

CABINET

WEDNESDAY, 5 FEBRUARY 2020

Decisions and Recommendations

Set out below is a summary of the decisions taken at the meeting of the Cabinet held on Wednesday, 5 February 2020. 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 Ian Senior.

1. GREENING OF SOUTH CAMBRIDGESHIRE HALL

Cabinet

- (a) reviewed the Investment Grade Proposal (IGP) key points contained within the report, and the IGP Executive Summary document at Appendix A;
- (b) approved the full business case detailed within the report and Appendix A; and
- (c) approved the progression of the project to the implementation phase.

Options Considered: None specified

Reason for Decision: Being 'Green to Our Core' has been identified as a key priority within the council's 2019-24 Business Plan. As part of this priority South Cambridgeshire District Council has declared a Climate Emergency and is committed to reaching zero carbon by 2050.

South Cambridgeshire Hall is the main base from which the Council operates. It is the landmark from which we want to show how the Council is responding to zero carbon agenda. As such, the greening of South Cambridgeshire Hall forms a central part of our 'Green to our Core' programme.

These recommendations are required to enable this project to progress to implementation stage, which would see the installation of a range of measures to reduce the emissions from the South Cambridgeshire Hall office building, achieving savings on energy bills and revenue from generation of heat and electricity.

The recommendation is for Cabinet to provide approval for all seven 'energy conservation measures' included within the IGP. These include both energy efficiency and renewable energy generation measures. The successful completion of all seven measures is integral to the achievement of overall return on investment and emissions savings.

This project will be delivered through an energy performance contract with our procured contractor Bouygues. The energy performance contract will guarantee the cost saving, payback and carbon reduction outlined within the IGP document. The contract is based on an integrated programme of energy conservation measures. The removal of any individual energy conservation measure would have a detrimental impact on the overall guaranteed financial business case and guaranteed emissions savings.

2. 2020-25 BUSINESS PLAN

Cabinet

- (a) Recommended that Full Council approve the proposed 2020-25 Business Plan action grid at Appendix A to the report; and
- (b) Authorised the Chief Executive to make any minor wording changes required to final drafts, in consultation with the Deputy Leader.

Options Considered: None specified

Reason for Decision: The Business Plan action grid gives clear and measurable actions that the Council will carry out up until 2025 to achieve the overarching priorities. The Business Plan is used to ensure officer and financial resources are allocated appropriately to achieve the actions and objectives detailed within it.

3. CAPITAL STRATEGY

Cabinet recommended to Full Council (i) 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, and (ii) Prudential Indicators.

Options Considered:

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 (2017 edition) and Prudential Code Guidance Notes for Practitioners (2018 edition), CIPFA's Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes (2017 edition), and revised Statutory Guidance on Local Government Investments (3rd Edition) issued in February 2018.

4. CAPITAL PROGRAMME 2020/2021 TO 2024/2025

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

Options Considered: The option exists to vary the capital programme, but the allocations included reflect Business Plan priorities and decisions previously made by the Council, including the last update to the capital programme on 28 November 2019.

Reason for Decision: To enable the Cabinet to consider variations to the Capital Programme 2019/2020 to 2024/2025 that was approved by Council at its meeting on 28 November 2019.

5. LOCALISED COUNCIL TAX SUPPORT SCHEME: 2020/2021 Not for call in

Cabinet recommended to Full Council

- (a) the adoption of Option 1, comprising the LCTS Income Bands scheme currently in operation, with an uprating of calculation figures in line with the Consumer Price Index;
- (b) the delegation of future annual inflation adjustments to scheme limits to the Head of Finance in liaison with the Lead Member for Finance.

Options Considered: The following options have been considered:

Option 1:

Continue with the current scheme in place with necessary adjustments for scheme uprating in line with CPI. The estimate of LCTS is broadly similar to the current scheme in place (Option 2), excluding increases to the Council Tax charge.

The Banded Scheme enables smaller changes not to affect LCTS awards. The modelling undertaken based on uprating for CPI will only affect a small number of claimants (65) increasing total LCTS awarded in total by £11,000 annually. The increased cost would be shared between the major preceptors based upon their respective share of total Council Tax.

Option 2:

Continue with the current scheme in place without any adjustments to the calculation figures to allow for inflation.

This option will be broadly similar in cost to 2019/2020 excluding increases to the Council Tax charge. It would mean that some low income households would be paying marginally more Council Tax although the numbers are small; the cost of living rises in income that a claimant receives may not cover all increases in living cost and they may as a result be financially worse off.

