

## **ITEM 7 – REFERRALS FROM CABINET**

**9 February 2016**

### **7.1 CA/017/16 BUDGET AND COUNCIL TAX SETTING**

#### **Decision**

**Resolved to recommend:**

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

- a) a Dacorum Borough Council General Fund Council Tax requirement of £10.218m, and of £10.908m for the combined Borough Council and Parish Councils' requirement for 2016/17;**
  - b) an increase of 2.78% in Council Tax for Dacorum Borough Council;**
  - c) the base estimates for 2016/17, as shown in Supplementary Appendix A1,\* and the indicative budget forecasts for 2016/17 – 2019-20, as shown in Supplementary Appendix A2;**
  - d) the forecast balances of the Revenue Reserves as shown in the Supplementary Appendix J, and approve paragraphs 10-20 of the Cabinet report as the updated Reserves Strategy.**
- a) approve increases in Fees and Charges for 2016/17 as set out in Appendices C3, D3, and E3**
  - b) approve and adopt the Treasury Management Strategy for 2016/17, attached at Appendix K;**
  - c) approve and adopt the Treasury Management Principles and Practices for 2016/17, attached at Appendix L;**
  - d) note that this budget paper, when approved by Council, will form part of the Medium Term Financial Strategy**

#### **Four Year Settlement**

- e) delegate approval to the Corporate Director (Finance & Operations) in consultation with Budget Review Group to decide on whether to accept Government's offer of a four-year finance settlement.**

#### **Capital Programme**

- f) approve the revised Capital Programme for 2015/16, and for 2016/17 to 2020/21, as detailed in Appendix I;**
- g) approve the financing proposals in Appendix I subject to an annual review of the financing options by the Corporate Director (Finance & Operations), in consultation with the Portfolio Holder for Finance and Resources, during the preparation of the Statement of Accounts.**

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

- h) reduce dwelling rents by 1% in accordance with government legislation, resulting in an average rent of £105.19 per week (based on 52 weeks);
- i) approve the HRA estimate for 2016/17 as shown in Appendix F.

## **Terms & Conditions**

- j) approve the continued application of a living wage supplement for all affected employees, in accordance with the rates of the Living Wage Foundation, for 2016/17 (to be reviewed annually thereafter).

## **Statement by Chief Finance Officer**

- k) approve the statement by the Chief Finance Officer regarding the robustness of the budget estimates and level of reserves as set out in Appendix M.

(\* Appendices can be found in the reports considered at Cabinet.)

## **Reason for Decision**

To present to Cabinet budget proposals for recommendation to Council in relation to:

- Revenue and Capital Expenditure together with the potential use of reserves
- The setting of the Council Tax for 2016/17
- The Treasury Management Strategy 2016/17
- The level of fees and charges for 2016/17
- Advice to Councillors on the robustness of the Budget proposals and adequacy of balances and reserves as required by the Local Government Act 2003

## **Monitoring Officer:**

Under the Council's Constitution it is the responsibility of Cabinet to draw up firm proposals for the Budget, having regard to the responses to the consultation, and to present those proposals to full Council for approval. Once full Council has approved the Budget it is the responsibility of Cabinet to implement it.

## **S.151 Officer:**

Comments contained in body of report to Cabinet. Chief Finance Officer Statement contained in Appendix M of the report.

## **Implications**

### **Financial & Value for Money**

Contained within the body of the report

### **Risk Implications**

Budget Risk Assessment completed within report (Appendix M)

### **Corporate Objectives**

All of the Council's corporate objectives are reflected in the Budget proposals.

### **Advice**

The Corporate Director for Finance and Operations explained that following issue of the Final Local Government Finance Settlement on 8 February 2016, supplementary recommendations were therefore being recommended to Cabinet. Each recommendation listed in the supplementary report to Cabinet supersedes the recommendations of the same letter within the original Cabinet Report. All other recommendations in the Cabinet Report remain extant and are not superseded by the supplementary recommendations.

In addition he added that on 17 December 2015, the Provisional Local Government Finance Settlement for 2016/17 was announced. The Provisional Settlement formed the basis for the Council's draft 2016/17 budget, which was scrutinised by Joint Overview & Scrutiny on 2 February 2016, and was subsequently published within the current Cabinet Report.

On 8 February 2016, the *Final* Local Government Finance Settlement for 2016/17 was announced, which contained a number of significant amendments from the provisional Settlement.

He noted that there could still be amendments required regarding the reduction in council rents and therefore a further paper to Cabinet may be required in February to be considered at a meeting immediately prior to Full Council.

The Chief Executive asked where the council would stand if the Bill was not an Act by the time the rent rates needed to be approved.

The Corporate Director for Finance and Operations said the council would be kept up to date with the options to be considered.

