

ST EDMUNDSBURY BOROUGH COUNCIL

CABINET

**Minutes of a meeting held on Wednesday 15 February 2012 at 5.00 pm
in the Conference Room, West Suffolk House, Western Way,
Bury St Edmunds**

- PRESENT: Councillor J H M Griffiths (Leader of the Council) (in the Chair),
Councillors Clements, Everitt, Mrs Gower, Mrs Mildmay-White, Ray
and Stevens
- BY INVITATION: Councillors Spicer (Vice-Chairman of the Performance and Audit
Scrutiny Committee), Cox and Nettleton

87. Apologies for absence

No apologies for absence were received.

88. Declarations of Interests

Members' declarations of interests are recorded under the item to which the declaration relates.

**89. Report of the Performance and Audit Scrutiny Committee:
30 January 2012**

Forward Plan Reference: N/A Cabinet Members: All Portfolio Holders

The Cabinet received and noted Report C349 (previously circulated) which informed the Cabinet of the following items discussed by the Performance and Audit Scrutiny Committee on 30 January 2012:-

- (1) Third Quarter Internal Audit Progress Report;
- (2) Audit Commission: Presentation of 2010/2011 Annual Audit Letter;
- (3) Key Performance Indicators: Third Quarter 2011/2012;
- (4) Budget Monitoring Report: 1 April to 31 December 2011;
- (5) Corporate Risk Register: Quarterly Monitoring Report; and
- (6) Review of the impact on customers and stakeholders of the Council joining the Anglia Revenues Partnership.

Councillor Spicer, Vice-Chairman of the Performance and Audit Scrutiny Committee, drew relevant issues to the attention of the Cabinet. He provided information regarding the progress of the Internal Audit Section against its Annual Plan, and the additional fee of £9,800 charged by the District Auditor for undertaking the audit of the 2010/2011 accounts. He also reported on the contents of the Budget Monitoring Report for the period ended 31 December 2011.

**90. Report of the Performance and Audit Scrutiny Committee: Annual
Treasury Management and Investment Strategy 2012/2013 and April
to December 2011 Performance Report**

Forward Plan Reference: N/A Cabinet Member: Cllr David Ray

The Cabinet considered Report C350 (previously circulated) which sought approval for the Annual Treasury Management and Investment Strategy Statements for 2012/2013.

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice required that a Treasury Management and Investment Strategy be approved by the Council prior to the beginning of the financial year to which it related. The proposed

Treasury Management and Investment Strategy Statements for 2012/2013 met the requirements of the CIPFA Code, together with the Department for Communities and Local Government Guidance on Local Government Investment, and the statutory requirements of the Local Government Act 2003 relating to the need to set Prudential Indicators to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

With regard to the current financial year, at the end of December 2011 interest earned during the first nine months of the financial year amounted to £433,000 against the profiled budget for the period of £354,000, a budgetary surplus of £79,000. The average rate of interest achieved during the period was 1.45% against the target rate of 1.5%, reflecting the continual difficulties experienced in finding attractive rates of interest with financial institutions which could deliver the required level of security.

Councillor Spicer, Vice Chairman of the Performance and Audit Scrutiny Committee, drew relevant issues to the attention of the Cabinet, including the proposed amendments to the criteria for making investments.



RECOMMENDED:-

That, subject to the approval of full Council, the Annual Treasury Management and Investment Strategy Statements for 2012/2013 and Prudential Indicators, as detailed in Appendix 3 to Report C294, be approved.

91. Report of the Performance and Audit Scrutiny Committee: Delivering a Sustainable Budget 2012/2013

Forward Plan Reference: N/A Cabinet Member: Cllr David Ray

The Cabinet considered Report C351 (previously circulated) which sought approval for proposals for savings, additional income and growth items recommended by the Performance and Audit Scrutiny Committee arising from its meetings on 28 November 2011 and 30 January 2012.

The Performance and Audit Scrutiny Committee played an integral role in delivering a sustainable budget for the Council by scrutinising recommendations for savings and growth. Report C351 provided the recommendations from the Committee arising from consideration of two reports concerning progress made towards setting the 2012/2013 budget considered by the Committee on 28 November 2011, which were attached as Appendix A to this report and 30 January 2012 attached as Appendix B to this report.

Councillor Spicer, Vice Chairman of the Performance and Audit Scrutiny Committee, drew relevant issues to the attention of the Cabinet. In particular he mentioned discussions at the Committee meeting regarding car parking charges, the location of the Tourist Information Centre in Bury St Edmunds, and allotments in Haverhill.

