



RUSHMOOR BOROUGH COUNCIL

CABINET

Tuesday, 2nd February, 2016 at 4.30 pm
at the Council Offices, Farnborough

Councillor P.J. Moyle
Councillor K.H. Muschamp, Deputy Leader and Business, Safety and
Regulation Portfolio Holder

Councillor Hughes, Health and Housing Portfolio
Councillor Sue Carter
Councillor P.G. Taylor, Corporate Services Portfolio Holder
Councillor R.L.G. Dibbs
Councillor A. Jackman

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **16th February, 2016**.

78. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 12th January, 2016 were confirmed and signed by the Chairman.

79. **REVENUE BUDGET, CAPITAL PROGRAMME AND COUNCIL TAX LEVEL –**
(Leader of the Council)

The Cabinet considered the Head of Financial Services' Report No. FIN1603, as amended at the meeting, which made final recommendations on the budget, Council Tax requirement and proposals for budget savings for 2016/17. The Report also set out the General Fund revenue budget summary, detailed base revenue budgets in Cabinet portfolio order, lists of additional items for inclusion in the budget and the Capital Programme.

At its meeting on 17th November, 2015, the Cabinet had considered and endorsed the Head of Financial Services' Report No. FIN1518, which had included the

Council's Medium Term Financial Strategy for 2015/16 – 2018/19 and set out the high level strategic financial direction for the Council, after taking account of the Medium Term Financial Forecast.

The main areas where the Council would be facing increased levels of risk and uncertainty over the medium term were set out in the Report, which also outlined the way in which these increased risks would be mitigated by maintaining current reserves, such as the Stability and Resilience Reserve, to protect the Council from adverse fluctuations in its financial position and the Service Improvement Fund, to ensure sufficient resources were available to progress key invest-to-save projects. This would enable the Council to take a strategic, longer term approach that built upon the Council's 8 Point Plan, focusing on key projects that would contribute towards the savings required to maintain a balanced budget, while moving the Council towards financial stability in the medium to long term.

The Cabinet was advised that the Report had been prepared on the basis that there would be no change to the provisional local government finance settlement figure. Any changes which materially altered the figures contained in the budget summary, particularly in respect of the local government finance settlement figure or the operation of the Business Rates Retention Scheme, would be made by the Council's Section 151 Officer, in consultation with the Leader of the Council, under the delegation arrangements agreed by the Council on 20th January, 2014.

The update to the Report provided a revised General Fund Summary due to the finalisation of the Council's estimates for business rates for both 2015/16 and 2016/17, as reported to DCLG via the submitted NNDR1 form.

The General Fund Revenue Budget would enable the Council to deliver services at similar to current levels and identified reductions in the level of net spending of £900,000, to be delivered during 2016/17. The General Fund summary showed that the revenue balances were expected to be around £1.5 million by the end of 2016/17. This was at the mid-point of the approved range of balances of £1 million - £2 million and was deemed to be acceptable given the levels of risks and uncertainty that had been identified. The General Fund Revenue Budget assumed a 1.99% increase in Council Tax, which accorded with Government policy assumptions and fell within the permissible level of increase before triggering a local referendum. This equated to an increase of £3.66 per annum for a Band D property. The Cabinet was advised that the Business Rate Retention Scheme represented a volatile income stream and, for this reason, the budget proposals included a transfer of £800,000 to the Stability and Resilience Reserve, which had been set up during 2012/13 to manage the increased level of risk and provide protection against potentially adverse fluctuations. It was reported that uncertainty over the time period that successful Business Rate appeals might be backdated continued to represent a significant risk to the Council. Future changes to the New Homes Bonus and the pace and extent of the Council's invest-to-save programme and regeneration plans would bring further potential pressures to the revenue budget over the medium term. Additional items for inclusion in the budget had been kept to a minimum and were only included where they had been identified as having a high priority in terms of achieving the Council's aims. These items were expected to total £44,350 in 2016/17.

The Capital Programme of £8.8 million in 2016/17 was set out in Appendix 4 of the Report. The use of revenue contributions of £550,000 to capital spending would continue to support a sustainable Capital Programme. Implementation of the core Programme in 2016/17 would require the use of £5.4 million in capital receipts, together with £2.6 million use of developers' Section 106 contributions and income from other capital grants. In addition, the Programme would be supported by revenue contributions to improvement grants of £200,000.

Under Section 25 of the Local Government Act, 2003, the Head of Financial Services, being the Council's Chief Finance Officer, was required to report to the Council on the robustness of the estimates contained in the budget and the adequacy of the reserves maintained by the Council. The Council had to have regard to this report when making its decisions on the budget. The Chief Finance Officer was satisfied that the budget was robust and that it was supported by adequate reserves.

The Cabinet

(i) **RECOMMENDED TO THE COUNCIL** that approval be given to:

- (a) the General Fund Revenue Budget Summary, as set out in the amended Appendix 1 of the Head of Financial Services' Report No. FIN1603;
- (b) the detailed General Fund Revenue Budget Summary, as set out in Appendix 2;
- (c) the additional items for inclusion in the budget, as set out in Appendix 3;
- (d) the Council Tax requirement of £5,664,404 for this Council;
- (e) the Council Tax level for Rushmoor Borough Council's purposes of £187.73 for a Band D property in 2016/17;
- (f) the Capital Programme, as set out in Appendix 4;
- (g) the Head of Financial Services' Report under Section 25 of the Local Government Act, 2003, as set out in the Report;
- (h) the holding of reserves, as set out in the Report;

(ii) the delegation of authority to the Council's Section 151 Officer, in consultation with the Leader of the Council and the Cabinet Member for Corporate Services, to consider and accept, or otherwise, the Government's four-year settlement offer; and

RESOLVED that authority be delegated to the Council's Section 151 Officer, in consultation with the Leader of the Council and the Cabinet Member for Corporate Services, to make any necessary changes to the General Fund

Summary arising from the final confirmation of the Local Government Finance Settlement and the Business Rates Retention Scheme estimates.

