

COUNCIL

21 February 2013

EXTRACT FROM MINUTES OF CABINET (13 February 2013)

REPORT OF HEAD OF DEMOCRATIC SERVICES

Contact Officer: Chris Ashcroft Tel No: 01962 848284 [cashcroft@winchester.gov.uk](mailto:cashcroft@winchester.gov.uk)

RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Appendix A to this report sets out five minute extracts for the consideration of Council.

RECOMMENDATION:

That Council considers the matters set out in the minute extracts.

**EXTRACT FROM MINUTES OF CABINET – 13 February 2013****1. DISCLOSURE OF INTERESTS**

Councillors Godfrey and Collin declared disclosable pecuniary interests in respect of Reports CAB2433, CAB2453, CAB2454, CAB2432 and CAB2438 due to their roles as a County Council employee and a County Councillor respectively. However, as there was no material conflict of interest regarding any of these items, they remained in the room, spoke and voted under the dispensation granted on behalf of the Standards Committee.

In addition, all Cabinet Members, together with other Councillors present and addressing the meeting declared disclosable pecuniary interest in respect of CAB2454 due to them being Council Tax payers within the District. However, as there was no material conflict of interest regarding this item, they remained in the room, spoke and (in the case of Cabinet Members only) voted under the dispensation granted on behalf of the Standards Committee.

**2. REVISED CHANGE PLANS 2013/14**

(Report CAB2449 refers)

The Chairman drew attention to the comments from The Overview and Scrutiny Committee (as set out in Paragraph 2.1 of the Report) regarding required improvements to the presentation of performance information. The Assistant Director (Economic Prosperity) and the Chief Executive advised that work was continuing with the Committee to achieve the best approach in this area and a further Report would be submitted to the Committee at its meeting on 18 March 2013.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

**RECOMMENDED:**

**1. THAT THE CONSULTATION RESPONSES RECEIVED FROM THE OVERVIEW AND SCRUTINY COMMITTEE AND THE WINCHESTER DISTRICT STRATEGIC PARTNERSHIP EXECUTIVE GROUP BE NOTED.**

**2. THAT THE AMENDMENTS TO THE CHANGE PLANS 2013/14 BE ACCEPTED, AS SET OUT IN PARAGRAPH 2.1 OF THE REPORT.**

**3. THAT THE CHANGE PLANS FOR 2013/14 BE APPROVED AS ATTACHED AT APPENDIX 1 TO THE REPORT, SUBJECT TO ANY MINOR AMENDMENTS DELEGATED TO THE CHIEF EXECUTIVE OR ASSISTANT DIRECTORS, IN CONSULTATION WITH THE RELEVANT PORTFOLIO HOLDER.**

3. **MINUTES OF THE CABINET (HOUSING) COMMITTEE HELD 30 JANUARY 2013 (LESS EXEMPT MINUTES)**  
(Report CAB2434 refers)
4. **HOUSING REVENUE ACCOUNT BUDGET 2013/14 AND BUSINESS PLAN – 2013/14 TO 2043/44**  
(Report CAB2445(HSG) refers)

Councillor Coates introduced the Report and drew Cabinet's attention to the key budget items outlined in Report CAB2445(HSG).

At the invitation of the Chairman, Councillor Izard queried the effect on the Housing Revenue Account (HRA) budget and work programme, if the Council was successful in its recent bid to the Homes and Communities Agency for funding from the Care and Support Specialised Housing Fund (Report CAB2441(HD), 17 January 2013 refers).

