



Cabinet

Minutes

Monday, 12 February 2024 at 14:00

PRESENT:-

Councillor Smith (Leader & Portfolio Holder for Finance, Governance and Major Projects) (in the Chair), Councillors Plant (Deputy Leader & Portfolio Holder for Operational Property and Asset Management); Flaxman - Taylor (Portfolio Holder for Housing Health and Communities); Bensly (Portfolio Holder for Tourism, Culture & Coastal); Candon (Portfolio Holder for Economic Development & Growth); & Wells (Portfolio Holder for Environment & Sustainability, Waste and Licensing).

Also in attendance:-

Ms S Oxtoby (Chief Executive Officer); Ms C Whatling (Monitoring Officer), Mrs P Boyce (Executive Director - People), Ms K Sly (Executive Director - Resources), Mrs N Hayes (Executive Director - Place), Mr I Robertson (Executive Director - Major Projects), Mrs N Turner (Head of Housing Assets), Mrs M Lee (Head of Customer Services), Mrs D Wilby (Licensing & Elections Manager), Mr T Williams (Media & Communications Manager), Mr D Zimmerling (IT Support) & Mrs C Webb (Democratic Services Officer).

Councillors Wainwright & Williamson attended as observers to the meeting.

01 APOLOGIES FOR ABSENCE

There were no apologies for absence given at the meeting.

02 DECLARATIONS OF INTEREST

There were no declarations of interest given at the meeting.

03 ITEMS OF URGENT BUSINESS

The Leader of the Council reported that there were no items of urgent business to be considered by Cabinet.

04 LICENCE FEES - HACKNEY CARRIAGE AND PRIVATE HIRE

Councillor Wells, Portfolio Holder for Environment, Sustainability & Licensing & Waste, reported that under the Miscellaneous Provisions Act the authority is able to set fees and charges for Hackney Carriages and Private Hire. These must be considered reasonable with a view to recovering costs for issue, administration and compliance.

As required by legislation the proposed fees have been consulted on by way of notice in the local paper for 28 days, from the 8 December 2023 to 8 January 2024. Several comments from the trade were received, as outlined in Appendix 2, and therefore consideration must be given to these before approval.

Councillor Wells reported that the Council can either approve the fees as proposed or modify the fees after consideration of the objections. Cabinet are therefore asked to consider the proposed Hackney Carriage and Private Hire licence fees, as part of fees and charges setting process, for 2024/2025 as a result of comments received and as detailed on page 4 of the agenda, to recommend to Council to approve the proposed fees without modification for 2024/2025.

RESOLVED:-

That Cabinet recommend to Council to approve the proposed fees without modification for 2024/2025.

05 2024/25 GENERAL FUND AND HOUSING REVENUE ACCOUNT BUDGET REPORT

The Leader of the Council reported that this report presents for consideration for recommendation to Council next week the 2024/25 revenue and capital budgets for the general fund and housing revenue account.

The Leader of the Council reported that in respect of the general fund budget, this has been informed by the one-year local government finance settlement for the 2024/25 financial year which was provisionally announced in December and updated

for the final settlement as announced last week which resulted in a further allocation of £16,000 which will be reflected in the final report to Council next week and results in a slightly smaller call on reserves.

The Leader of the Council reported the detail of the budget along with the assumptions used to inform the position are included within the commentary of the report and within the supporting appendices. The budget reflects many months of work including a number of joint cross party working groups which have informed the production of savings and income opportunities to be delivered for the 2024/25 year.

The Leader of the Council reported that Members will recall that the Medium-Term Financial Strategy as reported in November forecast a gap of just over £2.5million for the coming financial year and set a savings target of £2million for 2024/25.

The Leader of the Council reported that the budget presented for consideration by Cabinet today for recommendation to Council includes the savings approved by Council at the meeting in December 2023, totalling just over £1.1million.

The Leader of the Council reported that in addition to other savings that were in progress, plus the further savings of £334,000 to be approved as part of this report; savings and additional income totalling £1.7million are included in the budget for 2024/25. This means there is a reliance on the general reserve in 2024/25 of £658,885 to produce a balanced budget.

The Leader of the Council reported that the budget process for 2024/25 has been challenging, the additional cost pressures that the council continues to face which is not matched by funding increases continues to have an impact on the financial position, for example:-

- increases in utility costs, despite renegotiation of electricity contracts, energy costs continue to be significant cost;
- the cumulative impact of past pay awards;
- Other pressures on the revenue budget are from higher interest rates and the impact of financing the capital programmes from borrowing, which has partly been mitigated by an increase in interest receivable;
- Contract inflation on contracts that we have for example for provision of software and other services – whilst some of these can be negotiated, where CPI is a factor these present a pressure.

