

HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the CABINET held in the CIVIC SUITE (LANCASTER/STIRLING ROOMS), PATHFINDER HOUSE, ST MARY'S STREET, HUNTINGDON, PE29 3TN on Tuesday, 6 February 2024

PRESENT: Councillor S J Conboy – Chair.

Councillors S W Ferguson, B M Pitt, T D Sanderson, S L Taylor and S Wakeford.

APOLOGIES: An apology for absence from the meeting was submitted on behalf of Councillor L Davenport-Ray.

65 MINUTES

The Minutes of the meeting held on 16th January 2024 were approved as a correct record and signed by the Chair.

66 MEMBERS' INTERESTS

No declarations were received.

67 FINAL 2024/25 BUDGET AND MEDIUM-TERM FINANCIAL STRATEGY (2025/26 TO 2028/29) INCLUDING CAPITAL PROGRAMME

With the aid of a report prepared by the Director of Finance and Corporate Resources (a copy of which is appended in the Minute Book) the Cabinet reviewed the Council's Revenue and Capital budget proposals for the 2024/25 Final Budget and the Medium-Term Financial Strategy – MTFS (2025/26 to 2028/29).

The Executive Leader, Councillor S J Conboy advised the meeting that Councillor B Mickelburgh, Executive Councillor for Finance and Resources, was representing the District Council at a Local Government Association (LGA) Special Interest Group meeting about the funding of Internal Drainage Boards in Westminster. As funding of the drainage boards consumed over £500,000 of annual budget of the Council and it was therefore important to press Central Government over changes to the funding mechanism.

By way of background, the Director of Finance and Corporate Resources then reported that the budget included relevant savings, income and growth proposals, the implications of other budget adjustments and the Commercial Investment Strategy, and the government's financial settlement, together with a planned Council Tax increase of 3.21% (equating to £5) for 2024/25 and then £5 increase per annum for the duration of the MTFS and have included the implementation of the revised Council Tax Support Scheme. Whilst in regard to the robustness of the 2024/25 budget and MTFS 2025/26 to 2028/29 it was noted that in respect of risks that both HDC and the wider local government community face at this time of continued public sector austerity the key findings are that HDC should (i) in 2024/25 make a contribution to General Reserves of £1.872m, (ii) utilise only the General Fund and Budget Surplus Reserves and therefore based on those

assumptions in the current MTFs, HDC would be able to maintain a minimum level of General Fund (Unallocated) Reserves; and (iii) take a total net contribution from General Reserves of £2.212m over the 5 years of the MTFs.

The Cabinet agreed that the financial climate continued to be unusual with inflation and interest rates having risen to levels not seen for decades, and world conflicts causing disruption to energy and food supplies. This has put considerable pressure on HDC finances with substantial, necessary cost increases being borne by services (e.g., increases in utility bills, housing benefit, insurance and drainage rates). In addition (i) there is the Material Recycling Facility (MRF) waste management contract being retendered by the County Council that is another cost pressure to take into consideration and HDC has allocated £900k additional expenditure per annum for this, which gives a total pressure of £4.5m in the MTFs. The Local Government Finance Settlement being only for one year will make financial planning and sustainability challenging although delaying NNDR re-baselining will provide a one-off increase to funding, that will be used to create a new £2.5m workforce strategy implementation reserve together with a further £1m reserve for investments to generate future revenue budget benefits. Expenditure against this reserve will be considered by Overview and Scrutiny.

