

THE EXECUTIVE

24 September 2010

6.00 - 6.35 pm

Present:

Executive Councillors:

The Leader: Sian Reid (Chair)

Housing: Catherine Smart

Community Development and Health: Tim Bick

Climate Change and Growth: Clare Blair

Customer Services and Resources: Neil McGovern

Arts and Recreation: Rod Cantrill

Environmental and Waste Services: Mike Pitt

Officers:

Chief Executive: Antoinette Jackson

Director of Resources: David Horspool

Committee Manager: Glenn Burgess

FOR THE INFORMATION OF THE COUNCIL

The Chair gave permission for Mr Richard Taylor to film the meeting. It was confirmed with Mr Taylor that the filming would take place from a fixed position and would not be uploaded to his website as a 'live' feed.

10/5/EX Apologies for absence

None

10/6/EX Minutes of the meeting held 28 January 2010

The minutes of the meeting held on 28 January 2010 were agreed as a correct record and signed by the Chair.

10/7/EX Public Questions

None

10/8/EX Medium Term Financial Strategy 2010

The Leader introduced the item. It was noted that the Medium Term Strategy (MTS) would be updated and redrafted as a result of the announcement of the Comprehensive Spending Review (CSR) on 20 October 2010. There would then be an opportunity for further discussion at the Full Council meeting on 8 November.

The committee thanked the Finance Department for all their hard work and dedication in a time of much uncertainty for the Council.

The Director of Resources was then invited to give a general overview of the report and the key elements of the MTS.

General Fund

It was noted that a key factor for the General Fund revenue position would be the impact of the proposed changes to funding by central government: The changes included:

- A reduction in Formula Grants, which had been indicated as part of the Emergency Budget announcement on 22 June 2010.
- An effective offset to the above reduction in Formula Grant upon the transfer of responsibility and funding for concessionary Fares to the County Council from April 2011.

It was noted that there was still considerable uncertainty as to the level of financial adjustment in each case. As a result the MTS included a 'fan' chart showing a range of potential outcomes (figure 8 on page 69 of the MTS). The chart also indicated the core assumption on which the MTS is based, that Formula Grant would reduce by 30% over the 4-year period to 2014/15, whilst £1.31m p.a. of the net cost of Concessionary fares borne by the Council from 2011/12 would be recovered as part of the transfer of the function.

It was noted that the Council's position regarding the delivery of the growth agenda had also been reviewed. The current spending approval ended in March 2011, and effective future planning is being hampered by a high degree of uncertainty in this area.

As a result of the government's review of agencies, it remained to be seen how much grant would be available through Cambridgeshire Horizons from 2011/12 onwards. However, in order to enable continuity of the work on growth it had

been decided to extend key officer posts for a further 12-month period – linked to the current review of the Planning Service.

Members' attention was drawn to Table 29 (page 142 of the MTS) which provided a summary of the overall changes to the projected savings requirements outlined in the September MTS, whilst table 30 (page 143 of the MTS) showed the projected amount of net savings still to be identified (i.e. after allowing for those projected to be delivered by Service Reviews).

Members attention was also drawn to figure 18 (page 143 of the MTS) which illustrated the longer-term profile of savings requirements, and the comparison with the levels projected in the February 2010 Budget Setting Report (BSR).

Housing Revenue Account (HRA)

It was noted that proposed changes to the HRA Subsidy System, the extent of which has yet to be announced, served to make future financial projections particularly difficult at this time. As a result, it was proposed that the savings target of 3%, identified as part of last year's MTS process, would be retained at this stage.

Member's attention was drawn to figure 14 (page 111 of the MTS) which highlight HRA Reserves Projections from 2006/07 to 2019/20, and figure 13 (page 100) which showed the reserves for the General Fund. In each case these demonstrated that the Council had viable levels of reserves in the short-term and is projected to be able to maintain reserves at the target levels in the medium and long-term.

The Executive Councillor for Housing noted that a cautious approach was being adopted, regarding the future position for the HRA, until the outcomes of the CSR were known.

Capital

Member's attention was drawn to table 24 (page 127 of the MTS) which showed the approval periods for the current Capital Programmes and highlighted that most of the current programmes are scheduled to finish at the end of 2010/11. It was noted that the review of these Capital Programmes would be completed by the final budget round in February 2011.

Commitments against the available Capital Funding from 2010/11 to 2014/15 were highlighted at table 27 (page 136 of the MTS). It was noted that the

increase in available funding from 2011/12 reflected the fact that decisions on any Capital Programmes from that period onward were yet to be made.

It was noted that in the last few days an announcement had been made on plans to develop a new national Tax Increment Financing scheme. It was felt that this might help the Council's position, particularly with regard to the growth agenda, but that it would first require a change in legislation.