Reason for Decision: The current LCTS scheme was introduced on 1st April 2019 to enable the roll out of Universal Credit (UC) to be accommodated by minimising the number of amendments to Council Tax Support arising from UC thereby affording the Council and claimants some stability by not needing to constantly amend the amount of Council Tax payable which would have additional costs for the Council. An uprating of scheme in line with Consumer Price Index (CPI) will ensure that those residents in receipt of benefits and limited means will not be worse-off due to inflation.

6. TREASURY MANAGEMENT STRATEGY

Cabinet

- (a) 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; and
- (b) Supported the continuation of the interest rate of 3.85% on advances made to Ermine Street Housing during 2020/2021 and the issue of a formal loan agreement to South Cambs Limited to reflect the capital allocations identified in the Council's approved capital programme.

Options Considered: The option of not adopting the revised Treasury Management Strategy is not considered to be appropriate. The CIPFA Code of Practice (2017) requires the Council to approve the Strategy before the start of each financial year. Local politicians and officers operate within local governance frameworks of checks and balances to ensure that decision-making is lawful, informed by objective advice, transparent and consultative. Good governance means that proper arrangements are in place to ensure that an authority's intended treasury management objectives are achieved and establishing a policy framework for the development, management and monitoring of all treasury management activity.

Reason for Decision: To establish and approve an updated Treasury Management Strategy that complies with the Chartered Institute of Public Finance & Accountancy (CIPFA) revised Prudential Code for Capital Finance in Local Authorities. To review the terms of lending to South Cambs Limited during 2020/2021 and the support required to achieve the portfolio of 500 homes identified in the Company Business Plan.

7. REVIEW OF RESERVES & PROVISIONS

Cabinet recommended to Full Council:

- (a) That the Reserves as summarised at paragraph 13 of the report be released and transferred to the General Reserve on 31 March 2020.
- (b) That the Reserves proposed for replenishment or combination, and the outstanding balances at 31 March 2020 proposed for release, as detailed in Appendix A to the report, be approved.
- (c) That the proposed new Reserves, as summarised at paragraph 16 of the report, be approved.
- (d) That the movement in Reserves in 2019/2020 as set out in Appendix A, and the estimated balance of Reserves of £41.763 million, be noted.

Options Considered: The option of not reviewing Reserve and Provision balances is 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 reviews the balances held in established reserves to confirm that the allocations remain valid and thus still needed for the purposes outlined and that they are at the correct level to meet this requirement.

8. PROPOSED FEES AND CHARGES: 2020/2021

Cabinet

- (e) Approved the fees and charges as detailed in Appendix B of the report to take effect from 1 April 2020 (unless otherwise stated) or the earliest feasible date thereafter;
- (f) Noted the proposed variations to fees and charges in comparison to the prevailing inflation rate detailed in the report;
- (g) Delegated to Heads of Service, following consultation with Lead Cabinet Members, authority to vary charges or introduce new charges during the course of the year where it is considered essential to do so in order to maintain income levels, improve the service offer to users and/or where opportunities arise to increase income.

Options Considered: While the Council could choose to do so, the option of not adopting the revised fees and charges from 1 April 2020 is not considered to be appropriate. The Council is required by law to set a balanced budget and the additional income from fees and charges contributes to this. In determining the new fee scales, due regard has been given to the sensitivity of price increases on the demand for the service.

Reason for Decision: To ensure that the Council receives income from fees and charges where allowable to contribute to the funding of services, to enable discretionary services to be provided and to assist the Council in preparing its Revenue Budget for 2020/2021.