The Leader of the Council reported that the budget assumes the increase in a band D Council tax for the Boroughs element of the Council tax bill which will increase the annual amount for a band D property to £186.90, this is an increase of 2.99%, £5.42.

The Leader of the Council explained that Council continues to hold a number of earmarked reserves which along with the general reserve provides some financial stability, however the use of reserves does not provide a long term solution and we continue to lobby the government around the fair fund allocation of resources.

The Leader of the Council explained that the report also includes for approval a number of capital bids as listed at Appendix I, some of which will be subject to more detailed business cases ahead of releasing funds. In relation to the Housing Revenue Account budget for 2024/25, the report presents the revenue and capital budgets for the Council's activity as a landlord for its 5,746 homes and 382 lease holders.

The Leader of the Council reported that the 2024/25 budget for the HRA reflects the current revenue requirements for housing management and capital programme

investment on housing as well as the current provision of the repairs and maintenance service via the partnership with Norse. There will be a reset of the budget in the 2024/25 year following the stock condition survey which has been completed in the current year and also once the service has been insourced to inform a more accurate view on the make up the budgets moving forward. In the medium term the budget and forecasts presented assume additional borrowing to support the affordable homes capital delivery programme and continued investment in the housing stock.

The Leader of the Council reported that the rent setting for the year, assumes the rent cap of CPI plus 1% which equates to 7.7% for 2024/25, this has been used to inform the budget modelling for 2024/25 and future years. For the HRA the budget as recommended is a deficit of £2.8m, this still allows the recommended balance to be maintained and the overall budget will be subject to further review once the outcome of the stock condition survey is quantified.

In summary, the Leader of the Council reported that for the general fund, whilst the report presents for approval the budget for 2024/25, the high-level future financial forecasts have been included for information which show a forecast gap of £2.2million for 2025/26 for which early work will commence in the new year on options to close this deficit.

The Leader of the Council reported that Cabinet are asked to note that there has been a change to recommendation 3, b) as the final parish precepts have been confirmed as £797,302. The transfer from general reserves has been updated to £658,885, from the figure previously published in the agenda following the final settlement.

The Leader of the Council reported that Cabinet are asked to note there has been a change to recommendation 5, in regard to paragraph 3.5 of the report, that the proposed Staff Parking Permits be removed, at a projected saving of £30k for 2024/25, as there was a need for more consultation to be undertaken with staff. The Leader of the Council asked that the reduction in savings of £30k be amended in the general fund figures.

The Leader of the Council reported that the Council had only received 0.7% as additional government financial settlement, whereas other Local Authorities, such as Breckland DC, had received 1%. Brandon Lewis MP and the Leader of the Council would be writing to the Secretary of State to challenge this discrepancy.

The Executive Director - Resources confirmed that the additional government financial settlement was 0.7% which amounted to an additional £16k.

Councillor Wainwright asked if the funding for Lifeguard provision had been removed from the budget whilst alternative funding streams were investigated. The Leader of the Council confirmed that it had been removed.

Councillor Wainwright asked where the saving relating to the closure of Greyfriars House was reflected in the budget which he believed to be a saving of £200k. The Executive Director - Resources informed Cabinet that the closure of Greyfriars House was split in to two lines; closure costs and off times and the closure costs was now predicted to save £58k for part of the budget year 2024/25. The savings in the off time was reflected elsewhere in the budget. The Leader of the Council reported that Greyfriars House was expected to close in July 2024.

The Leader of the Council reported that Cabinet are therefore, as detailed on page 16 of the agenda report, and as amended at the meeting, are asked to recommend to Council the following :-

- 1) The general fund revenue budget as detailed at Appendix A;
- 2) The Council Tax for 2024/25 for the Borough Council tax be £186.90 (for an average Band D);
- 3) That the demand on the Collection Fund for 2024/25 be:
 - a) £5,715,780 for the Borough Council purposes;
 - b) That £797,302 for Parish Precepts (subject to two parishes finalising their precepts)
- 4) The new fees and charges as outlined at Appendix E be approved;
- 5) The additional savings and income proposals as detailed at 3.5; with the budget line relating to Parking Permits to be removed to allow for further consultation;
- 6) The approval of a cashflow facility for GYS as outline at 3.10;
- 7) The reserves statement and movement on the reserves as detailed at Appendix F and within section 4 of the report;
- 8) The Policy framework for reserves as detailed at Appendix G;
- 9) The updated Capital Programme and financing for 2023/24 to 2024/25 as detailed at Appendix H and within section 6.4;
- 10) The new capital bid proposals at Appendix I;
- 11) The addition of £250,000 to the capital contingency budget for the provision of project management cost;
- 12) The Minimum Revenue Provision Statement 2024/25 as included at Appendix J.
- 13) The housing revenue account budget as detailed at Appendix K and L and recommend to transfer £1.4m revenue to HRA earmarked reserves in 2023/24.
- 14) An increase to all housing rents by 7.7%, cap Affordable rents to 130% of local housing allowance rates and increase Service charges as outlined at Appendix M; and
- 15) The housing revenue account capital programme and financing for the revised 2023/24 position and 2024/25 – 2028/29 as detailed at Appendix N

