

## MENDIP DISTRICT COUNCIL

Minutes of the meeting of Cabinet held on Monday, 13 February 2017 in the Council Chamber, Council Offices, Shepton Mallet commencing at 6.30 pm.

### COUNCILLORS PRESENT:

Philip Ham	Portfolio Holder for Transformation
Tom Killen	Vice Chair of Cabinet and Deputy Leader of the Council
John Parham	Portfolio Holder for Finance, Governance, and Corporate Services
Harvey Siggs	Chair of Cabinet and Leader of the Council
Nigel Taylor	Portfolio Holder for Neighbourhood and Community Health Services
Nigel Woollcombe-Adams	Portfolio Holder for Planning, Growth and Housing Services

### ASSISTANT PORTFOLIO HOLDERS PRESENT:

Councillors Simon Davies, Mike Pullin and Danny Unwin

### OTHER COUNCILLORS PRESENT:

Councillors Bryan Beha, Peter Bradshaw, John Coles, Nick Cottle, Damon Hooton, Claire Hudson, Roy Mackenzie, Jeannette Marsh, Clive Mockford, Graham Noel, Dick Skidmore and Ros Wyke

### OFFICERS PRESENT:

Stuart Brown	Chief Executive
Paul Deal	Section 151 Officer
Claire Dicken	Committee Officer

Agenda Item	Subject	Actioned by
1	<b>Chair's Announcements</b>  The Chair explained the procedures in the case of an emergency and asked that all mobile devices be switched to silent.	
2	<b>Apologies for Absence</b>  Councillor Alan Townsend, Assistant Portfolio Holder	
3	<b>Declarations of Interest</b>  None	
4	<b>Public Participation</b>  a. <b>Items on the agenda – none</b>	

	b. <b>Items not on the agenda:</b> - none	
<b>5</b>	<p><b>Previous Minutes</b></p> <p>The minutes for the Cabinet meeting held on 9 January 2017 were agreed.</p>	<b>Claire Dicken</b>
<b>6</b>	<p><b>Economic Development</b></p> <p>The Deputy Leader of the Council gave a verbal update about economic development within the district.</p> <p>Members noted that the district had in the region of 4000 businesses. These businesses were supported by a small team of Officers at the Council.</p> <p>In the future the Council will draw up an action list covering three distinct areas of consideration for economic development, namely, people, place and business. He said the Council was well placed to help businesses. It had detailed databases and could get messages to all types of businesses easily and quickly.</p> <p>Interesting areas for consideration included the food and drink industry including tourism, opportunities and challenges that would affect Mendip as a result of the build at Hinkley Point, and the involvement of the colleges in providing skills to workers.</p> <p>Grants and business rate relief were measures included in the support that the Council could give businesses.</p> <p>With regard to improved internet access, Giga-Clear were hoping to provide fibre-optic Broadband direct to business premises within the district.</p> <p>During the discussion that followed Members agreed it was important to support any plans to improve the road network within the district where it was needed. It was further noted that there was a need for more homes within the district for workers to live in.</p> <p><b>RESOLVED</b></p> <p>To note the update.</p>	<b>Jenny Pitcher</b>

