

CABINET held at COUNCIL CHAMBER - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, CB11 4ER, on THURSDAY, 9 FEBRUARY 2023 at 7.00 pm

Present: Councillor P Lees (Chair)
Councillors A Coote, J Evans, N Hargreaves and L Pepper

Officers in attendance: P Holt (Chief Executive), J Etherington (Assistant Director of Finance), B Ferguson (Democratic Services Manager) and A Webb (Director - Finance and Corporate Services)

Also in attendance: Councillors Sell (deputising for the Leader of the Liberal Democrat and Green Group) and Smith (Leader of the Conservative Group); Councillor LeCount (Vice-Chair of the Scrutiny Committee).

CAB74 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Apologies were received from Councillors Armstrong, Freeman, Reeve and Sutton as members of Cabinet.

Councillor Caton, Leader of the Liberal Democrat and Green Group, sent his apologies and Councillor Sell deputised in his place.

Councillor Gregory, Chair of the Scrutiny Committee, sent his apologies and Councillor LeCount deputised in his place.

CAB75 MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 22 December 2022 were approved as a correct record.

CAB76 QUESTIONS OR STATEMENTS FROM NON-EXECUTIVE MEMBERS OF THE COUNCIL (STANDING ITEM)

In response to a question from Councillor Sell regarding Highways funding for 2023-24, Councillor Hargreaves said the council would provide £100,000 as per the previous year.

In response to a question from Councillor Smith regarding Highway Rangers funding, Councillor Hargreaves said this was funded by Essex County Council and Uttlesford District Council did not provide the core funding for the service. It was confirmed that the service would cease at the end of this financial year.

CAB77 CONSIDERATION OF REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEES (STANDING ITEM)

Councillor LeCount, the deputy Chair of the Scrutiny Committee, presented an update on behalf of the Committee. He said the Committee had reviewed a number of important work streams for the Council, including the Local Plan process, which was getting back on track. The Budget and Medium Term Financial Strategy were also looked at and he highlighted the increase in value of the investment assets. The Committee were also pleased with the ongoing improvements in the Planning department.

**CAB78 REPORT OF DELEGATED DECISIONS TAKEN BY CABINET MEMBERS
(STANDING ITEM)**

There were no delegated decisions to report.

**CAB79 REPORT ON ASSETS OF COMMUNITY VALUE DETERMINED BY THE
ASSETS OF COMMUNITY VALUE AND LOCAL HERITAGE LIST COMMITTEE
(STANDING ITEM)**

There were no decisions to report in regards to Assets of Community Value.

CAB80 CORPORATE PLAN 2023-2027

Councillor Lees presented the report in the absence of Councillor Reeve. She said this would be the final Corporate Plan before the election in May 2023 and therefore a light touch approach had been taken. She proposed approval of the recommendation stated in the report.

Councillor Hargreaves seconded the proposal. He said he would advise future administrations to make a distinction between what they can influence and what is within their power to change.

Councillor Sell said the Scrutiny Committee had played an important role in the past few years improving the Plan. He asked whether a Delivery Plan would be produced, to demonstrate how aspirations in the Corporate Plan would be met.

In response, Councillor Lees said there would be no further changes to the existing Delivery Plan at this late stage in the administration's term.

The Chief Executive said a new Delivery Plan would be brought to members in June, following the election.

RESOLVED that the Corporate Plan 2023-2027 is recommended to Council for adoption.

**CAB81 MEDIUM TERM FINANCIAL STRATEGY (MTFS) AND 2023/24 BUDGET
PROPOSALS**

Councillor Hargreaves presented the Medium Term Financial Strategy and Budget proposals for 2023/24. He said the proposals had been considered and endorsed by Scrutiny Committee, with a number of minor amendments with the agreement of the Chair. The Assistant Director of Finance was commended for the report.

Councillor Hargreaves highlighted the following:

- A Council Tax rise of 3%, equating to a £5.00 rise for Band D properties, providing an additional £195,000 income per annum.
- The Cost of Living Support Fund had been established with this additional income, to assist those who did not qualify for other measures of support but were still struggling in the economic climate, as per discussions at a member workshop.
- To note the balanced budget, including the use of £1.8million from reserves for planned purposes and £2.7million from the MTFS reserves. He said if an asset was sold from the investment portfolio, the shortfall could be covered.
- Planning fees in the Council's control would be increased to ensure the service was in line with other authorities.
- Regarding the Capital Strategy, he said there was a need to have a balance between short, medium and long term borrowing. He said the Council was also a depositor.
- Existing council rents had been increased by 7% in line with Government policy. A 11.1% rise would be applied when a property was to be re-let. These measures had been accepted by the Housing Board.
- In regards to the Treasury Management Strategy, he said the fair funding review had not been completed by central Government and all councils were affected by the uncertainty this created.
- He said the Council was being cautious and conservative in regards to borrowing and inflation rates.
- The Local Government Finance Settlement had been published in December 2022 and amounted to at least a 3% rise in core spending powers. However, as inflation was at 10%, this represented a real term cut for the third consecutive year.
- In regards to the MTFS in 2025/26, he said there was a presumption that Government cuts would lead to a drop in income of £4.8million. He said this was a worst case prediction and he thought it was inconceivable, due to the situation of other councils facing bankruptcy, that government would not take action and potentially restore local authority funding to previous levels. He highlighted the 'Changes to Funding Reform' scenarios contained within the MTFS which included more optimistic forecasts.

