

## **POLICY COMMITTEE**

17<sup>th</sup> February 2015

**Present** – The Chairman, Councillor Foster and Councillors, Barrett, Beck, Paul English, Harbron, Heseltine, Lis, Moorby, Mulligan, Myers, Place, Quinn (substitute for Brockbank), Sutcliffe and Turner.

**Officers** – Chief Executive, Corporate Head of Business Support, Strategic Manager – Financial Services (S.151 Officer), Solicitor to the Council (Monitoring Officer) and Committee Administrator.

Apologies for absence were received from Councillors Brockbank and Kerwin-Davey.

Start: 6:33pm

Finish: 8.26pm

Councillor Barrett arrived at 6.40pm.

Councillor Myers left the meeting at 8:15pm.

The minutes of the Committee's meeting held on 20<sup>th</sup> January 2015 were confirmed and signed by the Chairman.

## **PRESENTATION**

The Committee was addressed by, and given the opportunity to ask questions of Mr Paul Entwistle from Health-e-Solutions who gave a brief presentation on the results of the Staff Survey 2014 which they had recently undertaken. All staff had been invited to participate, and out of 235, 199 had responded which was equivalent to 84.7%. To put this in context, the council sector average was 45%. Various topics were covered in the survey questions, including stress, peer support, communications and bullying.

## **Minutes for Decision**

POL.641

### **COUNCIL PLAN 2015 - 2018**

The Strategic Manger Financial Services (S151 Officer) submitted a report presenting the Council Plan 2015-2018 for approval. The Plan set out the Council's agenda for improving service delivery to Craven's communities and organisational change. The Plan focussed on the Council's top priorities for improvement and set out the Council's vision and priorities for the next three years. It also detailed the actions and projects to be delivered by the Council against its priorities in delivering and improving services.

**RECOMMENDED** – (1) That, the Council Plan 2015-2018 is approved:

(2) That delegated authority is given to the Chief Executive to approve the design and format of the document for final publication, amend milestones for each action and agree performance indicators that will be used to measure progress.

POL.642

### **REVENUE BUDGET 2015-2016 AND MEDIUM TERM FINANCIAL PLAN 2015-2016 TO 2017-2018**

The Strategic Manager Financial Services (S151 Officer) submitted a report identifying a fully funded budget for 2015/16 together with recommending a prudent level of General Fund Reserve

Balances for the financial year. The report also outlined the medium term financial plan (MTFP) to 2017/18.

The Strategic Manager Financial Services (S151 Officer) reported that, in preparing the draft revenue budget for 2015/16, a number of assumptions had been made; including:

Revenue Support Grant for the Council of £1,148k

Council Tax Collection Fund surplus £63k

Council Tax frozen with a compensatory grant of £35k

Prices and pay inflation applied at cost centre level

In line with the Long Term Financial Strategy 2% inflation allowed for in the Medium Term Plan to 2017/18.

General fund revenue balance amounting to £995k as at 31<sup>st</sup> March 2016

Non Domestic Rates collection fund deficit of £960k

Members were advised that the Government had again offered a grant equivalent to a 1% increase in Council Tax for authorities that did not increase their council tax.

In accordance with Section 25 of the Local Government Act 2003, the Strategic Manager Financial Services (S151 Officer) made a specific personal statement that the revenue budget as submitted, was robust and would deliver a balanced budget in 2015/16.

**Resolved** - (1) That the revenue budget assumptions, as detailed within the Strategic Manager Financial Services (S151 Officer) report are noted.

**RECOMMENDED** – (2) That, the revenue budget for 2015/16 at £7,168k is approved.

(3) That, the schedule of growth bids of £351k as identified in Appendix C to the report now submitted are approved.

(4) That, the savings of £130k as identified in Appendix D to the report now submitted are approved.

(5) That, the Revenue Budget incorporates the £942k contributions to earmarked reserves and £1,993k contributions from earmarked reserves a net contribution of £1,051k as detailed in Table 3 paragraph 7.2 of the report and Appendix A now submitted.

(6) That, a contribution from the General Fund Balance of £35k is made to support the 2015/16 budget.

(7) That, the estimated sum of £995k as identified as the General Fund Balance as at 31<sup>st</sup> March 2015 is approved.

(8) That, Council Tax is frozen at the 2014/15 level of £152.21 (at Band D).

(9) That, the Council accepts the Government's offer of the 2015/16 Council Tax freeze grant estimated at £35k.

