

Minutes of a meeting of the **CABINET** held in the Council Chamber, Council Offices, Priory Road, Spalding, on Tuesday, 14 February 2017 at 10.00 am.

PRESENT

The Lord Porter of Spalding CBE (Leader)
C N Worth (Deputy Leader)
M G Chandler (Deputy Leader)

A Casson
P E Coupland

R Gambba-Jones

C J Lawton

Cabinet Support
Members:

C N Johnson and E J Sneath

The Executive Director Commercialisation (S151 Officer), the Executive Manager Governance, the Interim Chief Accountant and the Democratic Services Officer.

Apologies for absence were received from or on behalf of Councillors S-A Slade and G J Taylor.

In Attendance: Councillor B Alcock (Chairman, Performance Monitoring Panel), Councillor G R Aley (Chairman, Governance and Audit Committee) and Councillor A M Newton (Independent Group Leader).

Community Representatives: Business Organisations and Parish Councils.

32. MINUTES

The minutes of the meeting held on 10 January 2017 were signed by the Leader as a correct record.

33. DECLARATIONS OF INTEREST.

Councillor Chandler informed the meeting that in relation to agenda items 9 and 13, in the interests of transparency, he wished it to be recorded that he was a Director of Welland Homes Ltd. He remained in the meeting during discussion of this item, but did not vote.

Councillor Alcock informed the meeting that in relation to agenda items 9 and 13, in the interests of transparency, he wished it to be recorded that he was a Director of Welland Homes Ltd. He remained in the meeting during discussion of this item.

Councillor Sneath informed the meeting that in relation to agenda items 9 and 13, in the interests of transparency, she wished it to be recorded that she was a Director of Welland Homes Ltd. She

Action By

CABINET - 14 February 2017

remained in the meeting during discussion of this item, but did not vote.

Councillor Coupland informed the meeting that in relation to agenda items 9 and 13, in the interests of transparency, he wished it to be recorded that he was a Director of Welland Homes Board. He remained in the meeting during discussion of this item but did not vote.

34. QUESTIONS RAISED BY THE PUBLIC UNDER THE COUNCIL'S CONSTITUTION (STANDING ORDERS).

No questions were raised under the Council's Constitution (Standing Orders)

35. TO CONSIDER ANY MATTERS WHICH HAVE BEEN SUBJECT TO CALL-IN.

There were no matters subject to call-in.

36. MATTERS ARISING FROM THE POLICY DEVELOPMENT AND PERFORMANCE MONITORING PANELS

There were no matters arising from the Policy Development and Performance Monitoring Panels.

37. FINANCIAL FORECAST OUTTURN QUARTER THREE 2016-17

Consideration was given to the joint report of the Portfolio Holder for Finance and the Executive Director Commercialisation (S151) which provided information on the draft year end financial position of the Council as at 31 December 2016. A number of recommendations to full Council were approved. The Financial Report for the quarter ending December 2016 was attached as Appendix 1 within the report.

Within the appendix, under Investment and Growth Reserve, it was stated that the contribution to the reserve represented New Homes Bonus grant received in year less £286,000 which had been used to support in year General Fund expenditure, and that this reserve would be used in future years to support the Council's capital expenditure. The Leader requested that the wording be amended to make it clear that the reserve would be used in future years to support the Council's priorities, but any use should be released through a member approval process.

RECOMMENDED TO FULL COUNCIL:

a) That the report and Appendix A be noted, subject to the

CABINET - 14 February 2017

change requested that the New Homes Bonus grant remain within the Investment and Growth Reserve to support both revenue and capital expenditure, as approved by members.

- b) That the use of reserves, as set out in Appendix A – Table 3 is approved:
- c) That the estimated underspend for the year is made available to contribute towards future budget deficits over the Medium Term Financial period; and
- d) That the slippage in capital expenditure budgets between 2016-17 and 2017-18 is noted, and that the necessary revision to the capital programme as part of the 2017-18 budget report is approved.

