

Cabinet

Tuesday, 6 February 2024

Decisions

Set out below is a summary of the decisions taken at the meeting of the Cabinet held on Tuesday, 6 February 2024. Decisions made by the Cabinet will be subject to call-in. Recommendations made to the Council are not subject to call-in. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

If you have any queries about any matters referred to in this decision sheet please contact Pippa Turvey.

1. Draft 2024-25 Business Plan Action Plan

Cabinet agreed:

- a. To submit the Business Plan Action Plan 2024-2025 to Council for approval.
- b. To authorise the Chief Executive to make any minor wording changes required to final drafts, in consultation with the Leader.

Options Considered: There were no other options considered.

Reason for Decision: The business plan action plan outlined clear and measurable objectives, outcomes and outputs for delivery in 2024-25 and beyond. It was used to ensure officer and financial resources were allocated appropriately.

2. Ermine Street Housing - Additional Growth

Cabinet agreed to recommend to Council approval:

- a. To allow Ermine Street Housing (ESH) additional borrowing from the Council of up to £20 million to take advantage of new investment opportunities where viability assessments provide a positive return with an interest rate of 1% above base rate. This arrangement is to be reviewed annually.
- b. To allow ESH to purchase single person properties for homeless people to prevent the use of expensive temporary accommodation, using the interest rate applying to ESH (currently 4.25%). This rate recognises the initiative as a 'spend to save' investment, providing savings to homelessness budgets.
- c. To allow the Head of Housing, in consultation with the Lead Cabinet Member for Housing, to authorise individual purchases (and therefore borrowing) up to the value of £2 million as per the current arrangements.
- d. To note that this proposal is subject to the agreement of the Ermine Street Housing Board.

Options Considered: Cabinet could have decided not to invest or have chosen a different form of investment.

Reason for Decision: To ensure that Council as owner and sole shareholder of ESH was fully aware of the details surrounding the additional borrowing and risks associated with the proposal.

To take advantage of investment opportunities that would provide additional incomes streams to the Council.

To provide additional accommodation for single homeless people resulting in savings to homeless expenditure budgets.

3. **Shire Homes Letting**

Cabinet agreed to note the report.

Options Considered: The council used various forms of temporary accommodation to fulfil its statutory obligations including SCDC stock, specific Housing Association stock and hostel accommodation. When all other forms of temporary accommodation were full it was left with no choice but to use B&B accommodation which was both expensive and unsuitable for most households. This was not an acceptable long-term option for temporary accommodation and initiatives such as Shire Homes Lettings were developed to reduce the need for this. Due to Covid and the subsequent cost of living crisis the last few years had been challenging in terms of the need to use B&B, making the need for alternatives all the more important.

Reason for Decision: To update Cabinet on the Shire Homes Lettings scheme and demonstrate its cost effectiveness compared to temporary accommodation, as well as the additional benefits it provides to families and individuals in housing need.

4. **Authority Monitoring Report for Greater Cambridge 2022-2023**

Cabinet:

1. Agreed the Cambridge City Council and South Cambridgeshire District Council - Authority Monitoring Report for Greater Cambridge 2022-2023 (included as Appendix A) for publication on the Councils' websites.

2. Delegated any further minor editing changes to the Cambridge City Council and South Cambridgeshire District Council - Authority Monitoring Report for Greater Cambridge 2022-2023 to the Joint Director of Planning and Economic Development, in consultation with the Executive Councillor for Planning Policy and Transport.

Options Considered: To not publish the Authority Monitoring Report for Greater

Cambridge 2021-2022.

Reason for Rejection: Government required that local planning authorities to publish an Authority Monitoring Report on an annual basis.

Reason for Decision: Local authorities had a statutory duty to publish an Authority Monitoring Report (AMR) under The Planning and Compulsory Purchase Act 2004 and accompanying regulations.

5. **State of the District - South Cambridgeshire**

Cabinet agreed to:

1. Note the report, and
2. Authorise the Chief Executive to make any minor wording changes required to the final draft, in consultation with the Leader.

Options Considered: No other options were considered.

Reason for Decision: To ensure robust and comprehensive information was readily available to aid effective communication and decision making within the council.

6. **Capital Strategy**

Cabinet recommended to Full Council the updated Capital Strategy attached at Appendix A to the report which sets the policy framework for the development, management and monitoring of capital investment, including Capital Prudential Indicators.

