

SOUTH CAMBRIDGESHIRE DISTRICT COUNCIL

Minutes of a meeting of the Cabinet held on
Thursday, 17 November 2016 at 2.00 p.m.

PRESENT: Councillor Peter Topping (Leader of the Council)

Councillors:	Francis Burkitt	Greater Cambridge City Deal Portfolio Holder
	Simon Edwards	Finance and Staffing Portfolio Holder
	Lynda Harford	Housing Portfolio Holder
	Mark Howell	Environmental Services Portfolio Holder
	Robert Turner	Planning Portfolio Holder
	Nick Wright	Corporate & Customer Services Portfolio Holder and Deputy Leader

Officers in attendance for all or part of the meeting:

Patrick Adams	Senior Democratic Services Officer
Suzy Brandes	Principal Accountant (General Fund & Projects)
Alex Colyer	Interim Chief Executive
Mike Hill	Health and Environmental Services Director
Stephen Hills	Director of Housing
Richard May	Policy and Performance Manager
Caroline Ryba	Head of Finance

Councillors Anna Bradnam, Bridget Smith and John Williams were in attendance, by invitation.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Tim Wotherspoon.

2. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 15 September were accepted as a correct record.

3. DECLARATIONS OF INTEREST

No declarations of interest were made.

4. ANNOUNCEMENTS

There were no announcements.

5. PUBLIC QUESTIONS

No public questions had been received.

6. HOUSING REVENUE ACCOUNT MEDIUM TERM FINANCIAL STRATEGY

Councillor Lynda Harford, Housing Portfolio Holder, presented this item which updated Cabinet in respect of the financial position and forecasts for the Housing Revenue Account, allowing review of financial assumptions, approval of mid-year budgetary changes and agreement of the budgets strategy for 2017/18 and beyond. Councillor Harford explained that the appendices to the report provided details on how the Council planned to deal with the uncertainties and challenges facing the Housing Revenue

Account. Councillor Harford praised the Housing staff, who were innovative and professional and provided certainty in an uncertain situation facing the Council.

It was noted that the Scrutiny and Overview Committee had discussed this item on 9 November 2016.

Praise for new format of the Strategy

Cabinet and opposition councillors present praised the new format of the Housing Revenue Accounts Medium Term Financial Strategy which was written in plain English and was clearly laid out.

Stock number

In response to concerns about stock numbers the Director of Housing explained that the figures for 1 April 2017 were estimates and more information could be provided outside the meeting.

Spending proceeds from Right to Buy

It was noted that the Government would claim back any Right to Buy receipts which were not spent within three years, including interest on these amounts. Councillor Harford confirmed that the receipts received from right to buy would be spent within the Government's three years deadline.

Depreciation of Housing Stock

In response to concerns about depreciation the Interim Chief Executive explained that work carried out to improve our housing stock also prolonged the life of these rent earning units.

Re-letting voids

In response to concerns about filling voids, the Director of Housing explained that the Council re-let its properties at the target rent.

Selling units

Councillor Harford explained that the Council was investigating ways of complying with the Government's requirement to sell our most expensive housing units.

Cabinet

APPROVED the HRA Medium Term Financial Strategy as set out in **Appendix 1** to this report, including:

- changes in financial assumptions as detailed in **Appendix B** to the HRA MTFS
- mid-year revenue budget changes, as detailed in **Appendix D** to the HRA MTFS, which impact future forecasts for the HRA
- mid-year capital budgets changes, as detailed in **Appendix E** to the HRA MTFS
- update to the new build schemes included in the Housing Capital Investment Plan, incorporation of the latest budgetary figures in respect of new build schemes, and re-phasing of expenditure in line with anticipated build timetables
- changes in anticipated receipt and use of capital resources for the HRA, as included in **Appendix H** to the HRA MTFS
- recognition of the delegated decision to acquire a number of existing market homes, thus utilising retained right to buy receipts with the

required timescales.

7. **2016-17 SECOND QUARTERLY POSITION STATEMENT ON FINANCE, PERFORMANCE AND RISK**

Councillor Simon Edwards, Finance and Staffing Portfolio Holder, presented this report on the Council's position with regard to its General Fund, Housing Revenue Account and Capital budgets; whilst Councillor Nick Wright, Corporate and Customer Services Portfolio Holder, presented the corporate objectives, performance indicators and strategic risk part of the report.

Councillor Edwards provided details of the improvement in the variance figures for the second quarter compared to those at the end of the first quarter. He made the following points:

- Expenditure on ICT developments had been delayed as the Council were working in partnership to ensure value for money.
- Higher than expected planning fees had brought in more income than expected.
- The figures would change again for both the 3rd quarter and the final end of year position.

Councillor Wright summarised the key performance information in appendix B of the report. He highlighted the following points:

- August's performance figure for expenditure on Bed and Breakfast accommodation was due to two complex cases, that had been resolved.
- New staff had been recruited to the contact centre, which would lead to improved performance in the next quarter.
- It was expected that the reduction in the backlog of applications would lead to an improvement in customer satisfaction with planning and new communities.