9. SUMMARY GENERAL FUND REVENUE BUDGET 2020/2021

Cabinet

- (h) took into account the detailed budgets presented at Appendix B (white pages), and summarised at Appendix A (blue page), with an estimated General Fund Gross Operating Expenditure for 2020/2021 of £65.899 million, estimated Gross Operating Income of £41.617 million and estimated General Fund Net Operating Expenditure of £24.282 million;
- (i) Acknowledged the key factors which have led to the proposed General Fund Revenue Budget, with service pressures summarised at Appendix C (green pages) and offsetting efficiency savings/policy options summarised at Appendix D (yellow pages);
- (j) Acknowledged that the 2020/2021 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 identify matching savings and/or additional income if the proposed level of Council Tax is not to change;
- (k) Approved the 2020/2021 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);
- (l) Set the Council Tax Requirement for 2020/2021 at £9,562,361;
- (m) Approved an increase in the District element of the Council Tax of £5 per annum, giving an average Band D Council Tax of £150.31, plus the relevant amounts required by the precepts of the Parish Councils, Cambridgeshire County Council, Cambridgeshire Police & Crime Commissioner and the Cambridgeshire Fire Authority;
- (n) Authorised the Head of Finance, on the basis of the proposals set out in the report, to prepare the formal Council Tax Resolution for presentation to Council at its scheduled meeting on 20 February 2020;
- (o) Approved the estimates of the amounts required to be made under the Non-domestic Rating (Rates Retention) Regulations 2013 as set out in paragraphs 31 to 34;
- (p) Approved the acceptance of any grants made during 2019/2020 by the Government under Section 31 of the Local Government Act 2003 in respect of Business Rates;
- (q) Approve the use of the additional income from the Business Rate Pool, estimated at £1,100,000 in 2020/2021, for transfer to the established Renewables Reserve for priority projects;

- (r) Subject to any changes to the recommendations above, recommend to Full Council:
 - (i) The 2020/2021 General Fund Revenue Budget based on known commitments at this time and planned levels of Service/functions resulting in a Budget Requirement of £24.329 million;
 - (ii) The District Council Precept on the Collection Fund (Council Tax Requirement) of £9.562 million in 2020/2021 (based on the Provisional Government Settlement) and a Band D Council Tax of £150.31.

Options Considered: There are 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 includes all items required to deliver council services and member priorities. The gross expenditure is covered by forecast income sources (assuming no change in Government grant) and, therefore, any addition(s) to expenditure that are required will need to identify matching savings and/or additional income if the proposed level of Council Tax is not to change.

Reason for Decision: To enable the Cabinet to recommend to Full Council the 2020/2021 General Fund Revenue Budget.

10. HOUSING REVENUE ACCOUNT REVENUE & CAPITAL BUDGET: 2020/2021 Cabinet

Housing Revenue Account (HRA): Revenue

- (s) Recommended that Full Council approve the HRA revenue budget for 2020/2021 as shown in the HRA Budget Summary as presented at Appendix A to the report;

HRA: Review of Rents and Charges

- (t) Approved that council dwelling rents for all social rented properties be increased by the Consumer Prices Index plus 1% (2.7%), in line with legislative requirements introduced as part of the Welfare Reform and Work Act, with effect from 1st April 2020;
- (u) Approved that affordable rents are reviewed in line with rent legislation, to ensure that rents charged are no more than 80% of market rent for 2020/2021. Local policy is to cap affordable rents at the lower level of Local Housing Allowance, which will result in rent variations in line with any changes notified to the authority in this level, effective from 1st April 2020;
- (v) Approved inflationary increases of 2% in garage rents for 2020/2021, in line with the base rate of inflation for the year assumed in the proposed HRA Budget.
- (w) Approved the proposed service charges for HRA services and facilities provided to both tenants and leaseholders, as shown in Appendix D.

HRA: Capital

- (x) Approved the required level of funding for new build investment between 2020/2021 and 2024/2025 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 70% top up met by other HRA resources;
- (y) Recommended that Full Council approve the HRA Medium Term Financial Strategy forecasts as shown in Appendix B;
- (z) Recommended that Full Council approve the Housing Capital Programme as shown in Appendix C.

Options Considered: There are several other options regarding budget setting, but the budget as presented represents the best use of resources within the constraints that exist.

Reason for Decision: To enable the Cabinet to recommend to Full Council the 2020/2021 HRA Revenue Budget and Capital Programme.

11. ERMINE STREET HOUSING BUSINESS PLAN

Cabinet

- (a) Received the confidential Ermine Street Business Plan for the period 2019/2020 to 2027-2028 for information; and
- (b) Requested that a further issues / options report be submitted to Cabinet in respect of the future direction and business objectives of Ermine Street Housing from 2021-2022.

Options Considered: None specified

Reason for Decision: As stated in the confidential report.

12. THIRD PARTY LOAN

Cabinet is recommended to Full Council:

- (a) The approval of an investment of up to the sum stated in the confidential report by way of a 3rd party loan, on the basis of the terms referred to in the exempt report.
- (b) The requirement for a legal agreement between South Cambridgeshire District Council and the third party as set out in the exempt report.

Options Considered: Agree to the loan (subject to PWLB confirmation) on terms that are beneficial to the District Council.

Or

Refuse the loan request

Reason for Decision: As set out in the confidential report.