Options Considered: The option of not adopting the revised Capital Strategy was not considered to be appropriate. Local authorities were accountable to their communities for how they spend their money and for ensuring that this spending was prioritised and represented value for money. Local politicians and officers operated within local governance frameworks of checks and balances to ensure that decision-making is lawful, informed by objective advice, transparent and consultative. Good governance meant that proper arrangements were in place to ensure that an authority's intended objectives were achieved and establishing a policy framework for the development, management and monitoring of all capital investment and the prioritisation of the Council's capital resources needed to be a key commitment to ensure that authorities remained financially sustainable and responded efficiently and effectively to service needs.

Reason for Decision: To establish and approve an updated Capital Strategy that complies with CIPFA's revised Prudential Code for Capital Finance in Local Authorities (2021 edition) and Prudential Code Guidance Notes for Practitioners (2021 edition), CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2021 edition) and revised Statutory Guidance on Local Government Investments (3rd Edition) issued in

February 2018.

7. Treasury Management Strategy

Cabinet recommended to Council the updated Treasury Management Strategy attached at Appendix A to the report which sets the policy framework for the Council's treasury management activity, including (i) the Treasury Management Policy Statement, (ii) Minimum Revenue Provision Policy and (ii) Treasury Indicators.

Options Considered: The option of not adopting the revised Treasury Management Strategy was not considered to be appropriate. The CIPFA Code of Practice (2017) required the Council to approve the Strategy before the start of each financial year. Local politicians and officers operated within local governance frameworks of checks and balances to ensure that decision-making was lawful, informed by objective advice, transparent and consultative.

Good governance meant that proper arrangements were in place to ensure that an authority's intended treasury management objectives were achieved and a policy framework for the development, management and monitoring of all treasury management activity was established.

Reason for Decision: To establish and approve an updated Treasury Management Strategy that complied with the Chartered Institute of Public Finance & Accountancy (CIPFA) revised Prudential Code for Capital Finance in Local Authorities.

8. Review of Revenue Reserves

Cabinet recommended to Full Council:

(a) That the Reserves as summarised at paragraph 12 of the report be released and transferred to the General Reserve or transferred to other reserves as appropriate on 31 March 2024.

(b) That the movement in Reserves in 2023/2024 as set out in Appendix A, and the estimated balance of Reserves of £36.132 million, be noted.

Options Considered: The option of not reviewing Reserve and Provision balances was not considered to be appropriate as otherwise valuable resource which may be needed elsewhere could be inappropriately allocated.

Reason for Decision: To ensure that the Council regularly reviewed the balances held in established reserves to confirm that the allocations remained valid and thus still needed for the purposes outlined and that they were at the correct level to meet this requirement.

9. Summary General Fund Revenue Budget 2024/2025

Cabinet:

- a) Noted the detailed budgets presented at Appendix B, and summarised at Appendix A, with an estimated General Fund Gross Operating Expenditure for 2024/2025 of £76.731 million, estimated Gross Operating Income of £48.306 million and estimated General Fund Net Operating Expenditure of £28.425 million.
- b) Acknowledged the key factors which have led to the proposed 2024/2025 General Fund Revenue Budget, with service pressures summarised at Appendix C and offsetting efficiency savings/policy options summarised at Appendix D.
- c) Acknowledged that the 2024/2025 General Fund Revenue Budget gross expenditure is covered by forecast income sources (assuming no change in Government grant) and, therefore, any addition(s) to expenditure that are made by the Cabinet or Council will need to be met from the General Fund Balance.
- d) Approved the 2024/2025 General Fund Revenue Budget taking into account the statement by the Chief Finance Officer on the risks and robustness of the estimates as required under Section 25 of the Local Government Act 2003 (reproduced at Appendix F).
- e) Set the Council Tax Requirement for 2024/2025 at £11,688,650.
- f) Approved an increase in the District element of the Council Tax of £5 per annum, giving an average Band D Council Tax of £170.31, plus the relevant amounts required by the precepts of the Parish Councils, Cambridgeshire County Council, Cambridgeshire Police & Crime Commissioner, the Cambridgeshire Fire Authority, and the Cambridgeshire and Peterborough Combined Authority Mayor.
- g) Approved the estimates of the amounts required to be made under the Non-domestic Rating (Rates Retention) Regulations 2013 as set out in paragraphs 38 - 41.
- h) Approved the use of the additional income from the Business Rate Pool, estimated at £1,100,000 in 2024/2025, for transfer to the established Renewables Reserve for priority projects.
- i) Recommended to Council that it approves:
- (i) The 2024/2025 General Fund Revenue Budget based on known commitments at this time and planned levels of Service/functions resulting in a Budget Requirement of £37.125 million.
 - (ii) The District Council Precept on the Collection Fund (Council Tax Requirement) of £11.689 million in 2024/2025 (based on the Provisional Government Settlement) and a Band D Council Tax of £170.31.