In response to a question from Councillor Smith regarding the valuation of assets, Councillor Hargreaves said the MTFS did not presume selling any assets. However, if assets were sold in future, it was assumed that they would be sold for their market value.

In response to a question from Councillor Coote regarding annuity, Councillor Hargreaves said the Minimum Revenue Provision (MRP) was managed in a way that reduced the MRP payable on asset valuations.

In response to a question from Councillor Sell relating to the running costs of investments, Councillor Hargreaves said costs were covered by the tenants.

The Director of Finance and Corporate Services said the service charges that were applied to 'Nucleus' were borne by the Park owners. This also applied to undeveloped plots.

In response to a question from Councillor Sell regarding the Cost of Living Fund, the Director of Finance and Corporate Services said the policy would be considered at the Council meeting on 21 February.

The Director of Finance and Corporate Services confirmed that the 145 responses to the Budget Consultation was a comparable response rate to previous years.

Councillor Hargreaves proposed the recommendations set out in the report; Councillor Pepper duly seconded.

RESOLVED to recommend the following Medium Term Financial Strategy and Budget Proposals to Council for adoption:

- i. review and have regard to the Section 25 report when considering the budgets for 2023/24;
- ii. review the risk assessment relating to the robustness of estimates as set out at paragraph 9 of the Section 25 report;
- iii. recommend to Council that the working balances for 2023/24 be set at £1.782 million for the General Fund and £581,000 for the Housing Revenue Account;
- iv. recommend to Council the approval of the Commercial Strategy 2023-28;
- v. review the key risks and assumptions set out at paragraph 29 of the Medium Term Financial Strategy 2023-2028;
- vi. recommend to Council the approval of the Medium Term Financial Strategy 2023-2028;
- vii. recommend to Council the approval of the changes to investment counterparty limits set out at paragraphs 52-54 of the Treasury Management Strategy, to apply with immediate effect;
- viii. recommend to Council the setting of the treasury management prudential indicators as set out at paragraphs 66-74 of the Treasury Management Strategy 2023/24;
- ix. recommend to Council the approval of the Treasury Management Strategy 2023/24;
- x. recommend to Council the setting of the capital prudential indicators as summarised at Annexe E2;
- xi. recommend to Council the approval of the Minimum Revenue Provision Statement 2023/24 as set out at Annexe E1;

- xii. recommend to Council the approval of the Capital Strategy 2023/24;
- xiii. recommend to Council the approval of the Capital Programme 2023/24 - 2027/28, including the planned application of capital financing set out at Annexe F4;
- xiv. recommend to Council the approval of increases in HRA rents as follows:-
 - General needs and supported accommodation – a 7% increase for existing tenants in accordance with the cap set by government, with formula rents to increase by the maximum permitted amount of 11.1% (to be applied only when properties are relet).
 - Temporary accommodation – rents to be increased in line with formula rents as in previous years (11.1%).
 - Garage rents – to be increased in line with September 2022 CPI (10.1%).
- xv. recommend to Council the approval of increases in HRA support and service charges as set out at paragraphs 21-27 of the Housing Revenue Account budget report;
- xvi. recommend to Council approval of the Housing Revenue Account Budget 2023/24
- xvii. recommend to Council the approval of the Council Tax Requirement for 2023/24 of £6,694,027, equivalent to £171.61 for a band D property, representing a £5.00 increase on the 2022/23 amount;
- xviii. recommend to Council the approval of placing £195,036 (the equivalent of the 2023/24 band D council tax increase) into a Cost of Living Support Fund to support households in hardship through additional council tax discounts, as proposed by officers;
- xix. recommend to Council the approval of the planned use of General Fund reserves during 2023/24 as set out at paragraph 47 of the General Fund budget report, including the use of £2.667 million from the Medium Term Financial Strategy reserve to balance the General Fund budget;
- xx. recommend to Council the approval of the reprofiling of spend on the Local Plan, and associated drawdown of reserves, as set out at paragraphs 29-34 of the General Fund budget report;
- xxi. recommend to Council the approval of the schedule of fees and charges for 2023/24 as set out at Annexe H5;
- xxii. recommend to Council the delegation of authority to the Director of Finance and Corporate Services (Section 151 Officer) to set and/or amend fees and charges in relation to services which are operating in competition with commercial providers, for example trade waste;
- xxiii. recommend to Council approval of the General Fund budget for 2023/24; and
- xxiv. note the contents of the Budget Consultation Report 2023/24.

The meeting ended at 7.55pm.