The Head of Housing Services confirmed that the Housing Capital Programme contained in Appendix 5 of Report CAB2445(HSG) would need to be reassessed if the bid was successful. However, there was sufficient scope within the Programme to enable this.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

**RECOMMENDED:**

1. THAT THE HRA REVISED BUDGET FOR 2012/13 AND THE BUDGET FOR 2013/14 AS SET OUT IN APPENDICES 1 AND 2 OF REPORT CAB2445(HSG) BE APPROVED.
2. THAT THE HRA BUSINESS PLAN AS SET OUT IN APPENDICES 3 AND 4 OF THE REPORT BE APPROVED.
3. THAT THE HOUSING CAPITAL PROGRAMME AS SET OUT IN APPENDIX 5 OF THE REPORT BE APPROVED.
4. THAT THE 2013/14 MAINTENANCE PROGRAMME AS SET OUT IN APPENDIX 6 OF THE REPORT BE APPROVED.
5. THAT THE TREATMENT OF SURPLUSES AND DEBT AS SET OUT IN PARAGRAPH 3 OF THE REPORT BE NOTED AND THE FORECAST AMOUNT OF DEBT TO BE REPAYED AT 31 MARCH 2013 BE APPROVED AT £3.5M.
6. THAT THE BUSINESS PLAN PRIORITIES AS SET OUT IN PARAGRAPH 4 OF THE REPORT AND THE KEY SERVICE PRIORITIES FOR 2013/14 AS DETAILED IN APPENDIX 7 BE APPROVED.

RESOLVED:

That the remaining minutes of the Cabinet (Housing) Committee held 30 January 2013 be received (as attached as Appendix A to the Minutes).

5. **CAPITAL PROGRAMME 2012/13 TO 2015/16**

(Report CAB2453 refers)

Councillor Godfrey pointed out that the provision made for the River Park Leisure Centre essential repairs would need to be reviewed when the current study on assessing future options was completed and considered later in the year.

Cabinet agreed to the following for the reasons outlined in the Report.

**RECOMMENDED:**

1. THAT THE PROPOSED CAPITAL PROGRAMME FOR 2012/13 TO 2015/16 BE APPROVED AS SET OUT IN APPENDIX A OF THE REPORT, THE PROPOSED FINANCING OF THE PROGRAMME BE NOTED, (ALSO NOTING THAT INDIVIDUAL SCHEMES WITHIN THE CAPITAL PROGRAMME EACH REQUIRE APPROPRIATE APPROVAL BY CABINET OR UNDER THE SCHEME OF DELEGATION INVOLVING PORTFOLIO HOLDERS IN ACCORDANCE WITH FINANCIAL PROCEDURE RULES BEFORE ANY FUNDS ARE COMMITTED).

2. THAT A CHANGE IN THE COUNCIL'S POLICY ON THE ALLOCATION OF USEABLE CAPITAL RECEIPTS ARISING FROM VOLUNTARY HOUSING REVENUE ACCOUNT (HRA) ASSET DISPOSALS BE APPROVED SO THAT ALL SUCH RECEIPTS ARE NOW RETAINED BY THE HRA (REFERENCE PARAGRAPH 4.4 OF THE REPORT).

6. **BUDGET AND COUNCIL TAX 2013/14**

(Report CAB2454 refers)

Cabinet noted that the above Report had not been notified for inclusion on the agenda within the statutory deadline. The Chairman agreed to accept the item onto the agenda as a matter requiring urgent consideration to enable Cabinet to make any recommendations on the Report to Council.

Councillor Godfrey reported two corrections that were required to be made to the Report, as set out below:

- Table at Appendix D, Efficient & Effective Council heading – last item: replace the description in the line “South Downs National Park – Planning Service Fee Reduction” with “Council Tax Payers possible switch to 12 instalments”.

This change reflected the change to give Council Tax payers the option to pay over 12 monthly instalments, rather than 10 at present, and the consequential effect on the Council’s budget through a reduction in interest.

- Correction to Recommendation 2 to correct penultimate budget line, “aggregate of local precepts” to 2,208,002.

Cabinet agreed both these corrections for recommendation to Council.

Cabinet welcomed the proposal not to increase Council Tax in 2013/14. However, Members noted that the additional Government grant payable to local authorities which froze Council Tax rates would only apply for two years. Consequently, Councillor Godfrey stated that consideration had begun as to what action would be required to address the predicted shortfall from 2015/16 onwards.