(10) That, should additional resources be available through the Retained Business Rates Scheme, contributions to the Business Rates Contingency Reserve are increased to at least the level recommended in the LTFS of £120k.

(11) That the Section 25 report on the robustness of the budget contained in the report and Appendix F now submitted are noted.

(12) That the funding sources identified in the report and Appendix A now submitted are approved as follows:

	£'000
Revenue Support Grant	1,148
Non s Domestic Rates share	925
Other grants	794
S.31 Government grants	825
2015/16 Council Tax freeze grant	35
Council Tax collection fund surplus	63
Business Rates collection fund	(960)
Council Tax	3,252
Contribution from general fund balance	35
Contribution (to)/from reserves	1,051
<b>Total Funding</b>	<b><u>7,168</u></b>

POL.643

**CAPITAL PROGRAMME 2015-2016**

The Strategic Manager Financial Services (S151 Officer) submitted a report seeking approval for the 2015/16 to 2018/19 capital programme, subject to there being sufficient capital resources.

Following a bidding process, the capital expenditure of £1.328m proposed for 2015/16 included a vehicle replacement programme, a disabled facilities grant commitment, various IT projects, and slippage for work to Skipton depot from the 2014/15 programme.

Capital receipts had predominately been used to fund the capital programme but as they were a finite resource consideration had been given to various options available to the Council to remove the reliance on capital receipts.

The Council had £426k of borrowing capacity carried forward from 2014/15 and £349k would be generated in 2015/16 giving a total of £775k for use in the capital programme or to repay external loans. This borrowing capacity had arisen through the Minimum Revenue Provision (MRP) charge to the revenue account each year and it was proposed that £300k of the MRP capacity was utilised to fund the programme. Expected revenue savings would be put into reserves which would then be used to support the capital programme.

**RECOMMENDED** – (1) That, the capital programme for 2015/16 of £1,328,540 is approved.

(2) That, the final allocation of funding for the 2015/16 capital programme is confirmed once the outturn position of the 2014/15 revenue budget is finalised

POL.644

**2015-2016 TREASURY MANAGEMENT STRATEGY  
STATEMENT, MINIMUM REVENUE POLICY STATEMENT AND  
ANNUAL INVESTMENT STRATEGY**

The Strategic Manager Financial Services (S151 Officer) submitted a report presenting the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement, 2015/16 Prudential Indicators and the Annual Investment Strategy for 2015/16 as required by the Department of Communities and Local Government and CIPFA.

The Council was required to operate a balanced budget and part of treasury management was to ensure that cash flow was adequately planned with cash being available when needed. Surplus monies were invested in low risk counterparties with security of capital and liquidity of funds being the priority rather than investment return. The counterparty lending limits had been revised in order

to enable the Council to take full advantage of investment opportunities whilst maintaining a sufficient level of security of capital.

Members were given the latest estimated funding sources that would be available to support the Council's capital plans and longer term cash flow planning was necessary to ensure capital spending obligations were met.

The strategy also determined the limits to borrowing and investments that officers would apply over the next 12 months in order to ensure the Council's capital investment plans were affordable, prudent and sustainable.

**RECOMMENDED** – (1) That, the operational boundary for 2015/16 is set at £7.5m.

(2) That, the authorised boundary for 2015/16 is set at £9.75m.

(3) That, delegated authority is given to the Strategic Manager Financial Services to effect movement within the agreed authorised boundary limits for long-term borrowing for 2015/16 onwards.

(4) That, delegated authority is given to the Strategic Manager Financial Services to effect movement within the agreed operational boundary limits for long term borrowing for 2015/16 onwards.

(5) That, the treasury management strategy statement for 2015/16 is approved.

(6) That, the minimum revenue provision policy statement for 2015/16 is approved.

(7) That, the treasury management investment strategy for 2015/16 is approved.

(8) That, the prudential indicators for 2015/16 which reflect the capital expenditure plans which are affordable, prudent and sustainable are approved.

POL.645

### **PAY POLICY STATEMENT 2015-2016**

The Corporate Head of Business Support submitted a report seeking approval to implement a 2015-2016 Pay Policy Statement in accordance with Section 38 of the Localism Act 2011. The statement articulated the Council's policy towards the pay of the workforce, particularly senior staff and the lowest paid employees. The relevant provisions in the Act ensured increased accountability, transparency and fairness in the setting of pay and the statement would be published on the Council's website and considered annually by full Council.

**RECOMMENDED** – That, approval is given to implement the 2015-2016 Pay Policy Statement as set out in Appendix A to the report now submitted.

Chairman