

Minutes of a meeting of the **CABINET** held in the Council Chamber, Council Offices, Priory Road, Spalding, on Tuesday, 8 December 2015 at 6.30 pm.

PRESENT

G A Porter (Leader)  
C N Worth (Deputy Leader)  
M G Chandler (Deputy Leader)

A Casson  
P E Coupland

C J Lawton  
S-A Slade

G J Taylor

Junior Portfolio Holders: E J Sneath

Chief Executive, Executive Director - Commercialisation, Executive Manager - Governance and Democratic Services Officer.

Apologies for absence were received from or on behalf of Councillors R Gamba-Jones and A R Woolf (Junior Portfolio Holder), together with Lincolnshire Community & Voluntary Service, Lincolnshire Police and Welland Seniors Forum.

In Attendance: Councillor B Alcock (Chairman, Performance Monitoring Panel), Councillor G R Aley (Chairman, Governance and Audit Committee), Councillor A M Newton (Independent Group Leader) and Councillor M D Seymour (Chairman, Policy Development Panel), Communications Manager and Communications Officer

Community Representatives: Councillor R Boot (Parish Councils) and J Whitbourn (Business Organisations).

**28. MINUTES**

The minutes of the meeting held on 10 November 2015 were signed by the Leader as a correct record, subject to the inclusion of the word 'previous' within the third paragraph under Minute Number 26 – Write Offs so that the paragraph read as follows:

“Councillor P E Coupland reported that the write offs were 42% down compared with the first six months of the previous year.”

**29. DECLARATIONS OF INTEREST**

No interests were declared.

**30. QUESTIONS RAISED BY THE PUBLIC UNDER CABINET PROCEDURE RULE 2.4**

No questions were raised under Cabinet Procedure Rule 2.4.

Action By

AT

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**31. MATTERS SUBJECT TO CALL-IN**

There were no matters subject to call in.

**32. MATTERS ARISING FROM THE POLICY DEVELOPMENT AND PERFORMANCE MONITORING PANELS**

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

**33. FINANCIAL FORECAST OUTTURN QUARTER TWO 2015-16**

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 30 September 2015, and sought approval to recommend certain accounting adjustments to full Council. Appendix A, within the report, contained the Financial Report for the quarter ending 30 September 2015.

Members noted that recommendations 3 and 4 should refer to paragraphs 5.1.2 and 5.1.3 of the report retrospectively.

The Leader queried to the accounting treatment of the £1.7 million previously allocated by the Government for use on the Council's waste service vehicles. The Executive Director – Commercialisation (S151) explained that following receipt of the funding, the capital purchase of the vehicles had been accounted for as being funded by internal borrowings rather than capital receipts. That approach resulted in a Minimum Revenue Provision (MRP) charged to the revenue budget. However Table 2, within Appendix A, showed an alternative approach which the Director advised provided a more beneficial solution to the Council by removing the MRP from the revenue budget. There were several sources of funding identified to secure this change this change in approach that were detailed on table 2 of the report.

The Executive Director – Commercialisation (S151) assured members that the small contribution of an element of right to buy receipts was legal and agreed to provide the background information for the legislation to the Special Joint Performance Monitoring and Policy Development Panel meeting in January. The Director clarified that MRP did have a real cash impact on the revenue budget.

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The Leader requested that the audit trail for the original grant receipt for the refuse vehicles be considered by the Governance and Audit Committee for further assurance at its special meeting in January.

The Executive Director – Commercialisation (S151) agreed to ensure the budget scrutiny process incorporated an easy to understand “walk” through the transactional detail of the process applied to the accounting treatment of the purchase of the refuse vehicles and the proposed alternative treatment.

Members agreed that comments and feedback from the Special Joint Performance Monitoring and Policy Development Panel and Special Governance and Audit Committee meetings would be reported to cabinet prior to any recommendations within the report being submitted to full Council.

**DECISION:**

JK

- a) That the report and Appendix A be noted;
- b) That comments be sought from the Joint Performance Monitoring and Policy Development Panel, in terms of the proposed accounting treatment and source of financing for the refuse vehicles;
- c) That the Governance and Audit Committee review the original grant receipt and utilisation; and
- d) That the above comments, once received, be reported back to Cabinet prior to any other recommendations being submitted to full Council.

