
Cabinet

Report of the meetings held on 22nd January and 12th February 2015

Matters for Decision

36. **2015/16 REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (2016/17 TO 2019/20)**

The Cabinet has considered the content of the 2015/16 draft budget, the Medium Term Financial Strategy (MTFS) for the period 2016/17 to 2019/20 and the level of Council Tax for 2015/16 at each of its meetings. **The details are contained in Appendix 1 to the report by the Head of Resources included as Agenda Item No. 3 on the Council agenda.**

Members have been acquainted with details of the draft budget for 2015/16 and have been advised of its significance in that it shows a net saving of £944k (5%) from the 2014/15 forecast outturn budget. Executive Councillors have also been informed of the continuation of the Facing the Future programme, the proposed Council Tax freeze at £133.18 for 2015/16 with its impact on reserves from 2016/17 to 2019/20 and assumptions based upon the New Homes Bonus allocation funding.

Attention has been drawn to further proposed reductions of £653k in the budget and Officers' contributions in achieving this result have been recognised. Further reference has been made to the Zero Based Budgeting exercise which has achieved savings to the budget, unavoidable growth expenditure and Central Government funding, with potential changes in the funding philosophy if there is a change in Government in May 2015. Reductions in the budget have resulted from the deletion of vacant posts and reduction in management costs. The areas that need further investigation have been discussed.

The Cabinet has been acquainted with the terms of a project to replace the 3G Sport Pitch at One Leisure St Neots. The project will be part funded through a bid to Sport England. The business case shows that the Council's contribution will be paid back in four years. The facility will have a minimum life of seven years. In the circumstances that Cabinet has approved:

- ◆ the submission of a bid to Sports England for the One Leisure St Neots - 3G Sport Pitch (Replacement) Project, and

- ◆ a capital financial contribution to the One Leisure St Neots - 3G Sport Pitch (Replacement) Project of £117,600 subject to the successful approval of the bid noted above (to a maximum of £125,734 reflecting a 10% contingency increase in the total cost of the project).

The Cabinet has noted the comments arising from consultation with the business community on future service levels and on the Council tax freeze and following consideration of the observations of the Overview and Scrutiny Panel (Economic Well-Being) (Item No.33 of their Report refers), the Cabinet

RECOMMEND

that the proposed Budget, as modified by the 3G Sport Pitch (Replacement) Project, and Medium Term Financial Strategy be approved, including

- ◆ **the additional savings that have been achieved (as shown on Table C in Appendix 1);**
- ◆ **the level of reserves currently modelled.**
- ◆ **a freeze in Council Tax for:**
 - **2015/16, and**
 - **over the period covered by the Medium Term Financial Strategy (2016/17 to 2019/20).**
- ◆ **the capital programme and the Fees and Charges Schedule.**

37. TREASURY MANAGEMENT STRATEGY 2015/16

Also reproduced at Appendix 2 is the proposed Treasury Management Policies and Strategy for 2015/16. The Strategy, which complies with the Chartered Institute of Public Finance and Accountancy's Code of Practice, has clear objectives for the management of the Council's borrowing and investments. Having been satisfied that both documents meet the requirements of the Code of Practice and Government guidance, the Cabinet

RECOMMEND

that the Treasury Management Policies and Strategy appended to the report of the Head of Resources be approved.

Matters for Information

38. CORPORATE PLAN – PERFORMANCE MONITORING/QUARTER 3

Having considered the comments of the Overview & Scrutiny Panels on aspects of the performance report, which are relevant to their remits, the Cabinet has reviewed and noted progress achieved against key activities and performance data contained in the Council's Corporate Plan over the period 1st October to 31st December 2014.

The Cabinet has discussed staff sickness trends. Analysis has been undertaken and it is now better understood. The Employment Panel is taking action, in particular, to reduce rates of long-term sickness. It is likely that this will take some time to achieve.

With regard to the format of the report, the Cabinet has been assured that performance management is being developed within the Council based on best practice. The aim will be to collect measures for publication that are valued by residents and which can be aggregated to show the Council's overall service capability.

39. 2014/15 QUARTER 3 CAPITAL AND REVENUE MONITORING AND FORECAST OUTTURN

The Cabinet has noted the expected revenue and capital budget variations identified in the current year. Both budgets are likely to be underspent and emphasis has been placed on the Council Tax Support Scheme, which appears to have been set at the right level. Positive trends have been found in delivering units, which will increase the level of income through the New Homes Bonus.

Executive Councillors are aware that decisions are due to be made on the Alconbury and Molesworth airbases. They have decided to establish a fund using savings in the current year to support these communities when the decisions are announced. The intention is have a range of options ready on which these communities can be consulted. The Cabinet has, therefore, agreed the:

- ◆ forecast Revenue Budget of £20.012m, giving a forecast outturn underspend of £0.858m.
- ◆ forecast Capital Budget of £3.693m
- ◆ allocation of £100,000 of the forecast outturn underspend to a new Earmarked Reserve, entitled "Alconbury and Molesworth Support and Challenge Fund".

40. REVIEW OF THE SAFER HOMES SCHEME

The Cabinet has approved a proposal to improve the Safer Homes Scheme and, at the same time, reduce its cost to the Council. This will be achieved because a range of other organisations benefit from the scheme and they will in future be making a greater contribution on

a Countywide basis. It is clear that the scheme has positive benefits in terms of preventing injuries and reducing the need for Disabled Facilities Grants but these effects have not yet been quantified. It is intended to start collecting this information over the next two years.

It has been suggested that eligibility for the service is means tested. Having been advised that contributions are sought but that a more formal system is under consideration, the Cabinet has approved the basis for:

- ◆ investment by the Council of £25k in 2015/16 and £10.4k from 2016/17 - 2018/19;
- ◆ a new countywide service jointly commissioned with partners, and
- ◆ a review the Council's funding position during 2016/17 to consider whether to fund after the end of the contract

J D Ablewhite
Chairman