The Director of Resources highlighted that the MTS was based on the most up to date information available at this time. He also emphasised the Council's commitment to continuing with a disciplined and prudent approach to managing finances.

The Leader asked that:

- Section 8.79 (page 91 of the MTS) note that the Cambridge Local Area Agreement (LAA) was to be cancelled.
- Section 8.100 (page 94 of the MTS) note that any review of Cambridge Northern Fringe East should include Cambridgeshire County Council and South Cambridgeshire District Council.

The Director of Resources noted these comments.

Record of Decision

The Executive agreed (by 7 votes to 0: unanimous) to recommended to Council:

Revenue – General Fund

- 2.1 To approve an additional contribution into the Climate Change Fund in 2010/11 of £250,000, to be funded from General Fund reserves [paragraph 2.13 of the MTS refers].
- 2.2 To agree the budget strategy and process for the 2011/12 budget cycle as outlined in section 15 [paragraphs 15.1 to 15.51 refer] and Appendix A of the MTS document.

2.2 In particular:-

- a) that the net General Fund budget (after use of reserves) be limited to £19,523,750 at this stage [paragraph 15.24 of the MTS refers];
- b) that the adjusted gross expenditure, for the purpose of calculating committee cash limits, should exclude major in-term contractual / agreement obligations (Pools Service, Housing Repairs and ICT contracts); [paragraph 15.22 of the MTS refers].

2.3 To agree the revised General Fund revenue, funding and reserves projections as shown in Appendix K, and the associated decisions in section 8, of the MTS document.

2.4 To authorise the Director of Resources to calculate final cash limits for committees based on the decisions taken in this report, based on the method shown in Table 28 and Appendix R, of the MTS document.

Revenue - HRA

2.5 To express support for the HRA budget process and strategy as outlined in Section 15 [paragraphs 15.42 and 15.48] and Appendix M, of the MTS document.

Capital

2.6 To agree inclusion in the Capital Plan of new items identified below, note additional funding to revised schemes approved by Executive Councillors, and approve the reschedule of works based on the latest timetables, namely:

- (a) Upper River Cam Biodiversity Public Art Project – a bid of £28,815 to S106 contributions for public art.
- (b) Wulfstan Way Local Centre Environmental Improvements – additional funding, £44,000 from S106 contributions and £29,000 from the Environmental Safety Fund.
- (c) Replacement Air Monitoring Equipment – a bid of £120,000, £99,000 funded from R&R and £21,000 by grant.
- (d) SC441 Sheep's Green Canoe Clubhouse Extension – additional £35,000 funding from S106 contributions.

- (e) SC452 Climbing Wall at Kelsey Kerridge Sports Centre – additional £30,000 funding from S106 contributions.
- (f) SC404 Play Boat – additional £15,000 funded from S106 contributions to meet the cost of additional materials and design alterations.
- (g) SC221 Lion Yard Contribution to Works – reschedule the provision of £638,000 from 2010/11 to 2011/12 and £942,000 from 2010/11 to 2012/13.
- (h) PR024 Commercial Properties Asset Replacement Programme – reschedule the provision of £256,000 from 2010/11 to 2011/12.
- (i) SC361 Disabled Access & Facilities – Guildhall – reschedule £80,000 from 2010/11 to 2011/12.
- (j) SC192 Land to the North of Kings Hedges Road – reschedule £70,000 from 2010/11 to 2011/12.
- (k) SC447 Low Carbon Communities – scheme withdrawn as anticipated external funding not secured.
- (l) PR001 Housing Capital Investment Programme - reschedule the programme with additional £353,000 funding.
- (m) PR017 Vehicle Replacement Programme – extend the programme to 2014/15 funded by additional £750,000 R&R.
- (n) PR019 Car Parks Infrastructure and Equipment Replacement Programme – reschedule and extend the programme to 2014/15 funded by additional £1,099,000 R&R.
- (o) PR020 ICT Infrastructure Programme – extend the programme to 2014/15 funded by additional £550,000 R&R.
- (p) PR023 Admin Buildings Asset Replacement Programme – reschedule and extend the programme to 2014/15 funded by additional £110,000 R&R.
- (q) PR023 Admin Buildings Asset Replacement Programme – reschedule the programme to 2013/14 with additional £10,000 R&R.

2.7 To agree the revised Capital Plan as shown in Appendix P [paragraphs 14.8, 14.10 and 14.11 also refers], the Hold list as shown in Appendix O

[paragraph 14.9 refers] and the funding as shown in Appendix Q [paragraphs 14.1 to 14.7 also refer] of the MTS document.

Treasury Management

- 2.8 To confirm the current Counterparty List [Appendix D of the MTS refers].
- 2.9 To receive the Mid-Year Treasury Management Report 2010/11 [Appendix E of the MTS refers].

The meeting ended at 6.35 pm

CHAIR

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