*(Other options considered:*

- *To approve the recommendations without amendments; or*
- *To approve the recommendations with amendments.*

*Reasons for decision:*

- *To provide assurances as to the budgeting process in relation to the receipt of external funding; and*
- *To provide timely information to members on the overall finances of the Council and to make the best use of resources available.)*

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**34. 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 draft capital and revenue budget estimates, the medium term financial plan and the capital strategy and approval to release for consultation. Appendices A – H within the report set out the following information:

- Appendix A – Budget estimates and medium term financial plan
- Appendix B – Budget Summary 2016/17
- Appendix C – Spalding Special Expenses
- Appendix D – Reserves
- Appendix E – Capital estimates
- Appendix F – Capital strategy
- Appendix G – Treasury Strategy
- Appendix H – Fees & Charges

The Executive Director – Commercialisation (S151) advised members that the Council was in a significantly improved position compared to previous years with a clear set of options available to them to secure a balanced budget across the medium term. Councillors' ambition to reduce reliance on the Revenue Support Grant (RSG) had been incorporated in to the medium term financial plan. Although the medium term plan covered the period to 2020, the formal budget consultation process related specifically to the coming financial year 2016/17. However, in line with best practice and agreements made last year the consultation and scrutiny process would incorporate the full medium term picture.

In relation to the Financial Forecast Outturn Report which had just been considered, the Minimum Revenue Provision adjustment information was going to be presented to the Joint Performance Monitoring and Policy Development Panel in January as part of the draft budget scrutiny process. The final draft budget would be presented to Cabinet in January, incorporating comments from the Joint Performance Monitoring and Policy Development Panel for Cabinet to take into account ahead of any recommendations to Council.

Members discussed the assumptions and objectives of the budget. The Executive Director – Commercialisation (S151) explained that it was planned to build up a resilience to ensure the Council was less reliant on Central Government funding which in turn would protect front line services from fluctuations in grant

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awards. The council used the Local Government Association's model for forecasting potential cuts to RSG ahead of any confirmed position. Previously the model had been incorrectly applied. The draft budget corrected those assumptions which now reflected a 40% reduction in RSG across a four year period. The Chancellor's recent statement gave some cause for optimism but the model would not be further amended until actual settlement figures were confirmed in mid-December. These confirmed figures would be used for the final draft budget for Cabinet and Council.

Councillor C N Worth queried reference to a £0 shortfall. The Executive Director – Commercialisation (S151) advised that the numbers were equal for the net cost of services and the budget requirement hence a nil shortfall.

Councillor A M Newton referred to the paragraph on page 35 within Appendix A which stated that it had been assumed that the supplementary waste services would not continue as part of an arrangement with Lincolnshire County Council for providing a Saturday morning service. She queried whether there was anything that the Council could do to assist the villages in South Holland in the interim period. The Leader suggested that councillors who were also County Councillors should liaise with Lincolnshire County Council regarding the situation. Councillor B Alcock pointed out that the cessation of the service would no doubt cost the Council money as a result.

**DECISION:**

JK

That the draft capital and revenue budget estimates, the medium term financial plan and the capital strategy be reviewed and released for consultation.

*(Other options considered:*

- *Not to approve the recommendations; or*
- *To approve the recommendations with amendments.*

*Reasons for decision:*

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

**35. 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 involved the likely disclosure of exempt information as defined in Paragraph 3 of part 1 of Schedule 12A of the Act.

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**36. LAND AT FRANCIS STREET / THE CRESCENT, SPALDING**

Consideration was given to the report of the Executive Director – Commercialisation (S151) which sought consideration of a series of options in relation to a parcel of land at Francis Street / The Crescent, Spalding.

**DECISION:**

- a) That the Council expresses an interest in entering into a three-way joint venture arrangement to bring forward two sites for development, those being the Council's land at Gore Lane, Spalding and the adjacent land at Francis Street/The Crescent; and
- b) That officers enter into negotiations concerning a joint venture arrangement, with a view to a draft business plan and proposed contractual arrangements in relation to a joint venture to be prepared for consideration by the Council at a later date, subject to:
- The identification of the developer;
  - The detail of the proposed scheme;
  - Full due diligence;
  - Receipt of pre-planning advice; and
  - Discussions with the owners of the land between the Council's land at Gore Lane, Spalding and the adjacent land at Francis Street/The Crescent, with a view to potential acquisition.

*(Other options considered:*

- *Not to approve the recommendations; or*
- *To approve the recommendations with amendments.*

*Reasons for decision:*

- *The joint venture approach to developing both sites would see the land developed as a cohesive development in a strategically important location, whilst also presenting an opportunity for the authority to benefit commercially from any resulting development.)*

(The meeting ended at 7.40 pm)

(End of minutes)

JK

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These minutes are published on Friday 11 December 2015. 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 21 December 2015 (i.e. after the expiry of 5 working days from the date of publication of these minutes), unless during that period a notice which is signed by at least one member of the Council and complies with the requirements of Rules 15(b), (c) and (d) of the Overview and Scrutiny Procedure Rules is served on the Democratic Services and Legal Manager requesting that the decision be called-in and the Democratic Services and Legal Manager 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 16 December 2015.