Grant, Leader of the Opposition, welcomed the proposal to maintain an Emergency Assistance Fund but noted that there would be a significant shortfall in the funding available for 2015/16 in comparison with 2014/15. He sought clarification on whether the underspend in the Fund for the current year would be used to help support this shortfall. He asked whether more could be done to encourage take-up.

Councillor Holland explained why it was believed the funding allocation in the current year had not been fully taken up. He explained that consultation would take place on the criteria surrounding the future use of this emergency fund and consideration would be given to the way that the fund was promoted to those most in need.

Councillor Grant referred to the cost pressures surrounding the increased use of Agency Staff in Children's Services.

Councillor Fionuala Foley, Cabinet Member for Children's Services, and the Board, Director Commissioning, explained that this was a national trend but that there had been some recent success in the recruitment of social workers. The position was being very carefully monitored.

Councillor Holland reiterated his thanks to the Council's officers, financial teams, and Cabinet colleagues for their support for the Budget process that had enabled a robust Budget with a zero rise Council Tax to be recommended to the Council.

Resolved – (1) That the Cabinet notes:-

(a) The projected out-turn for 2014/15 and that savings arising from the early delivery of 2015/16 Budget Proposals will be used to partly finance one-off costs incurred in-year to deliver the 2015/16 Budget, thus helping to preserve the level of funding held in reserves for future years' transformation;

(b) The Council does not expect the need to replenish General Reserves as part of the 2015/16 Budget Setting process;

(c) That no further consultation feedback had been received in relation to the Budget proposals presented to the Cabinet in October and December 2014;

(d) The consultation undertaken with business representatives from Swindon, on behalf of non-domestic rate as set out in Appendix 6 circulated at the meeting;

(e) That in line with the requirements of the Local Government Act 2003, the Board Director, Resources, in his Section 151 capacity, has confirmed the robustness of the estimates underlying the recommended Budget and having reviewed the financial risks being faced by the Council, has concluded that the proposed level of General Reserves (£6m) is adequate in the context of the earmarked reserves held, specific contingencies and the proposed general contingency of £0.5m.

(2) That the virements as set out in Appendix 5 to the joint report be approved.

(3) That the Council's Medium Term Financial Strategy as set out in Appendix 9 to the joint report be endorsed.

(4) That there be no changes to the proposed fees and charges as set out in Appendix 1 to the report submitted to the Cabinet on 10th December 2014 (Minute 50(4) refers).

(5) That the Specific Reserves held in support of the 2015/16 Revenue Budget, as set out in Appendix 7, be agreed.

(6) That the Head of Revenues and Benefits be authorised to increase awards of Business Rates Retail Relief in accordance with the scheme approved in March 2014 to £1,500 per annum in 2015/16 and to award 'transitional relief' payments that limit increases in Business Rates payments to 15% for small businesses with rateable values up to £18,000 and 25% for medium sized business with a rateable value up to £50,000.

(7) That the key principles of the Public Power Solutions Ltd., (formerly Swindon Commercial Services Ltd (SCS)) Business Plan for 2015/16, be agreed on behalf of the Council in its shareholder capacity and that the Board Director Resources, in consultation with the Leader of the Council, be authorised to agree any future changes to the Business Plan on behalf of the Council in its shareholder capacity.

(8) That a consultation commences on reshaping the Council's Emergency Assistance Scheme within an on-going base Budget envelope of £186,000 (currently £321,000) using the existing £300,000 earmarked reserve to cashflow the transition and supplement the base Budget funding in 2015/16.

(9) That the Council be recommended that the level of Special Expenses for 2015/16 shall be £1,041,299 and the areas of land and services that will be charged as special and general expenses be as set out in Appendix 10 to the joint report.

(10) That the Council be recommended that:-

(a) The 2015/16 Budget be set at £136,740m and the Budget Requirement for tax setting purposes be set at £134,740m, recognising the £2m of funding from reserves;

(b) There be no increase in Council Tax for 2015/16, and

(c) It be determined that the proposed increase (that is no increase at all) in the basic amount of Council Tax for 2015/16 is not excessive in accordance with Schedule 5 of the Localism Act 2011.

The reasons for the decision and alternative options are as set out in the report to the meeting.

62. Capital Programme 2015/16 to 2017/18 (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning new Capital Programme requirements for the period 2015/16 to 2017/18 and including schemes for (a) Highways and Transport, including strategic Highways projects funded through the Growth Deal secured by the Swindon and Wiltshire Local Enterprise Partnership, (b) Children's Services, (c)

Property and Assets, (d) Older People, (e) the County Ground Athletics Track, (f) the Council's Waterside Campus, (g) Kingsfarm Woodland, and (h) Superfast Broadband.

Councillor Russell Holland, Cabinet Member for Finance, referred to the contents and purpose of the report and, in particular, to the proposed changes to the Capital Programme. He referred to the proposals regarding Superfast Broadband and to the actions taken by Councillor Elliott within his ward to promote this as an issue.

