

Cabinet

Wednesday, 3 February 2021

Decisions

Set out below is a summary of the decisions taken at the meeting of the Cabinet held on Wednesday, 3 February 2021. 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 Jonathan Malton.

1. Doubling Nature Strategy

Cabinet:

Adopted the draft Doubling Nature Strategy at Appendix A, subject to minor amendments by the Lead Officer in consultation with the Leader of the Council.

Options Considered: Cabinet could have:

Not adopted the Doubling Nature Strategy

Reason for Decision: The Doubling Nature Strategy sets out in high-level terms the Council's approach to achieving the aim agreed at Full Council in July 2019 to double nature in South Cambridgeshire.

The Climate and Environment Advisory Committee recommended adoption of the Doubling Nature Strategy at its meeting on 12 January.

2. Greater Cambridge Housing Strategy Annexes

Cabinet:

a) **Approved** the draft policies relating to Build to Rent, Clustering and Distribution of Affordable Housing and Affordable Rents as an annexe to the Greater Cambridge Housing Strategy.

b) Following approval, to delegate authority to the Lead Member for Housing to approve the final policies subject to minor amendments, if any, arising from public consultation

Options Considered: Cabinet could have:

Rejected the draft policies relating to Build to Rent, Clustering and Distribution of Affordable Housing and Affordable Rents.

Reason for Decision: The inclusion of the Build to Rent and Clustering policies as part of the Greater Cambridge Housing Strategy will ensure that the Council

can provide policy direction in terms of applications coming forward for Build to Rent schemes and the clustering and distribution of affordable housing. Whilst these policies will not carry the same weight as policies within the Local Plan, they will be a material consideration in determining planning applications and will help to inform the joint Local Plan currently in development.

The policy regarding the setting of Affordable Rents will set out the expectations of the Council in terms of its priorities for homes to be truly affordable. Whilst the Council cannot make this a requirement, the policy draws on the existing partnership approach with Registered Housing Providers to provide clear guidance which they should have regard to when determining their Affordable Rents.

3. General Fund Budget 2021/2022

Cabinet:

Recommended to Council to:

- a) Take 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 2021/2022 of £71.633 million, estimated Gross Operating Income of £49.145 million and estimated General Fund Net Operating Expenditure of £22.488 million;
- b) Acknowledge the key factors which have led to the proposed General Fund Revenue Budget, with service pressures summarised at Appendix C and offsetting efficiency savings/policy options summarised at Appendix D;
- c) Acknowledge that the 2021/2022 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) Approve the 2021/2022 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 2021/2022 at £9,994,789;
- f) Approve an increase in the District element of the Council Tax of £5 per annum, giving an average Band D Council Tax of £155.31, plus the relevant amounts required by the precepts of the Parish Councils, Cambridgeshire County Council, Cambridgeshire Police & Crime Commissioner and the Cambridgeshire Fire Authority;
- g) Authorise 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 23 February 2021;
- h) Approve the estimates of the amounts required to be made under the Non-domestic Rating (Rates Retention) Regulations 2013 as set out in paragraphs 34 to 37;

- i) Approve the acceptance of any grants made during 2021/2022 by the Government under Section 31 of the Local Government Act 2003 in respect of Business Rates;
- j) Approve the use of the additional income from the Business Rate Pool, estimated at £1,100,000 in 2021/2022, for transfer to the established Renewables Reserve for priority projects;
- k) Subject to any changes to the recommendations above, recommend to Full Council:
 - (i) The 2021/2022 General Fund Revenue Budget based on known commitments at this time and planned levels of Service/functions resulting in a Budget Requirement of £21.719 million;
 - (ii) The District Council Precept on the Collection Fund (Council Tax Requirement) of £9.995 million in 2021/2022 (based on the Provisional Government Settlement) and a Band D Council Tax of £155.31.

Please note that recommendations to Council are not subject to call in.

Options Considered: Cabinet could have:

Removed or added items to the General Fund Budget for 2021/2022, 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 they are to be included.

Reason for Decision: To enable the Cabinet to recommend to Full Council the 2021/2022 General Fund Revenue Budget.

4. **Housing Revenue Account Budget 2021/2022**

Cabinet:

Recommended to Council to:

- a) Approve the HRA revenue budget for 2021/2022 as shown in the HRA Budget Summary as presented at Appendix A;
- b) Approve that council dwelling rents for all social rented properties be increased by the Consumer Prices Index plus 1% (1.5%), in line with legislative requirements introduced as part of the Welfare Reform and Work Act, with effect from 1st April 2021;
- c) Approve that affordable rents are reviewed in line with rent legislation, to ensure that rents charged are no more than 80% of market rent for 2021/2022. 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

- 2021;
- d) Approve inflationary increases of 0.6% in garage rents for 2021/2022.
 - e) Approve the proposed service charges for HRA services and facilities provided to both tenants and leaseholders, as shown in Appendix D.
 - f) Approve the required level of funding for new build investment between 2021/2022 and 2025/2026 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;
 - g) Approve the HRA Medium Term Financial Strategy forecasts as shown in Appendix B;
 - h) Approve the Housing Capital Programme as shown in Appendix C.

Please note that recommendations to Council are not subject to call in.

Options Considered: Cabinet could have:

Not recommended to Council to approve the Housing Revenue Account Revenue and Capital Budget for 2021/2022, 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 2021/2022 HRA Revenue Budget and Capital Programme.

5. Capital Investment Programme

Cabinet:

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

Please note that recommendations to Council are not subject to call in.

Options Considered: Cabinet could have:

Varied the expenditure within 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 7 December 2020 and slippage identified since then.

Reason for Decision: To enable the Cabinet to consider variations to the Capital Programme 2020/2021 to 2025/2026 that was approved by Council at its meeting on 7 December 2020.

6. 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 the Treasury Management Policy Statement, Minimum Revenue Provision Policy and Treasury Indicators.

Please note that recommendations to Council are not subject to call in.

Options Considered: Cabinet could have:

Not recommended to Council to adopt the Treasury Management Strategy, but this 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 changes to the rules around local authority borrowing from the Public Works Loans Board (PWLB) introduced effective from 26 November 2020.

7. **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, and Prudential Indicators, subject to minor amendments by the Head of Finance in consultation with the Lead Cabinet Member for Finance.

Please note that recommendations to Council are not subject to call in.

Options Considered: Cabinet could have:

Not recommended to Council to adopt the revised Capital Strategy, but this not considered to be appropriate. Local authorities are accountable to their communities for how they spend their money and for ensuring that this spending is prioritised and represents value for money. 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 requires that proper arrangements need to be in place to ensure that an authority's intended objectives are 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 must be a key commitment to ensure that authorities remain financially sustainable and respond 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 (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.

8. Local Council Tax Support

Cabinet:

Recommended to Council, at its meeting on 23 February 2021 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.

Please note that recommendations to Council are not subject to call in.

Options Considered: Cabinet could have:

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 (Option2), 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 estimate of £15,000 annually; the increased cost would be shared between the major preceptors based on their share of total council tax .

Option 2: Continue with the current scheme in place without any adjustments to calculation to allow for inflation. This option will be broadly similar in cost to 2020/21 excluding increases to the Council Tax charge. This option would mean that some low income households would be paying more council tax although the numbers are small; cost of living rises in income claimant received may not cover all increases in living cost and they may be financially worse off.

Reason for Decision: There is considerable economic uncertainty due to COVID 19 and the current LCTS scheme has supported South Cambridgeshire's residents to pay their Council Tax. and expenditure within the existing budget

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.