Although mindful of the time commitments required in undertaking the role of Councillors, Cabinet did not consider it appropriate to recommend an increase in Members’ Allowances for 2013/14, given the overall budget constraints facing the Council. However, it was appropriate to restore the link to HMRC rates for Councillor mileage claims.

At the invitation of the Chairman, Councillor Collin spoke as Chairman of Winchester Town Forum and recommended the Winchester Town Account for approval, as set out in Appendix J of the Report. He also acknowledged the requirement to address the budget shortfall from 2015/16, and indicated that the Town Forum had considered possible ways this might be achieved.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

|                                                                                            |                          |
|--------------------------------------------------------------------------------------------|--------------------------|
| <b>RECOMMENDED:</b>                                                                        |                          |
| 1. THAT THE REVISED ESTIMATE FOR 2012/13 AS SET OUT IN PARAGRAPH 2 OF THE REPORT BE NOTED. |                          |
| 2. THAT THE GENERAL FUND BUDGET FOR 2013/14 BE APPROVED AS FOLLOWS:                        |                          |
|                                                                                            | <u>2013/14</u>           |
|                                                                                            | <u>£</u>                 |
| <b>GENERAL FUND COST OF SERVICES</b>                                                       | <b><u>15,433,844</u></b> |
| <b><u>LESS</u></b>                                                                         |                          |

|                                                            |                           |
|------------------------------------------------------------|---------------------------|
| <b>FINANCING &amp; INVESTMENT INCOME &amp; EXPENDITURE</b> | <b>(67,000)</b>           |
| <b>STATUTORY ADJUSTMENTS (CAPITAL CHARGES)</b>             | <b>2,313,998)</b>         |
| <b>TRANSFERS TO /(FROM) RESERVES</b>                       | <b>(51,231)</b>           |
| <b>COUNCIL TAX SUPPORT GRANT TO PARISHES</b>               | <b>154,802</b>            |
| <b>ADD: AGGREGATE OF LOCAL PRECEPTS</b>                    | <b>2,208,002</b>          |
| <b><u>NET BUDGET REQUIREMENT</u></b>                       |                           |
| <b><u>(INCL. LOCAL PRECEPTS)</u></b>                       | <b><u>15,364,419</u></b>  |
| <b><u>LESS NON-RING FENCED GOVERNMENT GRANTS</u></b>       | <b><u>(6,632,270)</u></b> |
| <b><u>COUNCIL TAX REQUIREMENT</u></b>                      |                           |
| <b><u>(INCL. LOCAL PRECEPTS)</u></b>                       | <b><u>8,732,149</u></b>   |
| <b><u>COMPRISING:</u></b>                                  |                           |
| <b>AGGREGATE OF SPECIAL EXPENSES</b>                       |                           |
| <b>(WINCHESTER TOWN)</b>                                   | <b>792,379</b>            |
| <b>WINCHESTER CITY COUNCIL – GENERAL EXPENSES</b>          | <b>5,731,768</b>          |
| <b><u>COUNCIL TAX REQUIREMENT FOR BILLING</u></b>          |                           |
| <b><u>AUTHORITY</u></b>                                    | <b><u>6,524,147</u></b>   |
| <b>AGGREGATE OF LOCAL PRECEPTS</b>                         | <b>2,208,002</b>          |
| <b><u>COUNCIL TAX REQUIREMENT</u></b>                      |                           |
| <b><u>(INCL. LOCAL PRECEPTS)</u></b>                       | <b><u>8,732,149</u></b>   |

3. THAT THE CHANGES PROPOSED TO THE BUDGET AS SET OUT IN APPENDIX D OF THE REPORT BE APPROVED.

4. THAT THE CAPITAL PROGRAMME SET OUT IN APPENDICES F AND G BE APPROVED.

5. THAT THE POLICY, AS PREVIOUSLY AGREED BY THE COUNCIL ON 14 JULY 1999 (MIN 186 REFERS), BE CONFIRMED TO TREAT ALL EXPENSES OF THE COUNCIL AS GENERAL EXPENSES, OTHER THAN THOSE SPECIFICALLY IDENTIFIED AND ITEMISED IN THE WINCHESTER TOWN ACCOUNT. IN CONSEQUENCE OF WHICH THE SUM OF £792,365 BE TREATED AS SPECIAL EXPENSES UNDER SECTION 35 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RESPECT OF THE WINCHESTER TOWN AREA (APPENDIX J OF THE REPORT REFERS).