7	<p><b>Medium Term Resource Strategy (MTRS) Quarter 3</b></p> <p>The Portfolio Holder for Finance, Governance, and Corporate Services outlined a report which summarised the forecast outturn position of the Council's Medium Term Resource Strategy for the 2016/17 financial year, based on Quarter 3 projections. The report provided the following information:</p> <ul style="list-style-type: none"> <li>a) The projected <u>Revenue</u> outturn position for 2016/17 (Section 4 and Appendices 1a and b)</li> <li>b) In-Year Virement Summary (Section 5 and Appendix 2)</li> <li>c) The projected levels of Reserves including the proposed Carry Forward Requests (Section 6 and Appendix 3)</li> <li>d) The projected <u>Capital</u> outturn position for 2016/17 (Section 7 and Appendix 4)</li> <li>e) Delivery of the 2016/17 MTRS Savings proposals (Section 8 and Appendix 5)</li> <li>f) The Aged Debt Analysis (Section 9 and Appendix 6a and 6b)</li> <li>g) The Council Tax and National Non-Domestic Rate Collection Summary (Section 10).</li> <li>h) Summary Treasury Management position (Section 11).</li> </ul> <p>Any variance against the agreed budget would impact on the Council's general balances. The Council's financial position would be constantly reviewed to ensure its continued financial health and delivery of excellent Value for Money.</p> <p>The report indicated a projected gross Revenue budget variance of -£981k, within carry forward requests identified of £403k, leaving a net budget variance of £578k.</p> <p>The forecast budget variance against the Capital Investment Programme is -£324k. This is due to identification of alternative sources of funding being identified and that a number of approvals span across the MTRS period.</p> <p><b>OPTIONS CONSIDERED</b></p> <p>No formal options appraisal was applicable to this report.</p> <p>During the discussion that followed Cabinet congratulated the Portfolio Holder and Officers on the report. There was further gratitude for getting the Land Charges Section back on track with regard to meeting its service targets since the service area had joined the 5 Councils Partnership.</p>	Paul Deal
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	<p><b>RESOLVED</b></p> <p>To note the contents of the report and to approve the Carry Forward Requests and the additional contribution to Capital Financing.</p> <p><b>REASON FOR THE RESOLUTION</b></p> <p>To maintain effective financial stewardship and budgetary control and to comply with the agreed strategy of regularly informing members of the forecast outturn position relating to the 2016/17 financial year as part of the annual budget monitoring process.</p>	
8	<p><b>2017/18 to 2021/22 Medium Term Resource Strategy and 2017/18 Detailed Financial Plan</b></p> <p>The Portfolio Holder for Finance, Governance, and Corporate Services outlined a report the purpose of which was to make recommendations on the level of the Council's Revenue and Capital Budgets, the Band D Council Tax and Special Expenses Rate for 2017/18.</p> <p>The report sought formal Member approval for a one-year Revenue Budget and Service Capital Investment Programme. Projected information was used to give an indicative financial picture of future financial years. New proposals commencing in 2018/19 and later years would be confirmed as part of future MTFP processes.</p> <p>The report contained background information to set out the context for the recommendations and included a number of appendices covering:</p> <p>Appendix A – 2017/18 Provisional Local Government Finance Settlement  Appendix B – Summary Capital Investment Programme;  Appendix C – Detailed Capital Investment Bid Proposals;  Appendix D – The Prudential Code Indicators;  Appendix E(i) – Revenue Control Totals by Service;  Appendix E(ii) – Revenue Control Totals by Subjective;  Appendix F – Summary of Reserves and Balances  Appendix G – Special Expenses Rate</p> <p>The Portfolio Holder went on to give a presentation which included how the Council would need to become even more focussed on securing its own income in the future. Also, the Council will need to be mindful of inflation when planning for the future. He said we must find ways to become sustainable, living within what the Council could raise locally through Council Tax, Business Rates and commercially driven income. It was</p>	Paul Deal

therefore vital that we had a robust strategy to maximise each income stream.

He said the Council was currently financially stable and the budget was balanced. The Council had recently formed a new Phoenix Sponsorship Board which had been formed to consider investment opportunities as part of the Council's transformation strategy to support the revenue stream.

Members thanked the Portfolio Holder for a clear presentation. They were very pleased that the Council's budget had balanced.

During the discussion that followed the Chairman of the Equalities Group said that the motion to fund changing place facilities for those with disabilities which would be put to the next meeting of full Council should be considered by the Equalities Group, whilst being mindful of the Council's finances.

The Portfolio Holder agreed to let Councillor Claire Hudson have information about the cost of funding playgrounds in Frome and who paid.

There was a discussion about the Somerset Rivers Authority and how it funded its activities.

The Leader of the Opposition said he was pleased that the budget was balanced. He confirmed that his Group would not be proposing an alternative budget.

Cabinet wished to thank the Portfolio Holder and the Officers for the report.

## **RESOLVED**

### **1. Provisional Local Government Finance Settlement**

**The Leader and Cabinet note and recommend that Full Council note:**

- (i) The outcome of the Provisional Local Government Finance Settlement as detailed within **Appendix A**

### **2. CAPITAL INVESTMENT PROGRAMME**

**The Leader and Cabinet agree and recommend to Full Council:**

- (ii) The overall Capital Investment Programme for 2017/18 of **£1.610m** and note the indicative programmes for 2018/19 to 2021/22 as summarised in **Appendix B** with the detailed proposals included within **Appendix C**;

- (iii) Set an overall Capital Envelope at **£40m** for 2017/18 to provide sufficient flexibility to enable to Council to respond to investment opportunities if they arise in-year.
- (iv) That the Chief Executive and relevant Group Manager(s) be given delegation to decide on the specific individual capital projects to be delivered within generic approvals for their area of control, following any consultation as necessary;
- (v) The Prudential Code Indicators as shown in **Appendix D**, subject to any changes made;
- (vi) That the following statement on the Minimum Revenue Provision be endorsed for 2017/18:

**“The Council will continue to make provision at least equal to an annual 4% reducing balance method on all capital expenditure covered by government supported borrowing approvals.**

**Provision for the capital expenditure within the proposed Annual Service Capital Programme will be based on the nominal life of the asset delivered.**

**Provision for the capital expenditure within any proposed Commercial Investment Capital Programme will be based upon one the following options:**

- a. the nominal life of the asset delivered (the default position)
- b. any reduction in the valuation of the asset (assessed annually) being recovered over the remaining life of associated debt financing the investment.

