

## **MINUTES**

### **CABINET**

**12 FEBRUARY 2013**

**Present:**

**Members:**

**Councillors:**

Margaret Griffiths	Portfolio Holder for Housing
Neil Harden	Portfolio Holder for Residents and Regulatory Services
Julie Laws	Portfolio Holder for Environmental Services and Sustainability
Nick Tiley	Portfolio Holder for Finance and Resources
Andrew Williams (Chairman)	Leader of the Council

<b>Officers:</b>	Daniel Zammit	Chief Executive
	Sally Marshall	Corporate Director (Finance and Governance)
	Louise Miller	Corporate Director (Performance, Improvement and Transformation)
	Steven Baker	Assistant Director (Legal Democratic and Regulatory)
	James Deane	Assistant Director (Finance and Resources)
	Luisa Clarke	Communications Officer
	Linda Dargue	Insurance & Risk Manager
	Pat Duff	Member Support Officer

Councillor D Rance also attended.

The meeting began at 7.30 pm.

#### **CA/024/13 MINUTES**

The minutes of the meeting held on 22 January 2013 were agreed by the members present and signed by the Chairman.

#### **CA/025/13 APOLOGIES FOR ABSENCE**

An apology for absence was received on behalf of Councillor Douris.

#### **CA/026/13 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **CA/027/13 PUBLIC PARTICIPATION**

There was no public participation.

### **CA/028/13 REFERRALS TO CABINET**

There were no referrals to Cabinet.

### **CA/029/13 CABINET FORWARD PLAN**

#### **Decision**

That the Cabinet Forward Plan be noted.

### **CA/030/13 RISK MANAGEMENT REPORT QUARTER 3 2012/2013**

#### **Decision**

1. That the progress to date for the Q3 report on the Strategic Risk Register be noted.
2. That the progress to date for the Q3 report on the Operational Risk Registers be noted.
3. That a Review of the Strategic Risk Register be undertaken.

#### **Reason for Decision**

To note progress to date for the Q3 report on the Strategic Risk Register and Operational Risk Registers and to enable a Review of the Strategic Risk Register to be undertaken.

#### **Implications**

##### Financial

None Identified.

##### Value for Money

Risk management is closely linked to the Council's commitment to ensure that all resources are used efficiently and forms part of effective financial planning. The Council also needs to ensure that adequate provisions are in place to address anticipated risks but that these are no greater than necessary so that maximum resources are applied to services as required. To this end the Council sets minimum target working balances for both the general fund and HRA and at the date of this report this minimum balances are secured. Budget exercises for 2011/12 have ensured that the minimum balance requirements will also be met for the next financial year.

#### **Risk Implications**

Effective risk management is an important factor in all policymaking, planning and decision making.

Failure to manage risk effectively could have serious consequences for the Council leading to increased costs, wasted resources, prosecution and criticism under external assessments

### **Corporate Objectives**

Dacorum Delivers – Risk management is an essential part of ensuring that the Council meets all of its objectives

### **Advice**

The Portfolio Holder for Finance and Resources introduced the report and drew members' attention to page 3, paragraph 3 of the report regarding V4 consultants looking at the Risk Register and other projects and asked if there was a cost element to it or if it was wrapped up with another project they were doing.

The only increase in risk exposure was risk FR F04 – under spends against budgets. The Portfolio Holder was aware of it but was comfortable with running the risk.

The Insurance and Risk Manager said, regarding the consultants looking at the Risk Register, CMT suggested it as part of the change programme. It was felt it would be a good idea to have an external set of eyes.

The Corporate Director (Performance, Improvement and Transformation) said this was generic. The Council had huge aspirations and a lot of programmes and projects. As the Council had already recruited V4 to look at projects and programmes, they would look at the Risk Register as well at no additional cost.

### **Options and Why Options Rejected**

No alternative options were considered.

### **Consultation**

There was no consultation.

### **Voting**

None.

## **CA/031/13 PERFORMANCE AND BUDGET MONITORING QUARTERLY REPORT QUARTER 3 2012/2013**

### **Decision**

1. That the quarter three report on targets and performance be noted, as well as progress towards the achievement of the Council's Priorities and Vision.
2. That the forecast outturn position be noted.

