

Contact Officer: Andrea Woodside

KIRKLEES COUNCIL

CABINET

Tuesday 2nd February 2016

Present: Councillor David Sheard (Chair)
Councillor Steve Hall
Councillor Erin Hill
Councillor Viv Kendrick
Councillor Peter McBride
Councillor Shabir Pandor
Councillor Cathy Scott
Councillor Graham Turner

Apologies: Councillor Jean Calvert

198 Membership of the Committee

Apologies for absence were received on behalf of Councillor Calvert.

199 Interests

No interests were declared.

200 Admission of the Public

It was noted that all Agenda Items would be considered in public session.

201 Deputations/Petitions

No deputations or petitions were received.

202 Public Question Time

No questions were asked.

203 Member Question Time

No questions were asked.

204 Council budget report 2016-19; General Fund Revenue, Housing Revenue Account, Capital, Treasury Management,

Cabinet received a report which set out its recommendation to the meeting of Budget Council on 17 February 2016, and provided the basis upon which other Political Groups could consider their budget proposals for Capital, General Fund Revenue and Housing Revenue Account.

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Cabinet noted that the report;

(i) Reviewed the multi-year Plan for Capital Investment (Cabinet is required under Financial Procedure Rules to recommend to the Council a multi-year Plan for Capital Investment);

(ii) Reviewed the Treasury Management Strategy 2016-17 (which the Council must consider before the start of the financial year to comply both with the Chartered Institute of Public Finance & Accountancy (CIPFA) Code of Practice on Treasury Management, and with Department for Communities and Local Government (DCLG) guidance on local authority investments issued in March 2010, requiring the Council to approve an Investment Strategy before the start of each financial year);

(iii) Reviewed General Fund Revenue Budget Strategies over the Medium Term Financial Plan (MTFP), and budget proposals to achieve a balanced General Fund Revenue Budget in 2016-17, and Revenue Budget Plans for the following 2 years;

(iv) Incorporated the Government's announcement on the Local Government Finance Settlement for 2016-17 including indicative government funding forecasts for the following 3 years to 2019-20, and consider the level of general fund revenue budget needed for Treasury Management and Central Contingencies;

(v) Reviewed the Council's financial position in 2015-16, and gave early consideration to general fund revenue 'rollover';

(vi) Made recommendations on the Council tax requirement for 2016-17;

(vii) Reviewed the current levels of General Fund Revenue Reserves and Balances and make recommendations on the level of reserves;

(viii) Reviewed Housing Revenue Account (HRA) budget proposals to achieve a balanced General Fund Revenue Budget in 2016-17, and indicative Revenue Budget Plans for the following 2 years;

(ix) Reviewed the current levels of Housing Revenue Account Reserves, and make recommendations on the level of reserves;

(x) Incorporated the Council's Pay Policy Statement for 2016-17;

(xi) Incorporated a Statement of Assurance from the Director of Resources in relation to the adequacy of General Fund and HRA reserves and the robustness of budget estimates.

The report highlighted that the motion to be proposed by Cabinet would be incomplete as the precepts for Fire and Police Authorities, and Parish Councils, would not be determined at the time of consideration. It was noted that the Cabinet Motion therefore included estimated precepts based upon the best available information at the time.

RESOLVED -

That the report be submitted to the meeting of Council on 17 February 2016 with the following recommendations;

(1) Capital

(i) That the Capital Investment Plan be approved as an integral element of the Council's Budget Strategy to support Council priorities (on both capital and revenue budget proposals) and be contained within foreseeable resources (Appendix A, Section 1 and Appendix E refer).

(ii) That the Council should be advised to determine the Prudential Indicators as referred to in Appendix A (Section 1, paras 1.3.17-1.3.19) and again in Appendix F.

(2) Treasury Management

(i) That the borrowing strategy as outlined in Appendix A, Section 2, para 2.3, be approved.

(ii) That the Investment Strategy outlined in Appendix A Section 2, para 2.4, and Appendix G, be approved.

(iii) That the policy for provision of repayment of debt outlined in Appendix I, be Approved.

(3) General Fund Revenue

(i) That the Revenue Budget for 2016-19 as set out in Appendix B be approved.

(ii) That the strategy for the use of balances and reserves, as set out in Appendix A, (Section 3, para 3.16.2) be reaffirmed.

(iii) That it be acknowledged that for 2016-17 the minimum level of General Fund balances should be £5.0m (Appendix A, Section 3, para 3.16.3 refers)

(iv) That the estimated general and earmarked reserves be maintained, and that a further reassessment of reserves requirements be undertaken at year end and reported to members as part of the 2015-16 revenue rollover and outturn report; (Appendix A, Section 3 , para 3.16.5 refers)

(v) That the Council Tax requirement for 2016-17 (as detailed in Appendix A, Section 3, para 3.14.1 and Appendix C; budget motion) be approved.

(vi) That the Council's continued participation on the Leeds City Region business rates pool for 2016-17 be noted (Appendix A, Section 3, para 3.13.5 refers).

(vii) That Council be recommended to give consideration as to whether the rollover rules for the 2015-16 financial year should be changed.

(viii) That the Council's Pay Policy Statement for 2016-17, as detailed in Appendix D (i-v), be approved.

(ix) That the Director of Resources' positive assurance statement be noted.

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(x) That authority be delegated to the Director of Resources to amend how the finally approved precepts are recorded in the Council's Revenue Budget in line with the final notifications received following decisions by the Office of Police & Crime Commissioner, the Fire & Rescue Authority and Parish Councils should these be received after 17th February 2016.

(xi) That the high level forecast financial position in relation to 2019-20, as contained within the submitted report, be received, with a view to proposals being formulated over the forthcoming period to achieve a balanced general fund budget.

(5) Housing Revenue Account (HRA)

(i) That the Housing Revenue Account Budget 2016-19 be approved (Appendix B refers).

(ii) That the high level forecast financial position, as contained within the submitted report, be received, with a view to proposals being formulated over the forthcoming period to achieve a balanced Housing Revenue Account at the same time as maintaining the decent homes standard.

(iii) That the strategy for the use HRA reserves, as set out in Appendix A, Section 4, para 4.3.2, be reaffirmed.

(6) The considered report is referred to Council as advice and background information, upon which the other political groups can base their budget proposals.

(7) That unspent resources within District Committee budgets (including any capital allocations remaining from the old Area Committees and unspent HRA capital budgets managed through District Committees) be rolled over into 2016-17.

(8) That, to assist District Committees in spending their allocations for 2016/17, Cabinet will issue guidance prior to the start of the financial year, with a report to be brought back for consideration at Cabinet to facilitate this in March 2016.