RESOLVED:-

That Cabinet recommend to Council the following, as amended at the meeting :-

- 1) The general fund revenue budget as detailed at Appendix A;
- 2) The Council Tax for 2024/25 for the Borough Council tax be £186.90 (for an average Band D);
- 3) That the demand on the Collection Fund for 2024/25 be:
 - a) £5,715,780 for the Borough Council purposes;
 - b) £797,302 for Parish Precepts (subject to two parishes finalising their precepts)
- 4) The new fees and charges as outlined at Appendix E be approved;
- 5) The additional savings and income proposals as detailed at 3.5; with the budget line relating to Parking Permits to be removed to allow for further consultation;
- 6) The approval of a cashflow facility for GYS as outline at 3.10;
- 7) The reserves statement and movement on the reserves as detailed at Appendix F and within section 4 of the report;

- 8) The Policy framework for reserves as detailed at Appendix G;
- 9) The updated Capital Programme and financing for 2023/24 to 2024/25 as detailed at Appendix H and within section 6.4;
- 10) The new capital bid proposals at Appendix I;
- 11) The addition of £250,000 to the capital contingency budget for the provision of project management cost;
- 12) The Minimum Revenue Provision Statement 2024/25 as included at Appendix J.
- 13) The housing revenue account budget as detailed at Appendix K and L and recommend to transfer £1.4m revenue to HRA earmarked reserves in 2023/24.
- 14) An increase to all housing rents by 7.7%, cap Affordable rents to 130% of local housing allowance rates and increase Service charges as outlined at Appendix M; and
- 15) The housing revenue account capital programme and financing for the revised 2023/24 position and 2024/25 – 2028/29 as detailed at Appendix N

06 STRATEGY DOCUMENTS RELATING TO BUDGET

The Leader of the Council reported that this report was presenting the Council's 3 Strategies, capital, investment & treasury management for approval alongside the budget. These strategies are intrinsically linked so are presented together. They all support and impact on the 2024/25 budget and medium-term financial strategy.

The Leader of the Council reported that the capital strategy details the Council's planned capital expenditure and how it is to be financed recognising how capital spend contributes to local service provision and covers General Fund, Housing Revenue Account and commercial capital spend & financing.

The Leader of the Council reported that the capital strategy recognises the ongoing impact of capital financial decisions taken now on future budgets. In light of this the capital strategy also considers the risks around the capital spend and how these are mitigated, as well as the sustainability of the planned spend.

The Leader of the Council reported that the investment strategy focuses on commercial and service investments and recognises the ongoing implications of related investment decisions now, and in the past, have on future revenue budgets. The strategy provides the framework for specific investment decisions that may be presented as part of a business case in the coming financial year.

The Leader of the Council reported that the final strategy that was presented for

approval alongside the setting of the annual budget is the treasury management strategy for the forthcoming financial year. The strategy outlines the approach to the borrowing and investment activity and managing these in a prudent way that has regard to security and liquidity ahead of the highest rate of return and ensuring that sufficient cash is available to meet the capital expenditure plans.

The Leader of the Council reported that the treasury management strategy covers both the borrowing for the general fund and the housing revenue account taking into account future borrowing requirements which are aligned to the approved capital programme for the Council as presented within the budget reports.

The Leader of the Council informed Cabinet that the monitoring of the strategies will be provided during the year with prudential indicators included as part of budget monitoring reports, and a half yearly report against the Treasury Management Strategy being made to Members later in the year.

The Leader of the Council reported that Cabinet are, as detailed on page 84 of the agenda pack, are asked to recommend the following recommendations to Council:-

- (1) The Capital Strategy for 2024/25,
- (2) The Investment Strategy for 2024/25, and
- (3) The Treasury Management Strategy Statement for 2024/25, including:-
 - (a) The Treasury Investment Strategy (section 4)
 - (b) Prudential Indications (section 5)
 - (c) Operational Boundary and Authorised Limits (Appendix C)

RESOLVED:-

That Cabinet recommend the following for approval by Council:-

- (1) The Capital Strategy for 2024/25,
- (2) The Investment Strategy for 2024/25, and
- (3) The Treasury Management Strategy Statement for 2024/25, including:-
 - (a) The Treasury Investment Strategy (section 4)
 - (b) Prudential Indications (section 5)
 - (c) Operational Boundary and Authorised Limits (Appendix C)

07 EXCLUSION OF PUBLIC

RESOLVED:-

"That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12(A) of the said Act."