RESOLVED:- That, subject to the approval of full Council,

(1) 28 November 2011

- (a) The proposals for savings and additional income, as set out in Table 3 at Section 2.2 of Report C244, be included in the 2012/2013 budget and, where indicated, beyond; and
- (b) the proposed areas of capital growth, as set out in Section 2.3 of Report C244, be included in the 2012/2013 budget.

(2) 30 January 2012

- (a) The proposals for savings and additional income, as set out in Table 2 of Report C302, be included in the 2012/2013 budget and, where indicated, beyond; and
- (b) the proposed areas of revenue growth, as set out in Section 2.2 of Report C302, be included in the 2012/2013 budget and beyond.

92. Report of the Performance and Audit Scrutiny Committee: Review of the Capital Programme

Forward Plan Reference: N/A Cabinet Member: Cllr David Ray

The Cabinet considered Report C352 (previously circulated) which sought approval for the updated and rescheduled Capital Programme.

A formal review of the Council's Capital Programme was undertaken annually as part of the budget setting process, and the resulting rescheduled and updated programme helped to determine the extent and timing of associated revenue implications. The Performance and Audit Scrutiny Committee had considered the Capital Programme both at its meeting on 28 November 2011 and also on 30 January 2012.

Councillor Spicer, Vice Chairman of the Performance and Audit Scrutiny Committee, drew relevant issues to the attention of the Cabinet.

RESOLVED:-

That, subject to the approval of full Council, the updated and rescheduled capital programme, detailed in Appendix A to Report C303, and the revised capital strategy set out in Section 3 of Report C303, be approved as part of the 2012/2013 budget setting process.

93. Budget and Council Tax Setting: 2012/2013

Forward Plan Reference: N/A Cabinet Member: Cllr David Ray

The Cabinet considered Report C353 (previously circulated) which sought approval for the 2012/2013 budget.

The Cabinet is required to consider the budget for the Authority, and recommend to Council the level of Council Tax required to fund this budget. Setting the budget for 2012/2013 had been a challenging process, due to the public sector funding cuts, the broader economic climate, and the resulting pressures placed on the Council. The proposed 2012/2013 budget was £11.740m compared to the 2011/2012 budget of £12.229m. Efficiency savings and increased income of £2.15m were being proposed, as well as growth of £0.418m.

The Borough Council was approaching completion of a major programme of capital investment across the Borough, and it was estimated that £3.352m would be spent on this programme during 2012/2013.

The Borough Council was subjected to a Government grant reduction for 2012/2013 of 12.6%, from £5.24m to £4.58m. This brought the total grant cut to 35.2% over the first two years of the 2010 Comprehensive Spending Review finance settlement. The Government had offered to subsidise all councils which froze Council Tax, by providing a grant equivalent to 2.5% Council Tax increase. In the Borough Council's case this amounted to £167,000.

The following appendices were attached to the report:-

- Appendix A: Revenue Budget Summary;
- Appendix B: Capital Programme;
- Appendix C: Summary of Major Budget Changes;
- Appendix D: Dynamic Review – Innovation, Value and Enterprise (DR-IVE) savings and new income proposals;
- Appendix E: Medium Term Financial Strategy (5 year model);
- Appendix F: Report by the Chief Finance Officer;
- Appendix G: Summary of Earmarked Reserves;
- Appendix H: Prudential Code for Capital Finance in Local Authorities; and
- Appendix I: Summary of the Budget Consultation Exercise and Outcomes.

The Cabinet noted that the proposed 2012/2013 savings/new income were a further £2.15m and these were set out in Appendix D. New income proposals, which a majority of the public supported, had been included in the DR-IVE savings as set out in the Appendix.

The Borough Council was coming to the end of a major capital programme which had seen extensive investments in Bury St Edmunds and Haverhill, and significant match funding provided to the rural areas of the Borough. Planned capital expenditure in 2012/2013 was £3.352m, and £800,000 from 2013/2014 and subsequent years.

The Borough Council held General Fund balances as contingency to cover the cost of unexpected expenditure during the year. The Borough Council had previously agreed in 2005 that the minimum prudent level of General Fund balance should be £1.75m. The Budget Monitoring Report for 30 January 2012 indicated that the level of surplus on the current financial year, 2011/2012, was estimated to be £200,000. It was proposed to transfer the final year end surplus in its entirety to the General Fund. On this basis it was estimated that there would be £3.431m in the General Fund at the start of the 2012/2013 financial year, and, as a short term funding measure, there was scope to use some of this to support the 2012/2013 budget. As shown in the Medium Term Financial Strategy, at Appendix E, it was proposed to use £146,000 of the General Fund to balance the 2012/2013 budget.