6. THAT THE COUNCIL TAX FOR THE SPECIAL EXPENSES IN THE WINCHESTER TOWN AREA AT BAND D FOR 2013/14 TO BE FROZEN AT 2010/11 LEVELS; £61.32.

**7. THAT THE BALANCE ON THE COLLECTION FUND CALCULATED AT 16 JANUARY 2013 OF ZERO FOR COUNCIL TAX, BE APPROVED.**

**8. THAT THE LEVEL OF COUNCIL TAX AT BAND D FOR CITY COUNCIL SERVICES FOR 2013/14 BE FROZEN AT 2010/11 LEVELS; £126.27.**

**9. THAT PARISH COUNCIL TAXES BE NOTED AS IN APPENDIX K OF THE REPORT.**

**10. THAT THE GENERAL INFLATION INDEX IN THE MEMBERS' ALLOWANCES SCHEME BE NOT APPLIED FOR 2013/14.**

**11. THAT THE INFLATION INDEX FOR 2013/14 FOR COUNCILLOR MILEAGE RATES BE APPLIED, SO AS TO RESTORE THE LINK TO HMRC MILEAGE RATES.**

**7. TREASURY MANAGEMENT STRATEGY 2013/14**

(Report CAB2455 refers)

In response to questions, the Head of Finance confirmed that Paragraph 7.5 of the Report referenced a new item in the Strategy which could enable the Council to invest in small and medium sized enterprises. She advised that this option would require further investigation and a future Report which may, if Members wished, stipulate such businesses be based within the District.

Cabinet agreed to the following for the reasons set out above and outlined in the Report.

**RECOMMENDED:**

**1. THAT THE TREASURY MANAGEMENT STRATEGY 2013/14 AS SET OUT IN REPORT CAB2455 BE APPROVED, INCLUDING:**

**A) THE ADOPTION OF THE PRUDENTIAL INDICATORS 2013/14 TO 2015/16 (SEE APPENDIX C) SETTING OUT THE EXPECTED CAPITAL ACTIVITIES (AS REQUIRED BY THE CIPFA PRUDENTIAL CODE FOR CAPITAL FINANCE IN LOCAL GOVERNMENT) AND THE TREASURY MANAGEMENT PRUDENTIAL INDICATORS THAT ARE NOW IN THE CIPFA TREASURY MANAGEMENT CODE OF PRACTICE;**

**B) THE MINIMUM REVENUE PROVISION (MRP) STATEMENT WHICH SETS OUT THE COUNCIL'S POLICY ON MRP (SEE PARAGRAPH 13); AND**

**C) THE ANNUAL INVESTMENT STRATEGY 2013/14  
CONTAINED IN THE TREASURY MANAGEMENT STRATEGY (SEE  
PARAGRAPH 7).**

**2. THAT THE TREASURY MANAGEMENT POLICY  
STATEMENT, AS SET OUT IN APPENDIX G, BE APPROVED.**

**3. THAT IT BE NOTED THAT THE COUNCIL DOES NOT  
INTEND TO USE DERIVATIVE INSTRUMENTS AT THIS STAGE,  
AND THAT ANY CHANGE IN THIS POSITION WOULD REQUIRE  
FULL COUNCIL APPROVAL.**

**4. THAT THE STRATEGY BE KEPT UNDER REGULAR  
REVIEW TO TAKE ACCOUNT OF ANY CHANGES IN THE  
CURRENT GLOBAL ECONOMIC SITUATION.**