## **Reason for Decision**

To enable the quarter three targets and performance, progress towards the achievement of the Council's Priorities and Vision and the forecast outturn position to be noted.

## **Implications**

### Financial

A summary of the Council's financial position for quarter 3, 2012/13 is included as Part B of the report.

### Value for Money

In order to achieve 'value for money', services must demonstrate economy, efficiency and effectiveness. Performance information enables Members to review how effectively services are performing.

## **Risk Implications**

Failure to meet corporate objectives and performance targets would have an adverse effect on the Council's performance management objectives and the Council's reputation.

## **Corporate Objectives**

Effective service and financial performance supports all five of the Council's Strategic Objectives.

## **Advice**

The Portfolio Holder for Residents and Regulatory Services introduced the report and said officers were aware of the drop in business improvement.

The Portfolio Holder for Environmental Services and Sustainability was pleased with the group performance from Environment and would be thanking the team for this. The Portfolio Holder hoped this level of performance could be maintained.

The Corporate Director (Performance, Improvement and Transformation) drew attention to the environmental performance which showed that the cost of gas to the Civic Centre appeared to be high. The Environmental Sustainability Officer was working with Serco to see if anything could be done about it in the short term.

The Leader of the Council said any work done to address fuel consumption was good, but limited resources must be used on this.

The Portfolio Holder for Housing congratulated the Housing team on their performance which showed a great improvement.

## **Options and Why Options Rejected**

No alternative options were considered.

## **Consultation**

Consultation took place with:

The Portfolio Holder for Residents and Regulatory Services;  
The Portfolio Holder for Finance and Resources;  
The Chief Executive, Directors, Assistant Directors and Group Managers; and  
Budget Holders

## **Voting**

None.

## **CA/032/13 BUDGET 2013/14**

### **Decision**

**That Council be recommended to approve:**

#### **General Fund Revenue Estimate**

- a) **set a Dacorum Borough Council General Fund council tax requirement of £9.245m which equates to £9.838m for the combined Borough Council and Parish Councils' requirement for 2012/13 (inclusive of parish precepts of £593k);**
- b) **set a Dacorum Borough Council, 1.9% Council Tax increase for 2013/14;**
- c) **set a garage rent increase of £0.25 per week based on a chargeable 48 week year;**
- d) **approve the revised revenue estimate for 2012/13; original base estimate for 2013/14: and indicative budget forecasts for 2014/15 to 2016/17 as shown in Appendix A of the report;**
- e) **approve and adopt the Treasury Management Strategy and Annual Investment Strategy for 2013/14 provided at Appendix Di of the report, including the approval of the:**
  - **Prudential Indicators in section 2**
  - **Authorised Limits for external debt in section 3.2**
  - **The borrowing strategy, indicators and limits contained in section 3.4**
  - **The annual investment strategy, indicators and limits set out in section 4**
  - **The use of the Investment Instruments listed in Appendix 5.3 of Appendix D of the report**
  - **Treasury Management Principles & Practices (Appendix Dii of the report)**

- f) approve increases in Fees and Charges for 2013/14 (in accordance with the Council's Fees and Charges Strategy) and as set out in Appendix E of the report; (please see the website for large print)
- g) approve the forecast balances of Revenue Reserves as shown in Appendix Aiii of the report;
- h) note that this budget paper, when approved by Council, will form part of the Medium Term Financial Strategy.

#### **Capital Programme**

- i) approve the revised Capital Programme for 2012/13 and Programme for 2013/14 to 2017/18 detailed in Appendix B of the report;
- j) authorise the funding proposals subject to an annual review of the financing options by the Corporate Director of Finance and Governance, in consultation with the Portfolio Holder for Finance and Resources, during the preparation of the Statement of Accounts to optimise the use of Council resources.