Members attention was then drawn to the comments of the Overview and Scrutiny panel, in particular questions from Councillor Gleadow regarding the introduction of the garden waste subscription service, the Cabinet noted that this was introduced due to jeopardy in future budgets and that there was a commitment to progress this service as to delay would result in a considerable operational deficit alongside costs incurred by the project implementation and refunds to those who had already paid. In addition, there would be £2m lost income within the budget and if there was not the £8.9m contribution from the garden waste subscription service in the MTFs then HDC would fully depleted any budget surplus and it would require HDC to use its CIS reserves to fund the remaining deficit. HDC has financial reserves to enable it to plan for the future, and using these reserves to address a budget deficit is not the solution to the financial pressures that HDC is facing, as it would mean taking from future budgets and which would result in budget cuts. HDC services are already running very, very lean. There is also the uncertainty with a general election due, and many local authorities have had to issue a notice under section 114 of the Local Government Finance Act 1988 that has put spending controls in place and prohibited all new expenditure other than that required to provide statutory services. Cabinet agreed that good financial management is crucial, a point highlighted by the recent statement from the Department for Levelling Up, Housing & Communities (DHLUC) reminding HDC to ensure that it prudently plans and transform services. However, it was noted that whilst HDC is operating in a challenging environment it is a long way from having to issue a notice under section 114 because decisions, tough decisions, had been already taken by HDC.

Cabinet went on to express its disappointed that Councillor J A Gray (Conservative and Opposition Group Leader) together with Councillor A Jennings (Opposition Lead for Finance and Resources) had both been invited to attend the meeting to put forward alternative suggestions for the budget but unfortunately, they had both declined to attend tonight's meeting.

Referring back to comments from Overview and Scrutiny Cabinet noted that Councillor Pickering had queried why there were lines within the Fees and Charges document which were showing a 0% increase, whereby the Cabinet noted that some of these were outside of the Council's control as they were statutory fees set by the Government and that some fees, such as One Leisure fees, had increased but that all fees had been discussed with relevant Portfolio Holders and decisions made based on those deliberations. Councillor Jennings remarked on the decrease in the number of Council Tax properties compared to last year's MTFs. The Cabinet noted that the Council Tax Team had undertaken work to ensure a more accurate figure in this year's budget rather than an estimation which had been used in previous years, it was noted that consequently the team were fully confident on the figures given within the Council Tax base; and Councillor Cawley had queried about the £2.5m that had been budgeted for the Workforce Strategy and had asked for clarity on what this would cover. Accordingly, the Cabinet were advised that whilst this Strategy was still being developed and the detail was not yet available there had been significant input from District Council staff.

Accordingly, the Cabinet

RESOLVED

that the Council be recommended to approve the overall Final Budget 2024/25 and Medium-Term Financial Strategy 2025/26 to 2028/29 as outlined in Appendix 1 of the report now submitted, which included the Revenue Budget at Section 2 and the Capital Programme at Section 3.

68 NON-DOMESTIC RATES DISCRETIONARY RATE RELIEF POLICY

With the aid of a report prepared by the Council Tax and Business Rates Manager (a copy of which is appended in the Minute Book) the Cabinet noted that as a Billing Authority, the District Council had the power to set its own Business Rates Discretionary Rate Relief Policy in accordance with Section 47 of the Local Government Finance Act 1988 and the provisions within the legislation allowed Billing Authorities to award various types of discretionary relief to qualifying local businesses in order to reduce or remove Business Rates liability.

By way of background, the Executive Councillor for Customer Services reported that reported that the Council recognised the importance of businesses to the local economy and the contribution that was made to the community by voluntary, charitable and non-profit making organisations.

The Cabinet noted that the award of discretionary rate relief directly supported the corporate priority of forward-thinking economic growth, and the policy look and feel has been updated to make it easier for businesses to understand and therefore access support.

The Cabinet agreed that adoption of a formal policy will ensure fair and consistent decision making, reducing the risk of legal challenge, which also supported the corporate priority to deliver good, high value-for-money services with good control and compliance with statutory obligations.

The Cabinet noted that the current policy came into force on 1 April 2023 with the

aim of setting out the types of relief available to businesses for the duration of the Rating List which ends on 31 March 2026.

The Cabinet was notified that the Non-Domestic Rating Act 2023 removed a restriction preventing billing authorities from deciding to award discretionary relief more than 6 months after the end of the relevant financial year.

Members attention was drawn to the comments of the Overview and Scrutiny Panel in particular the question from Councillor Kerr who praised the new format of the report and stated that it was much easier to read, a sentiment that had been echoed by the Panel.