80. **ANNUAL TREASURY MANAGEMENT STRATEGY 2016/17 AND PRUDENTIAL INDICATORS FOR CAPITAL FINANCE –**
(Corporate Services)

The Cabinet considered Head of Financial Services' Report No. FIN1602, which set out the Treasury Management Strategy for 2016/17, the Annual Investment Strategy, the Prudential Indicators for Capital Finance, the Minimum Revenue Provision Statement and revisions to treasury management practices. Members were reminded that the purpose of the treasury management operation was to ensure that the Council's cash flow was planned, so that sufficient cash was available when needed but also that any surplus funds were invested in counterparties or instruments, in line with the Council's agreed Investment Strategy. The Strategy allowed for the use of a wide range of financial institutions and investments, after due consideration of security and liquidity, to enable the generation of improved returns. The Strategy also provided the flexibility to pursue a range of diverse investment opportunities, within appropriate investment boundaries. This approach was in line with the latest advice from the Council's treasury advisers, Arlingclose.

The Cabinet RECOMMENDED TO THE COUNCIL that

- (i) the Treasury Management Strategy, Annual Borrowing Strategy and Annual Investment Strategy, as set out in Appendix A of the Head of Financial Services' Report No. FIN1602, be approved;
- (ii) the Prudential Indicators, as set out in Appendix B, be approved; and
- (iii) the Minimum Revenue Provision (MRP) Statement, as set out in Appendix C, be approved.

81. **WASTE REGULATIONS 2012 - RECYCLING SYSTEM ASSESSMENT FOR RUSHMOOR –**
(Environment and Service Delivery)

The Cabinet considered the Head of Community and Environmental Services' Report No. COMM1602, which set out the results of a recycling assessment carried out under the Waste (England and Wales) Regulations 2012 (as amended in 2014).

It was reported that local authorities were required to maximise high quality recycling and apply the waste hierarchy as a priority order for the management of waste materials. The legislation required authorities to collect the range of materials separately but only where it was "Technically, Environmentally and Economically Practicable" (TEEP) to do so. Members heard that the Council, along with all other authorities within Hampshire, collected mixed recyclable materials in one container, with glass collected in a separate container. It was considered that the Council's recycling yield was, currently, relatively low and this yield would decrease if residents were asked to further sort recycling materials into additional containers. Rushmoor's assessment had been carried out in conjunction with consultants White Young Green and the Report broke down the process used.

The Cabinet RESOLVED that the TEEP assessment, as outlined in the Head of Community and Environmental Services' Report No. COMM1602, be endorsed and that the current collection system be deemed fit for purpose.

82. EXCLUSION OF THE PUBLIC –

RESOLVED: That, taking into account the public interest test, the public be excluded from the meeting during the discussion of the under mentioned items to avoid the disclosure of exempt information within the paragraph of Schedule 12A to the Local Government Act, 1972 indicated against the items:

Minute Nos.	Schedule 12A Para. Nos.	Categories
83	3	Information relating to financial or business affairs

THE FOLLOWING ITEM WAS CONSIDERED IN THE ABSENCE OF THE PUBLIC

83. ACQUISITION OF PLOT NO. 20 BLACKWATER VALLEY INDUSTRIAL PARK, ALDERSHOT –
(Corporate Services)

The Cabinet considered the Solicitor to the Council's Exempt Report No. LEG1601, which sought approval for the purchase of the leasehold interest in Unit No. 20 Blackwater Valley Industrial Estate, Aldershot as an investment asset, subject to securing a pre-let.

Members heard how discussions had been held with the current leaseholders and that they were willing to surrender the lease for an appropriate payment. It was anticipated that this unit would attract a rent of up to £7 per square foot. Members were informed that a potential tenant had been identified. It was explained that this business would be displaced from its current location, should the council proceed with the purchase of its preferred site for its refuse and street cleansing depot. The purchase price had been recommended by the Council's professional valuer.

The Cabinet RESOLVED that

- (i) subject to obtaining a pre-let agreement with the prospective tenant, a variation to the 2015/16 Capital Programme, in the sum of the purchase price of Unit No. 20 Blackwater Valley Industrial Estate, as set out in the Solicitor to the Council's Exempt Report No. LEG1601, be approved; and
- (ii) if required, the establishment of a sinking fund towards future repairs and maintenance of the unit be approved.

84. MR DAVID QUIRK - CORPORATE DIRECTOR –

On behalf of the Cabinet, the Leader of the Council thanked Mr. David Quirk for his excellent and long service to the Council and wished him well for his retirement. Mr. Quirk had been a great asset to the Council and would be deeply missed by Members and Officers.

The Meeting closed at 5.05 pm.

D.E. CLIFFORD
LEADER OF THE COUNCIL