(Other options considered:

- *To note the report and to approve the recommendations detailed within the appendix without amendments; or*
- *To note the report and not approve the recommendations detailed within the appendix.*

Reasons for decision:

- *To provide timely information to members on the anticipated overall financial position of the Council, enabling resources re-allocation as necessary;*
- *To utilise efficiencies achieved in year to cover potential deficits in future years budgets due to delays in the Moving Forward Programme.)*

38. DRAFT BUDGET, MEDIUM TERM PLAN AND CAPITAL STRATEGY

Consideration was given to the joint report of the Portfolio Holder for Finance and the Executive Director Commercialisation (S151) which sought consideration of the General Fund and Housing Revenue Account 2017-18 draft revenue and capital estimates and the draft Financial Medium Term Plan.

The following documents were appended to the report, which had been circulated with the agenda:

- Appendix A – General Fund Budget 2017-18 and Financial Medium Term Plan 2017-18 to 2020-21
- Appendix B – General Fund and Housing Revenue Account summary 2017-18 to 2020-21
- Appendix C - Spalding Special Expenses
- Appendix D - Reserves
- Appendix E – General Fund Capital Programme 2017-18 to 2020-21

CABINET - 14 February 2017

- Appendix F - Capital strategy
- Appendix G - Treasury Management Strategy Statement
- Appendix H - Fees & Charges

Within Appendix A under New Homes Bonus, it was stated that no payment would be made on housing growth below 0.4% of the Council Tax base in each year. It was requested that the value of this percentage be provided.

Draft Spalding Special Expenses for 2017/18 were attached at Appendix C. It was stated that the Spalding Town Forum would wish to consider these figures at its next meeting and it was requested that these figures should be made available to them.

RECOMMENDED TO COUNCIL:

- a) That the revenue estimates for the General Fund, Housing Revenue Account and Spalding Special Expenses for 2017-18 (as set out in Appendices A, B and C) be approved;
- b) That the use of reserves as set out in Appendix D be approved;
- c) That Housing Revenue Account weekly dwelling rents reduce by 1% over the 2016-17 rent with effect from Monday 3 April 2017, in line with current government guidelines and legislation;
- d) That the fees and charges shown in Appendix H be approved for adoption from 1 April 2017;
- e) That the Council Tax for a Band A property in 2017-18 be set at £109.89, a £3.33 per annum increase on 2016-17 levels (band D £164.84, a £5 per annum increase on 2016-17 levels);
- f) That the Spalding special expense for a Band A property be set at £15.38, £15.33 in 2016-17 (Band D £23.07, £22.99 in 2016-17);
- g) That the Medium Term Financial Plan (Appendices A and B) be approved;
- h) That the capital strategy and capital programme (Appendices E and F) be approved;
- i) That the Treasury Management Strategy, including the Minimum Revenue Provision policy and annual investment strategy in Appendix G be approved; and

CABINET - 14 February 2017

DECISION:

- j) That delegated authority be given to the Executive Director Commercialisation (S.151), in consultation with the Portfolio Holder for Finance, to make any necessary amendments to the budget prior to Council due to late notifications.

(Other options considered:

- *To note the report and to approve the recommendation with amendments; or*
- *To note the report and not approve the recommendation.*

Reasons for decision:

- *To comply with the budgetary and policy framework.)*

39. WELLAND HOMES FINANCIAL MODEL

Consideration was given to the joint report of the Portfolio Holder for Finance and the Executive Director Commercialisation which sought consideration of a financial model for Welland Homes Limited (Welland Homes).

Confidential appendices were attached to the report detailing key assumptions supporting financial modelling, financial impact on Welland Homes Limited and financial impact on the Council.

Clarification was sought with regard to details of activity identified for the period of the Interim Business Plan summarised at 2.7 in the report, and the properties listed at 4.5 in the report. Officers advised that the report was the first part of a process to separate the Welland Homes Business Plan into layers with this initial report addressing the core business of the Company, private rented accommodation. Further work would now be completed to address other aspects of the overall Business Plan, in particular development activity, and these would be brought back to Cabinet for consideration at a later date.