**If in subsequent years the value increases, the revised MRP would remain leading to excess provision set aside that can be used as a capital receipt enabling the council to invest further or reduce the overall capital financing costs”**

### **3. REVENUE BUDGET PROPOSAL**

**The Leader and Cabinet agree and recommend to Full Council:**

- (i) The overall Revenue Budget for 2017/18 of **£14,277,350.00** after taking into consideration all

	<p>proposals and supporting documentation within the following appendices:</p> <ul style="list-style-type: none"> <li>• <b>Appendix E(i)</b> – Revenue Control Totals by <b>Service</b></li> <li>• <b>Appendix E(ii)</b> – Revenue Control Totals by <b>Subjective</b></li> <li>• <b>Appendix F</b> – Summary of Reserves and Balances</li> <li>• <b>Appendix G</b> – Special Expenses Rate</li> </ul> <p><b>4. <u>COUNCIL TAX SETTING</u></b></p> <p><b>The Leader and Cabinet agree and recommend to Full Council:</b></p> <p>(i) In accordance with the Local Authorities (Calculation of Tax Base) Regulation 1992, as amended, the amount calculated by the Council as its Council Tax Base for the year 2017/2018 shall be <b>39,322.79</b>. This figure includes the adjustments made as a result of the Council tax support scheme.</p> <p>(ii) A Council Tax Requirement of <b>£5,765,100</b> representing a Council Tax of <b>£146.61</b> for a Band D property, an increase of 1.99% from 2016/17.</p> <p>(iii) The continuation of the additional Council Tax Precept equivalent to 1.25% of Mendip's 2015/16 Council Tax Charge for the Shadow Somerset Rivers Authority only. This equates to a Band D value of <b>£1.84</b> resulting in a Council Tax Requirement of <b>£72,350</b> for 2017/18.</p> <p><b>5. <u>SPECIAL EXPENSES RATE</u></b></p> <p><b>The Leader and Cabinet agree and recommend to Full Council:</b></p> <p>(i) A Special Expenses Rate of <b>£236,123.21</b> capping the rate to previous levels.</p>	
<p><b>9</b></p>	<p><b>Treasury Management Strategy Statement and Annual Investment Strategy</b></p> <p>The Portfolio Holder for Finance, Governance, and Corporate Services outlined a report which sought approval for the Treasury Management and Annual Investment Strategy for the forthcoming financial year 2017/18.</p> <p>The Council was required to operate a balanced budget, which broadly meant that cash raised during the year will meet cash</p>	<p><b>Paul Deal</b></p>

	<p>expenditure. Part of the treasury management operation was to ensure that short term cash flow was adequately planned, with cash being available when it was needed. Surplus monies were invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.</p> <p>The second main function of the treasury management service was the funding of the Council's capital plans. These capital plans provided a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council could meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.</p> <p><b>RESOLVED</b></p> <p>The Leader and Cabinet agree and recommend to Full Council:</p> <ol style="list-style-type: none"> <li>1. The strategy as laid out in the report including only borrowing short term to cover shortfalls in cashflow;</li> <li>2. The prudential guidelines as laid out in the report;</li> <li>3. To approve Minimum Revenue Provision (MRP) policy included in this report.</li> </ol>	
<b>10</b>	<p><b>Portfolio Holder Decisions</b></p> <p>268 – RIAMS Licence Continuation 269 – Shepton Mallet Sunday Market</p>	
<b>11</b>	<p><b>Forward Plan</b></p> <p>The Council's Forward Plan was noted.</p>	
<b>12</b>	<p><b>Minutes for Information</b></p> <p>The following minutes were noted:</p> <p>Draft Wells Recreation Ground Trust Minutes – 19.01.17</p>	
<b>13</b>	<p><b>Urgent Business</b></p> <p>The Chairman agreed the following item should be considered:</p> <p>The S151 Officer took the opportunity to remind Members of the new online process for reviewing debt write offs and the requirement to register on the secure section of the website.</p>	

The meeting closed at approximately 8.00 pm.