

MINUTES OF CABINET MEETING HELD 6 FEBRUARY 2017

PRESENT:

Cabinet Members: Councillor Holdich (Chair), Councillor Elsey, Councillor Fitzgerald, Councillor Goodwin, Councillor Hiller, Councillor Seaton, Councillor Smith and Councillor Walsh

Cabinet Advisors: Councillor Casey and Councillor Stokes

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Lamb.

2. DECLARATIONS OF INTEREST

No declarations of interest were received.

3. MINUTES OF THE CABINET MEETINGS HELD ON 16 JANUARY 2017

The minutes of the meeting held on 16 January 2017 were agreed as a true and accurate record.

STRATEGIC DECISIONS

4. MEDIUM TERM FINANCIAL STRATEGY (MTFS) 2017/18 – 2026/27

Cabinet received a report as part of the Council's agreed two-stage budget process as set out within the constitution and as per legislative requirements to set a balanced budget for 2017/18

The purpose of the report was to consider budget proposals for consultation. Cabinet would have a further opportunity to review the consultation feedback on proposals on 27 February 2017 before making a final recommendation to Council.

The Cabinet Member for Resources introduced the report and outlined the proposals for the budget conversation. It was noted that since 2010 the Council's government grant had been reduced by 50%. The financial settlement from central government had not yet been announced. A cross party working group had examined the proposal prior to their submission to Cabinet. No reduction in services had been suggested within the proposals, which included a continued focus on investment in services for residents. An increase in Council Tax was recommended, which included an increase in the Adult Social Care precept. It was noted that the Police Authority had agreed an increase in Council Tax, and it was expected that the Fire Authority would do the same.

The Budget Conversation would remain open until the 6 March 2017, with the proposals to be considered by Full Council on 8 March 2017.

Cabinet debated the report and in summary, key points raised and responses to questions included:

- The Council did not have excessive financial reserves and it was noted that once reserves were used, they were gone.

- Government grants did not take into account the level of Council Tax generated by particular councils, the reverse available, or the value of assets owned.
- The Health Grant figure factored into the MTFs was based on previous years' grants, as no further information had been provided at the current time.
- Estimates were based on the latest available information. Estimates in previous years had been accurate.
- It was considered that the Council had robust transformation plans in place for necessary proposals.
- In terms of investment and income generation, the Council had a wide range of powers both in the authority area and outside of. The housing joint venture company was cited as an example, where building was a potential within Peterborough and externally.
- Any investment would have to satisfy a high level of criteria.
- Members were pleased to see the inclusion of a local lottery within the proposals. It was advised that the maximum prize for this was £25,000, and prizes were insurance backed.
- Engagement had been undertaken with staff in the past, with a number of successful proposals put forward. It was noted, however, that the majority of ideas received were on a small scale.
- It was advised that the People and Communities directorate held engagement sessions with staff of the MTFs proposals, which had resulted in the Transformation Plan.
- Engagement was also undertaken with trade union representatives on the MTFs proposals.
- Savings through income generation was discussed, examples of which were the legal services working with other Councils and the drafting of Fenland District Council's Local Plan.

Cabinet considered the report and **RESOLVED** to:

1. Note the advice of the Chief Finance Officer per Schedule A, the continuing uncertainty of national public finances, and the risks surrounding forecasts and budget proposals;
2. Note that all grant figures are provisional pending the Final Settlement in February 2017;
3. Approve the Phase 2 Budget Conversation, including the conversation document;
4. Seek feedback from Scrutiny, residents, partner organisations, businesses and other interested parties on the budget and budget proposals outlined in the budget conversation document;
5. Approve the draft Medium Term Financial Strategy 2017/18-2026/27 as the basis for consultation, as set out in the attached Schedules which comprise of:
 - a. Report of the Chief Finance Officer,
 - b. Forecast Revenue Outturn 2016/17,
 - c. Budget Proposals, Key Figures & Cash Limits (including fees & charges proposals),
 - d. Treasury Strategy, Prudential Code & Minimum Revenue Provision,
 - e. Asset Investment Strategy, Acquisition Strategy, Capital Programme & Disposals 2017/18 – 2026/27,
 - f. Asset Management Plan; and
6. Approve for consultation a Social Care precept of 3% for 2017/18 and 3% in 2018/19, as well as the Council tax increase of 2% for 2017/18 and future years, already agreed as part of the 2016/17 budget strategy.

REASONS FOR THE DECISION

The Council must set a lawful and balanced budget. The approach outlined within the report worked towards this requirement.

ALTERNATIVE OPTIONS CONSIDERED

No alternative option had been considered as the Cabinet was responsible under the Constitution for initiating Budget Proposals and the Council was statutorily obliged to set a lawful and balanced budget by 11 March annually.

Chairman
10.00am – 10:22am

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