Cabinet also noted that at the end of the 2011/2012 financial year the Council would have an estimated £10.9m in Earmarked Reserves. The current level of Earmarked Reserves and contributions during 2012/2013 had been reviewed, and, where appropriate, annual contributions had been adjusted. Appendix G set out the proposed contributions to and expenditure from Earmarked Reserves during 2012/2013.

Councillor Ray, Portfolio Holder for Performance and Resources, drew relevant issues to the attention of the Cabinet. In particular, he stated that the potential savings from the Shared Services Agenda with Forest Heath District Council, as detailed in Appendix D, was less certain than other savings within the budget. The reason being that the timescales for introducing elements of the Shared Services Agenda was not certain, and also what percentage of any savings would be attributable to the Borough Council. He also considered that the extensive consultation undertaken by the Borough Council in this budget setting process had been extremely useful and informative, and that the public were supportive of the budget decisions being proposed. He also drew to the attention of the Cabinet the conclusions reached by the Chief Finance Officer as detailed in her report, Appendix F, that the estimates were robust, taking into account known risk and mitigating strategies, and the reserves were adequate for the 2012/2013 budget plans.

A detailed discussion was held, and the Cabinet not only wished to thank the work of the Chief Finance Officer and her team but also the Chief Executive, Corporate Directors and all the staff who had shown dedication and commitment not only to deliver the necessary savings but also on the shared services process.

Councillor Griffiths proposed that the Council Tax should be frozen at the same level as for 2011/2012, which meant that there had been no increase in Council Tax for three out of the last four years. The Cabinet considered this to be a tremendous achievement against the significant reductions in Government grant, and all the other pressures on providing excellent services for the residents of the Borough.



RECOMMENDED:- That, subject to the approval of full Council,

- (1) the revenue budget attached as Appendix A, together with the additional revenue requirements ('growth bids') summarised as Appendix C and the efficiency (Dynamic Review – Innovation, Value and Enterprise ('DR-IVE')) savings and new income detailed at Appendix D be approved;***
- (2) the revised capital programme, attached as Appendix B, be approved;***
- (3) having taken into account the conclusions of the Chief Finance Officer's report attached at Appendix F, including the Risk Assessment, together with the Medium Term Financial Strategy (MTFS) attached at Appendix E and all the other information contained in Report C353, the Cabinet recommends that Council Tax for 2012/2013 be frozen at 2011/2012 levels; and***
- (4) the Chief Finance Officer, in consultation with the Portfolio Holder for Performance and Resources, be authorised to transfer any surplus on the 2011/2012 revenue budget to the General Fund, and to vire funds between existing Earmarked Reserves (as set out at Appendix G) as deemed appropriate throughout 2012/2013.***

**EXEMPT INFORMATION – EXCLUSION OF PUBLIC
TERMS OF FORMAL RESOLUTION**

That under Section 100(A)(4) of the Local Government Act 1972 the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 and 4 of Part 1 of Schedule 12(A) of the Act.

94. Appointment of Joint Chief Executive: Report of the Joint Appointments Committee

Forward Plan Reference: N/A Cabinet Member: Cllr John Griffiths

The Cabinet considered a narrative item which sought consideration as to the recommendation of the Joint Appointments Committee for the post of Joint Chief Executive.

In accordance with the resolution of full Council on 14 December 2011 (Minute 72(b) referred), the Joint Appointments Committee would recommend to full Council the appointment of a Joint Chief Executive with Forest Heath District Council. However, in accordance with the Officer Employment Procedure Rules, contained within Part 4, Rules of Procedure, of the Borough Council's Constitution, *"An offer of employment as a Chief Officer shall only be made where no well-founded objections from any Member of the Cabinet has been received."*

For those Members not on the Joint Appointments Committee, details of the recommendation of the Joint Appointments Committee that Ian Gallin be appointed Joint Chief Executive had been circulated.

During the discussion no objections were raised and this would be conveyed to the meeting of full Council, which immediately followed this meeting of the Cabinet.

RESOLVED:-

That the recommendation of the Joint Appointments Committee to appoint Ian Gallin as the Joint Chief Executive of St Edmundsbury Borough Council and Forest Heath District Council be endorsed.

The meeting concluded at 5.43 pm

**J H M GRIFFITHS
CHAIRMAN**