Accordingly, the Cabinet

RESOLVED

that the Business Rates Discretionary Rate Relief Policy as outlined in Appendix A of the report now submitted effective from 1st April 2024 be approved.

69 2024/25 TREASURY MANAGEMENT, CAPITAL AND INVESTMENT STRATEGIES

With the aid of a report prepared by the Director of Finance and Corporate Resources (a copy of which is appended in the Minute Book) the Cabinet reviewed a report that clarified the purpose of the Treasury Management Strategy used to support the Council in meeting its requirement to operate a balanced budget. In addition, the treasury management operation ensured that this cash flow was properly planned, with cash being available when needed.

By way of background, the Director of Finance and Corporate Resources stated that the Strategy will include relevant policies, objectives and treasury and prudential indicators; as well as illustrating its approach to risk management, comply with the Code or Practice for Treasury Management and the Prudential Code for Capital Finance (as issued by the Chartered Institute of Public Finance and Accountancy, CIPFA) and follow published Government advice; approve the way in which the Minimum Revenue Provision is calculated.

The Cabinet noted that the Treasury Management Strategy was a key element of the Council's Code of Financial Management and MTFs. The Capital Strategy provides an overview of capital expenditure and financing, that included the borrowing strategy and limits; capital expenditure and the capital financing requirement; and revenue implications. Whereas the Investment Strategy includes service loans, property investments and performance indicators.

The Cabinet noted that the Flexible Use of Capital Receipts Strategy, outlines if the Council intends to make flexible use of capital receipts. In addition to complying with CIPFA's Treasury Management in the Public Services: Code of Practice 2021 Edition, the Council must also comply with the Department for Levelling Up, Housing and Communities (DLUHC) guidance, both of which require the approval of an annual Treasury, Investment and Capital strategies before the start of each financial year. This strategy fulfils the Council's legal obligation under the Local

Government Act 2003 to have regard to both the CIPFA Code and the DLUHC Guidance.

Members attention was drawn to the comments of the Overview and Scrutiny Panel in particular the enquiry from Councillor Howell about the management of those properties from outside the District, the Panel had been assured that the Team managed these long-term investments and took into account a variety of risk factors to ensure both best value and protection for the Council.

Accordingly, the Cabinet

RESOLVED.

that the Council be recommended to approve the Treasury Management, Capital and Investment Strategies (as outlined in Appendices 1, 2 and 3 of the report now submitted) and the Minimum Revenue Provision Statement and the Flexible Use of Capital Receipts Strategy (as outlined in Appendices 4 and 5 of the report now submitted).

70 CORPORATE PERFORMANCE REPORT 2023/24, QUARTER 3

The Cabinet considered a report by the Business Intelligence and Performance Manager (a copy of which is appended in the Minute Book) that provided a brief on the progress with Corporate Plan actions and operational performance measure results and forecasts as at the end of Quarter 3 (October to December 2023). The Corporate Performance Report also provided updates on corporate project delivery.

Members attention was drawn to the comments of the Overview and Scrutiny Panel in particular the questions from Councillor Harvey who enquired whether the Disabled Facilities Grants could be investigated by the relevant Overview and Scrutiny Panel. Cabinet was pleased to note that this was now on the Overview and Scrutiny Panel Forward Work Plan would be progressed by the Democratic Services Team and relevant Officers. Councillor Gleadow had asked why the Market Towns project was marked as amber when updates to the Panel had suggested this was on track. The Panel had been assured that the St Neots project was on track and that the overall project included many other projects which had resulted in the amber status; and Councillor Jennings expressed concern that the Priory Centre project was due to commence in 2028, the Panel were assured that this was an error and that the project was due to begin imminently.

Accordingly, the Cabinet

RESOLVED.

that progress and performance made in Quarter 3 (October to December 2023) against the Key Actions and Corporate Indicators in the Corporate Plan and current projects (as summarised in Appendix 1 and detailed in Appendices A, B and C of the report now submitted) be noted.

Chair