

MINUTES OF CABINET MEETING HELD 20 JANUARY 2012

PRESENT

Cabinet Members: Councillor Cereste (chair), Councillor M Dalton, Councillor S Dalton, Councillor Fitzgerald, Councillor Hiller, Councillor Holdich, Councillor Lee, Councillor Scott, Councillor Seaton and Councillor Walsh.

Cabinet Adviser: Councillor Goodwin

1. APOLOGIES FOR ABSENCE

No apologies were received.

2. DECLARATIONS OF INTEREST

No declarations of interest were received.

STRATEGIC DECISIONS

3. BUDGET AND MEDIUM TERM FINANCIAL STRATEGY

Cabinet received a report as part of the council's agreed process for integrated finance and business planning including the changes approved at Full Council meeting of 7 December 2011. The report presented budget proposals for 2012/13 through to 2021/22, extending the budget to a ten year view in line with the provisional local government finance settlement for 2012/13 and the possible outcome for future local government funding arrangements from 2013/14 onwards. The report contained three key sections:

- Cabinet report and summary of council funding implications, including proposals on council tax;
- The budget consultation document to enable scrutiny, stakeholder and public consultation; and
- The draft Medium Term Financial Strategy, including capital strategy, asset management plan and Treasury Strategy. This would allow consultation to take place on these elements.

Councilor Seaton introduced and moved the recommendations in the report highlighting that further reductions were made to the government grant from last year; council tax would increase but still remained one of the lowest in the country; and continued commitment to children's and young people's issues.

During debate of the report it was further highlighted that the city council was supportive of the Hydrotherapy Pool at the St Georges Centre; support for Children's Services improvements would continue; continuing pressures on school provision and places were being addressed; smarter and more efficient working with partner organisations; and new job creation to be maintained to encourage growth and investment in and increase the appeal of the city.

Following debate of the report Cabinet **RESOLVED** to:

1. agree the following as the basis for the next stage of the budget consultation and in light of the announcement of the local government provisional settlement for 2012/13:
 - a) That the MTFFS is set in the context of the council priorities.
 - b) The Budget monitoring report as the latest probable outturn position for 2011/12, noting the use of reserves to deliver a balanced budget.
 - c) The draft revenue budget for 2012/13 and indicative figures for 2013/14 to 2021/22 (including the capacity bids and saving proposals).
 - d) The draft capital programme for 2012/13 to 2021/22 associated capital strategy, treasury strategy and asset management plan.
 - e) The medium term financial plan for 2012/13 to 2021/22, extended to a ten year plan so that the key challenges around delivery of growth can be adequately captured and financial challenges arising from significant local government funding changes be modelled.
 - f) The proposed council tax increase of 2.95% for 2012/13 and indicative increases of 2.95% for 2013/14 to 2016/17 and return to 2.50% for 2017/18 to 2021/22.
 - g) To spend at the level of the Dedicated Schools Grant for 2012/13 to 2021/22.
 - h) The proposals for reserves and balances.
2. That Cabinet approve the budget proposals as the basis to consult with Scrutiny, Staff, Unions, Stakeholders and the public.
3. That Cabinet note and have regard for the continuing uncertainty of national public finances from 2013/14 onwards following the recent government consultations on funding arrangements and the Chancellor's Autumn budget statement immediately preceding the announcement of the local government provisional finance settlement.

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget.

The Council is required to set a Council Tax for 2012/13 within statutory prescribed timescales and in accordance with the local referendum requirements contained within the Localism Act 2011.

Before setting the level of Council Tax, the Council must have agreed a balanced budget.

ALTERNATIVE OPTIONS CONSIDERED

Alternative levels of Council Tax increase and areas for growth/savings can be considered but this must be seen in the context of the Sustainable Community Strategy and other constraints, along with the loss of council tax freeze grant that any increase would lead to.