

**POLICY COMMITTEE**

16<sup>th</sup> February 2016

**Present** – The Chairman (Foster) and Councillors, Dawson, Ireton, Kerwin-Davey, Lis, Mulligan, Place, Quinn, Solloway (substitute for Barrett) Sutcliffe and Thompson (substitute for Hull)

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

Apologies for Absence were received from Councillors Barrett, Heseltine and Hull.

Start: 6:30pm

Finish: 7:25pm

The minutes of the Committee's meetings held on 26<sup>th</sup> January 2016 were confirmed and signed by the Chairman.

**Minutes for Decision**

POL.729

**COUNCIL PLAN 2016 - 2019**

The Strategic Manager, Financial Services (S.151 Officer) submitted a report presenting the Council Plan 2016 – 2019 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 for the next three years. It also detailed the actions and projects to be provided by the Council against its priorities in improving service delivery.

**RECOMMENDED** – (1) Approve the Council Plan 2016-2019 and give delegated authority to the Chief Executive to:

- (a) Approve the design and format of the document for final publication.
- (b) Update and agree timescales for delivery mechanism for each priority as required.
- (c) Agree performance indicators that will be used to measure progress.

POL.730

**REVENUE BUDGET 2016-2017 AND MEDIUM TERM FINANCIAL PLAN 2016-2017 TO 2018-2019**

The Strategic Manager, Financial Services (S.151 Officer) submitted a report identifying a fully funded budget for 2016/17 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 2018/19.

The Strategic Manager, Financial Services (S.151 Officer) reported that the budget was based on the final grant settlement announced by the Secretary of State for Communities and Local Government including permission for Shire districts charging less than £250 at Band D to increase their charge by £5 without triggering a referendum. This equated to 3.28%, however, it was noted that Council Tax had been frozen for the last five years and that the Council Tax freeze grant would be removed with a loss to the revenue support grant of £32k for 2016/17.

In accordance with Section 25 of the Local Government Act 2003, the Strategic Manager, Financial Services (S.151 Officer) made a specific personal statement that the revenue budget as submitted, was robust and would deliver a balanced budget in 2016/17.

Members asked that their appreciation to officers involved in the budget process be placed on record.

**RECOMMENDED –**

- (1) That the revenue budget assumptions, as detailed within the Strategic Manager Financial Services (S.151. Officer) report are noted.
- (2) That, the revenue budget for 2016/17 of £7,875,900 is approved.
- (3) That, the schedule of growth bids of £136k as identified in Appendix C to the report now submitted are approved.
- (4) That, the savings of £154k as identified in Appendix D to the report now submitted are incorporated into the budget.
- (5) That, a contribution from the New Homes Bonus grant of £100k is made to support the 2016/17 budget.
- (6) That, the assessment of the robustness of the budget and adequacy of reserves in paragraph 10 and Appendix F of the report now submitted are agreed.
- (7) That, the estimated sum of £995k as identified as the general fund balance as at 31<sup>st</sup> March 2016 in paragraph 10 and Appendix F of the report submitted is approved.
- (8) That, Council Tax is increased at Band D by either option 1: £5 to £157.21 or option 2; 1.99% to £155.24 to be deferred to Council.
- (9) That, the revenue budget incorporates the net contributions to/(from) earmarked reserves based on either Option 1 (£937k) or Option 2 (£980k) as detailed in tables 3, 4 and 5, paragraphs 7.8 and 7.9 and Appendices A and F (annex 1). To be deferred to Council .
- (10) That, should additional resources be available through the retained business rates scheme, a matching contribution to the business rates contingency reserve is made to mitigate against future uncertainties.
- (11) That , the Section 25 report on the robustness of the budget contained at Section 10 of this report and Appendix F is noted.
- (12) That, the funding sources identified in the report and Appendix A now submitted are approved:

		Option 1 £'000	Option 2 £'000
a)	Revenue Support Grant	698	698
b)	Rural Services Grant	278	278
c)	Transition Grant	21	21
d)	New Homes Bonus	1,086	1,086
e)	Retained Business Rates	1,737	1,737
f)	Business Rates Collection Fund (Deficit)	(364)	(364)
g)	Council Tax Collection Fund Surplus	72	72

h)	Council Tax	3,431	3,388
i)	Contribution from General Fund Balance	0	0
j)	Contribution (to)/from Earmarked Reserves	937	980
	<b>Total Funding</b>	<b>7,896</b>	<b>7,896</b>

POL.731

**CAPITAL PROGRAMME 2016-2017**

The Strategic Manager, Financial Services (S.151 Officer) submitted a report seeking approval for the 2016-2017 capital programme, subject to there being sufficient capital resources.

Following a bidding process, the capital expenditure of £1,531,050m proposed for 2016/17 included a vehicle replacement programme, disabled facilities grant, Skipton Town Hall / museum project and various IT projects.

Capital receipts had predominantly 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 move the reliance on capital receipts.

The Council had £1.016m of borrowing capacity in 2016/17 for use in either the capital programme or to repay existing external loans. This capacity arose through the Minimum Revenue Provision charge to the revenue account each year and it was proposed that £428k was utilised to fund the programme. In addition it was expected that there would be revenue savings within the 2015/16 budget that could contribute to reserves which would support the capital programme and other projects.

**RECOMMENDED** – (1) That, the capital programme for 2016/2017 of £1,531,050 is approved.

(2) That, the final allocation of funding for the 2016/17 capital programme is confirmed once the outturn position of the 2015/16 revenue budget is finalised.

POL.732

**2016-2017 TREASURY STRATEGY STATEMENT, MINIMUM REVENUE POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY**

The Strategic Manager, Financial Services (S.151 Officer) submitted a report presenting the proposed Treasury Management Strategy together with the Minimum Revenue Provision Policy Statement and the Annual Investment Strategy for 2016/17 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 considered before investment return. The counterparty lending limits enabled the Council to take full advantage of investment opportunities whilst maintaining a sufficient level of security of capital.

The strategy ensured that the required funding sources would be available to support the Council's capital spending 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 2016/17 is set at £10.5m.
- (2) That, the authorised boundary for 2016/17 is set at £12.75m.
- (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 2016/17 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 2016/17 onwards.
- (5) That, the treasury management strategy statement 2016/17 is approved.
- (6) That, the minimum revenue provision policy statement for 2016/17 is approved.
- (7) That, the treasury management investment strategy for 2016/17 is approved.
- (8) That, the prudential indicators for 2016/17, which reflect that the capital expenditure plans are affordable, prudent and sustainable, are approved.

POL.733

**PAY POLICY STATEMENT 2016-2017**

The corporate Head of Business Support submitted a report seeking approval to implement a 2016-2017 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** – (1) That, approval is given to implement the 2016-2017 Pay Policy Statement as set out in Appendix A to the report now submitted.

Chairman