Performance Indicators CC303 & CC307: Contact Centre

Councillor Wright explained that the contact staff were trained to deal with calls without having to refer them. This meant an average call time of about eight minutes, which made a wait time of two minutes an acceptable target. The Interim Chief Executive explained that performance targets were not set by Cabinet, but by the relevant Portfolio Holder in February or March for the following financial year. Councillor Wright explained that a recruitment plan had been put in place to mitigate the expected high turnover of staff working in the Contact Centre.

Performance Indicators FS116/7: Staff sickness and turnover

In response to queries regarding staff sickness, Councillor Edwards was pleased to report that staff sickness had declined considerably over the years. He considered that the staff turnover of 10% per year was reasonable, as the Council benefitted from new staff bringing new and innovative ideas into the Council.

Planning appeals

Councillor Wright explained that the increase in the number of planning appeals was due to the fact that the Council had not yet updated its Local Plan.

Risk STR25: Homelessness

It was noted that the score for the above risk had increased to 25. The Government's Homelessness Reduction Bill was likely to create a challenge for this authority.

Risk STR08: Medium Term Financial Strategy

Councillor Edwards was pleased to report that the risk STR08 – Medium Term Financial

Strategy was decreasing in likelihood.

Risk STR03: Illegal Traveller Encampments

It was noted that the risk score for STR03 – Illegal Traveller encampments or developments had decreased, but Cabinet agreed it should be kept on the Strategic Risk Register until the impact of the Travellers' Needs Assessment was known and the impact of the change in the Government's definition of Travellers was assessed.

Risk STR30: Devolution

Councillor Topping explained that the challenge posed by the Government's devolution proposals was exacerbated by changes in their timescales, which had been made at short notice. It was noted that plans were in place for the setting up of a combined authority, with interim officers ready to be appointed to the key positions should all Cambridgeshire and Peterborough councils agree to the Government's proposals.

Cabinet

NOTED the Council's provisional financial position together with the performance and risk matters and contextual information set out in the report and **Appendices A-C**.

APPROVED the Strategic Risk Register and Matrix set out in **Appendix D-E**, incorporating the proposed changes set out in paragraph 28 of the report.

8. PRIORITIES FOR THE CORPORATE PLAN 2017-2022

Councillor Nick Wright presented this report, which invited Cabinet to agree the emerging priorities for consultation to inform the development of, a Corporate Plan for 2017-2022. He explained that this item had been discussed by the Scrutiny and Overview Committee on 9 November 2016.

It was agreed that in the Corporate Plan the heading "Ermine Street return to SCDC" should be amended to "Ermine Street returns to SCDC".

Cabinet **AGREED**

- (a) That the priority areas set out in paragraph 8 below be retained as the basis for consultation on, and to inform the development of, a Corporate Plan for 2017-2022, and
- (b) That the Interim Chief Executive be authorised to agree consultation arrangements, based on the outlines set out in paragraphs 19-20 below, in consultation with the Corporate and Customer Services Portfolio Holder.

9. MEDIUM TERM FINANCIAL STRATEGY

Councillor Simon Edwards presented this agenda item, which updated the Council's Medium Term Financial Strategy (MTFS) with the latest information available on underlying assumptions, pressures, savings, funding and risks. Councillor Edwards welcomed the Principal Accountant (General Fund & Projects) to her first Cabinet meeting and thanked her and the Head of Finance for their work on producing the MTFS.

Factors to consider were:

- Impact of the EU referendum, including on recruitment and retention of European

staff.

- The reduction in the Revenue Support Grant.
- The impact of the proposals to allow Councils 100% Business Rates Retention.
- The increase and then decline of New Homes Bonus.
- The increase in expected income from Ermine Street Housing Ltd.
- The need to quantify the impact of risks.
- The Council was on target to reduce its reserves to £3.05 million.
- It was possible that the £500,000 allocated to the Planning Enforcement Reserve would not all be required.

In response to a question from Councillor John Williams, the Interim Chief Executive said that Her Majesty's Revenue and Customs Service was not investigating South Cambridgeshire District Council about the Ermine Street Housing Company accounts and tax arrangements. The Council had taken advice from Ernst and Young about how to respond to HMRC.

The Interim Chief Executive explained that External Audit had stated that the Council's reserves should be enough to cover any shortfall in the accounts for three years, assuming no further savings or income generation was achieved. The Council were complying with this rule.

Cabinet

NOTED the General Fund forecast at Section 4 and Appendix A of the attached report;

APPROVED the assumptions underpinning the MTFS (Section 3)

INSTRUCTED the Head of Finance to bring forward detailed draft estimates for 2017/18 based on the assumptions and issues contained in this report for consideration by Cabinet in the new year.

INSTRUCTED the Executive Management Team (EMT) to identify and develop other options for meeting the MTFS additional income / savings requirement.

**The Meeting ended at 3.30
p.m.**