#### **Housing Revenue Account (HRA)**

- k) set dwelling rent increases in accordance with Government guideline rent increase and rent convergence principles. Rent increase for properties not at convergence level, September RPI (2.6%) + 0.5% plus £2 per week and for properties at convergence level, September RPI (2.6%) + 0.5%. Resulting in an average increase of 4.85% (a maximum of £6.26) providing an average rent of £96.73 (based on 52 weeks);
- l) approve the HRA revised estimate for 2012/13 and base estimate for 2013/14 as shown in Appendix C of the report.

#### **Reason for Decision**

To recommend that Council approve the budget proposals.

#### **Implications**

##### Financial & Value for Money

These are contained within the body of the report.

##### **Risk Implications**

Budget Risk Assessment completed within report (Appendix H).

##### **Corporate Objectives**

Balancing the books.

## **Advice**

The Leader of the Council advised that a revision of recommendation (k) had been circulated.

The Portfolio Holder for Finance and Resources introduced the report and said the Government would be very pleased with the Council as there would be no reduction in front line services or to any other services to residents. The Government would not be so pleased as the report was recommending that Council be recommended to approve a 1.9% increase in Council Tax. There had been a lot of consultation regarding the budget, despite the lateness of the figures received from Government. The Budget Consultation Event had been very successful.

The Portfolio Holder referred to page 15 of the report, paragraph 2 which referred to a balanced budget. A lot of work had been done by everybody who worked for the Council to make these year on year savings and staff were congratulated on their creativity. It was a collective effort from all employees.

The Portfolio Holder then referred to paragraph 4.2.1 of the report which showed the Council was still investing for the future. These were modest amounts being invested in areas the Council thought would drive the economy for the borough and the well being of the people who lived and worked in the borough.

The Corporate Director (Finance and Governance) referred to paragraph 3.6 of the report. The Portfolio Holder for Finance and Resources had referred to some potential underspend in the year. It was proposed that funds be contributed to earmarked reserves to invest in items going forward.

Regarding paragraph 6.3 of the report, the Corporate Director said the revised Capital Programme would need to be kept under scrutiny by managers and members to ensure investment returns were the best possible and asked the Portfolio Holder to challenge delivery of that. The Council would eventually get into a borrowing position.

Regarding paragraph 6.4.9 of the report, the Corporate Director said, although there was capital programme for ICT, because it was the early stage of working on the Transformation Programme around ICT, this budget would need further investment during the year.

The Corporate Director (Finance and Governance) said the Council had now received the Local Government Finance Settlement which had changed marginally by £250k. The Council had also received notice that a New Homes Bonus of £22k would be awarded.

The results of the consultation were detailed on page 31 of the report.

The Corporate Director (Finance and Governance) drew attention to section 14 of the report about the comments about the robustness of the budget and adequacy of the reserves. The report identified the risks to the budget and there was an analysis of risk shown at Appendix G of the report. This showed that, based on all assumptions and the risk of these things happening, there was a 75% probability the Council would be covered by the level of General Fund balances. The budget would be robust with adequate balances for the year.

The Portfolio Holder for Housing said this was the first year the Council had had total control over its housing. The Portfolio Holder said it had been a worrying time this time last year but it had been well managed through the first year. The Portfolio Holder thanked the officers involved for the work done initially to make the business plan work.

The Leader of the Council wanted to re-confirm a decision taken by Cabinet on 28 February 2006, CA/148/06 Highfield Youth Facility – Update on Proposals:

*That the item relating to the Highfield Youth Club be removed from the Council's Capital Programme and be replaced with an item to fund the capital costs of up to £150,000 for the refurbishing of Youth Centres across Hemel Hempstead, in accordance with recommendations from the HCC Youth Service.*

There was £101k remaining in that budget and the Leader of the Council asked that the Highfield Youth Club Reserve as mentioned in the budget papers be renamed the Youth Facilities Reserve and the funding be used for the refurbishment of existing facilities.

This was agreed.

### **Options and Why Options Rejected**

No alternatives were considered.

### **Consultation**

Consultation took place with:

The Corporate Management Team;  
Group Managers;  
Community and Public; and  
Staff.

### **Voting**

None.

The meeting ended at 7.52 pm.