Councillor Jim Grant, Leader of the Opposition, referred to the increasing pressure for school places and to how these would be funded.

Councillor Holland explained that the provision of school places was a statutory requirement and required costs would be met from Borrowing.

Councillor Des Moffatt commented on the list of proposed property and assets related capital schemes and sought clarification on how these were identified. The Board Director, Resources explained the process adopted and that he was happy to provide information on the associated condition surveys to Councillor Moffatt.

Resolved – That the Council be recommended to:-

(a) Include the Strategic Highways Projects set out in Appendix 5, funded through the Growth Deal secured by the Swindon and Wiltshire Local Enterprise Partnership, within the Council's Capital Programme, noting the related capacity funding the Council has secured from Government as detailed in Appendix 6 to the joint report;

(b) Note the current position and future budget requirement for the additional Children's Services schemes as referred to in paragraphs 3.5 to 3.8 and detailed in Appendix 1 to the joint report;

(c) Approve a budget of £500,000 for Condition Works, funded from Capital Maintenance Grant, as referred to in paragraph 3.9 and detailed in Appendix 1 to the joint report;

(d) Approve a total budget of £7.927m for the 2015/16 local priority Highways and Transport schemes referred to in paragraphs 3.10 and 3.11 and detailed in Appendix 2 to the joint report;

(e) Approve a total budget of £2m for 2015/16, funded from Borrowing, for Repairs and Maintenance on Corporate Property, as referred to in paragraphs 3.12 to 3.13 and detailed at Appendix 3 to the joint report;

(f) Approve a total budget requirement of £1,006,700 for Older People's and other Capital schemes, as referred to in paragraph 3.14 and detailed in Appendix 4 to the joint report;

(g) Approve a budget of £253,000, for refurbishment work to the County Ground Athletics Track, funded from Section 106 Planning Agreement income and referred to in paragraphs 3.15 to 3.17 of the joint report, subject to discussions with Swindon Town Football Club if required;

(h) Note the position around future investment requirements at the Council's Waterside site as detailed in paragraphs in 3.18 to 3.19 of the joint report;

(i) Approve the retention of £30,000 raised by Wroughton Parish Council in relation to the purchase of Kingsfarm Wood to be administered through a working party as detailed in paragraph 3.20 of the joint report;

(j) Authorise the Cabinet Member for the Economy, Regeneration, and Skills, in consultation with opposition spokespersons and the Board Director, Resources, to recommend a preferred bidder in relation to Superfast Broadband as detailed in paragraph 3.21 of the joint report;

(k) Approve a budget of £150,000 relating to feasibility work on Strategic Projects, forming part of the Strategic Economic Plan and funded from the balance of the £1m Regeneration Reserve previously approved by the Cabinet, as detailed at paragraphs 3.22 to 3.24 of the joint report;

(l) Note the award of £787,500 of Department for Communities and Local Government capacity funding, as detailed at paragraph 3.4 of the joint report; and.

(m) Approve a Capital budget of £197,000 for Library IT equipment, as detailed in paragraphs 3.25 to 3.29 of the joint report.

The reasons for the decision and alternative options are as set out in the report to the meeting.

63. Treasury Strategy Statement 2015/16 (Minute for Confirmation)

The Cabinet Member for Finance and the Board Director, Resources submitted a joint report concerning the Council's proposed Treasury Management Strategy for 2015/16 including the (i) Annual Investment Strategy, (ii) Minimum Revenue Provision Policy Statement, and (iii) Prudential Indicators for the Financial Years up to 2016/17.

Councillor Russell Holland, Cabinet Member for Finance, referred to the contents of the Treasury Management Strategy for 2015/16. He explained that the Statement was a statutory requirement. He commented on the background to the proposal to increase investment periods to a maximum of two years and the reasons for this action.

The Board Director, Resources referred to the progress made by the Council in moving its banking from the Co-op to the Lloyds Banking Group following the Co-op's withdrawal from the Local Government sector.

Councillor Jim Grant, Leader of the Opposition, noted the increasing amount of Council debt over the period to 2017/18 and the implications of this level of debt for the Council's Revenue Budget.

Councillor Russell Holland, Cabinet Member for Finance, referred to the need for the Council to borrow to ensure the essential delivery of the infrastructure that Swindon needed, such as schools. The Board Director, Resources, explained that this rise in the level of debt was a consequence of previous decisions associated with the Capital Programme rather than arising from new schemes.

Resolved – That the Council be recommended to:

(a) Approve the Treasury Management Strategy 2015/16, Minimum Revenue Provision Policy and Prudential Indicators, as set out in Appendix 1 to the joint report;

(b) Note the position with regard to the Council's Bankers, as detailed in paragraphs 3.11 and 3.12 of the joint report; and

(c) Note the position on investment returns as detailed in paragraphs 3.13 to 3.16 of the joint report, and the increased investment periods to a maximum of 2 years as detailed in the Treasury Management Strategy 2015/16.

The reasons for the decision and alternative options are as set out in the report to the meeting.