Options Considered: There were options to remove or add items to the budget but, based on previous Cabinet decisions and the detailed discussions held with

spending officers, the General Fund Revenue Budget as presented included all items required to deliver council services and member priorities. The gross expenditure was covered by forecast income sources (assuming no change in Government grant) and, therefore, any addition(s) to expenditure that were required would need to identify matching savings and/or additional income if the proposed level of Council Tax was not to change.

Reason for Decision: To enable the Cabinet to recommend to Full Council the 2023/2024 General Fund Revenue Budget

10. Capital Programme 2024/25 to 2028/29

Cabinet recommended to Full Council the revised General Fund Capital Programme outlined at Appendix A.

Options Considered: The option existed to vary the capital programme, but the allocations included reflected Business Plan priorities and decisions previously made by the Council, including the last update to the capital programme on 05 December 2023 and any further slippage identified since then.

Reason for Decision: To enable the Cabinet to consider variations to the Capital Programme 2023/2024 to 2027/2028 that was approved by Cabinet at its meeting on 05 December 2023.

11. Housing Revenue Account Revenue and Capital Budget 2024/2025

Cabinet:

Housing Revenue Account (HRA): Revenue

(a) approved the HRA revenue budget for 2024/2025 as shown in the HRA Budget Summary as presented at Appendix A.

HRA: Review of Rents and Charges

(b) Approved that council dwelling rents for all social rented properties be increased by 7.7%, recognising that inflation measured by the Consumer Price Index (CPI) at September 2023, plus 1% results in an increase of 7.7%.

(c) Approved that affordable rents (inclusive of service charge) are also increased by 7.7% in line with the increase for social rents.

(d) Approved that rents for affordable shared ownership properties are increased by 7.7% or RPI at January 2024 plus 0.5% whichever is the lower, from April 2024.

(e) Approved that garage rents be increased by 7.7% in line with the increase for social rents.

(f) Approved the proposed service charges for HRA services and facilities

provided to both tenants and leaseholders, as shown in Appendix D.

HRA: Capital

(g) Approved the required level of funding for new build investment between 2024/2025 and 2028/2029 to ensure that commitments can be met in respect of the investment of all right to buy receipts currently retained or anticipated to be received by the authority for this period. This expenditure will take the form of HRA new build, with the 60% top up met by other HRA resources.

(h) Approved the HRA Medium Term Financial Strategy forecasts as shown in Appendix B.

(i) Approved the Housing Capital Programme as shown in Appendix C.

Options Considered: There were a number of other options regarding budget setting, but the budget as presented represented the best use of resources within the constraints that existed.

Reason for Decision: Account (HRA) Revenue Budget and Capital Programme.

12. **General Fund Medium Term Financial Plan**

Cabinet:

(a) Acknowledged the projected changes in service spending and the overall resources available to the Council over the medium term to 2028/2029.

(b) Recommended to Council the updated financial forecast at Appendix A.

Options Considered: The option existed of not approving the new MTFS.

Reason for Decision: To ensure that Cabinet was aware of the financial challenges over the medium term, the key service and financial drivers of the financial forecast and the strategic response required to meet the financial challenge to ensure that the Council would be in a position over the medium term to deliver sustainable and affordable public services.

To provide Cabinet with an update of the financial position and forecasts for the General Fund over the medium term following a review of financial assumptions.

To enable Cabinet to recommend the financial forecasts to Council for approval in order to assist in the Council's financial planning.

13. **Localised Council Tax Support Scheme 2024-25**

Cabinet recommended to Council the continuation of the successful 2023/24 LCTS scheme, proposing a reasonable uprating of 6.7% for the upcoming financial year 2024/25.

Options Considered: Several options had been considered, including:

- a) No increase on calculation parameters
- b) 3% increase on calculation parameters
- c) Increase in calculation parameters in line with CPI in September 2023(6.7%)

Options a and b were deemed potentially detrimental, leading to a reduction in LCTS and an increased burden on residents with lower incomes. Therefore, option c, aligning with the CPI of September 2023 (6.7%), was recommended for its balanced approach and positive impact on the community.

Reason for Decision: Amid the economic uncertainty associated with the current cost-of-living crisis, the revised LCTS scheme implemented in 2023/24 had not only facilitated South Cambridgeshire's residents in meeting their council tax obligations but had also streamlined staffing resources, resulting in operational efficiency.

The 2023/24 LCTS scheme demonstrated its commitment to supporting residents with an approach by incorporating an annual uprating of calculation parameters aligned with the Consumer Price Index as of September (CPI September 2023, 6.7%). This strategic measure not only reflected the council's dedication to addressing the cost of living but also ensured that the aim of supporting residents remains steadfast and effective.