RECOMMENDED TO COUNCIL:

- a) That the amendment to the Welland Homes Interim Business Case, as detailed in the report, be approved;
- b) That the delegated authority, granted by Council on 25 March 2015 to the Executive Director - Commercialisation (the S151 Officer), to approve the final mix of use of reserves and borrowing in line with the business plan and Council Treasury Management Strategy, be re-affirmed;
- c) That delegated authority be granted to the Executive Director -

CABINET - 14 February 2017

Commercialisation (the S151 Officer), to approve the terms of any loan agreements required;

- d) That the Council reverts back to the original 2016/17 Treasury Management Strategy approved by Council on 24 February 2016 with immediate effect but keeps the CCLA instant access money market fund counterparty limit at £10million rather than original £5million;

DECISION:

- e) That the Capital Programme, included as Appendix E to the draft Budget, Medium Term Plan and Capital Strategy Report to Council on 22 February 2017, considered as Item 8 on this agenda, be amended to reflect the amended programme set out in paragraph 4.10.2; and
- f) That the 2017/18 Treasury Management Strategy, included as Appendix G to the draft Budget, Medium Term Plan and Capital Strategy Report to Council on 22 February 2017, considered as Item 8 on this agenda, be amended to reflect the changes set out in paragraph 4.13.3.

(Other options considered:

- *Not to approve the recommendation. Whilst this option would provide time to consider the business case, it would in the meantime limit the delivery of housing from Welland Homes under the existing business plan and leave the Company unable to meet its contractual commitments with regard to Green Lane.*

Reasons for decision:

- *An update to the interim business plan provides the best delivery option during a period of uncertainty in relation to the future scale of development required.)*

40. SUB-COMMITTEE OF CABINET

Consideration was given to the joint report of the Portfolio Holder for Strategy, Governance and Transformation and the Executive Director Commercialisation which recommended to the Cabinet the formation of a sub committee of the Cabinet to oversee the Priory Road Project.

Attached to the report at Appendix A was the Governance Framework for the project, and at Appendix B were the proposed Terms of Reference for the sub committee of the Cabinet to oversee the Priory Road Project.

It was noted that the scrutiny Panels would be involved as a Joint Panel in scrutinising the project from an early stage. Its role was

CABINET - 14 February 2017

to ensure that the whole project was scrutinised effectively and delivered on time and on budget.

Cabinet members felt that Priory Road project had been misinterpreted as a general refurbishment of the building. The aim of the project was in fact to generate income and reduce the cost of the building to the taxpayer by providing public access to a number of services, in addition to the Council, at its current location. It was suggested that a protocol for media relations relating to the project be set up.

DECISION:

- a) That a sub committee of three members of the Cabinet be established to oversee the Priory Road Project;
- b) That the sub committee be delegated authority and powers as set out in Appendix B, working within the Council's policy framework and approved budget;
- c) That the sub committee of Cabinet is operational for the life of the Priory Road Project; and
- d) That the sub committee shall invite other members, officers and external parties/advisors to contribute in an advisory supporting role as required.

(Other options considered:

- *Do nothing – the risk of doing nothing and not changing the approach to how the project is overseen and delivered is to increase the pressure to deliver to key milestones and put at risk any potential interest of stakeholders being co-located at Priory Road;*

Reasons for decision:

- *The formation of a sub committee of Cabinet to act as an Executive Delivery Board for the life span of the Project will provide a robust governance framework, facilitate efficient decision making and will help to minimise risk to the delivery of the project to set timescales and within agreed budgets.)*

41. EXCLUSION OF PRESS AND PUBLIC

DECISION:

That, under section 100A (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 Paragraph 3 of part 1 of

CABINET - 14 February 2017

Schedule 12A of the Act.

42. WELLAND HOMES FINANCIAL MODEL

Clarification was sought by members and received in relation to information detailed within capital costs.

(The meeting ended at 10.37 am)

(End of minutes)

These minutes are published on Friday 17 February 2017. In accordance with the Council's Constitution the DECISIONS detailed above will, unless otherwise stated, come into force and may then be implemented on Monday 27 February 2017 (i.e. after the expiry of five working days from the date of publication of these minutes), unless during that period a notice which is signed by either a Ward Representative (in relation to a matter in their ward) or two members of the Performance Monitoring Panel or any three members, and complies with the requirements of the Council's Constitution, is served on the Executive Manager Governance requesting that the decision be called-in and the Executive Manager Governance approves the request for call-in. Where a decision is called-in it will firstly be considered by the Performance Monitoring Panel on a date to be fixed.

Any FINAL DECISIONS and any URGENT DECISIONS take effect immediately.

Any RECOMMENDATIONS TO COUNCIL detailed above will be submitted for consideration to the meeting of the full Council on Wednesday 22 February 2017.