The Portfolio Holder for Housing felt that if the Bill was not an Act by the 1<sup>st</sup> April 2016, then the proposals should not be implemented until the following year.

The Leader of the Council noted that the council was caught out with this a few years ago and had to act on the rent rates retrospectively, which was a very long and complicated process.

The Portfolio Holder for Environmental, Sustainability & Regulatory Services said that the council had to give a certain amount of weeks' notice to its tenants about what their rent would be for the next financial year.

The Corporate Director for Finance and Operations said that Full Council will be asked to approve a 'best guess' rate which the tenants will be billed for. The council would have to act accordingly if this rate was subsequently amended.

The Leader of the Council said that there could be difficult challenges and decisions over the next few years to bridge the £4.2 mil gap.

### **Voting**

None.

**Decision:****Resolved to recommend:**

- (1) to adopt the Pay Policy for 2016/17 as set out in appendix 1 to the Cabinet report.
- (2) That any amendments to the Pay Policy throughout the financial year 2016/2017 which are required as a result of legislative changes can be approved by the Chief Executive in conjunction with the Council's Monitoring Officer .

**Reason for Decision**

To set the Council's pay policy for the financial year 2016/17, as required by Section 38 of the Localism Act 2011.

**Monitoring Officer:**

Comments have been incorporated into the report.

**S.151 Officer**

There are no budgetary pressures arising from the recommendations in this report.

**Implications****Equality Implications**

The Pay Policy Statement adheres to national guidance on pay equality.

**Risk Implications**

There needs to be a robust procedure in place to ensure transparency of information and equality in staffing costs and remuneration.

**Health & Safety**

No implications from this report.

**Corporate Objectives**

The Council's policies in respect of pay and terms and conditions support all five of the Council's strategic objectives as part of ensuring that services to the community can be delivered to the required standards and with due regard to economy, efficiency and effectiveness

**Advice**

The Portfolio Holder for Residents & Corporate Services explained that the Senior Officer Pay Policy has been refreshed for 2016/2017 in line with the Localism Act 2011 requirements. The main changes are:

- The amendment to the leadership structure following retirement of the Assistant Director Chief Executive's Unit.
- A section on additional payments for deputising Statutory Officers
- Additional information on election fees

- A note on the possible imposed a cap on 'exit payments' which can be made to public sector employees who leave voluntarily and the implications this may have on the pay policy.

The Chief Executive highlighted that paragraph 11 within the report should be amended to read that 'these changes are proposed to take effect from 1 May and not 1 June'. She added that paragraph 4 of appendix 1 related to section 8.8 of the policy.

The Leader of the Council asked how the new national living wage fitted in the DBC pay scales.

The Corporate Director for Finance and Operations explained that the national living wage would be £8.20 so the council pay scales would reflect this.

The Leader of the Council noted that this would mean that council staff would be on a band 3 at least.

### **Consultation**

Consultation took place with:

- Sally Marshall (Chief Executive)

### **Voting**

None.

## **7.3 CA/021/16      CORPORATE PLAN 2015-2020**

### **Decision**

**Resolved to recommend:**

- 1. the Corporate Plan 2015 to 2020 for adoption**

### **Reason for Decision**

To seek Cabinet approval for the referral of the Council's new Corporate Plan – 2015 to 2020 to Council for approval

### **Monitoring Officer:**

No further comments to add to the report.

### **S.151 Officer**

There are no direct financial consequences of this report. The Corporate Plan sets out the aims of the Council over the next five years and will help inform the Medium Term Financial Strategy.

- Corporate Management Team
- Dacorum Borough Council Officers

## **Implications**

### Financial

The plan sets out the priorities and vision for the organisation over the next five years. As a result it will inform and shape the strategic and financial decision making process of the organisation, including our Medium Term Financial Strategy (MTFS).

### Value for Money

A key priority within the plan is 'Delivering an Efficient and Modern Council'.

This will ensure that we focus on achieving the Council's savings and priorities while maintaining quality and protecting frontline services.

## **Risk Implications**

Risk Assessment completed on 18<sup>th</sup> January

### Risk 1

The plan sets out the priorities and vision for the Council over the next five years and frames the operational and financial planning.

Without a clear and considered document, there is a risk that we will start to work in a way that does not meet the expectations and needs of residents or Members.

### Risk 2

The lack of a plan would increase uncertainty and makes it difficult for teams focus their attention and resources in the right area.

One of the key elements within a plan is to set out the priorities that the Council needs to address.

### Risk 3

The plan also provides a series of key performance indicators enabling us to chart our progress.

Without an effective plan it is possible that we may be working in a way that causes duplication, waste or poor performance.

## **Corporate Objectives**

The Corporate Plan will support all five of the Council's corporate objectives:

1. Clean and safe environment
2. Community capacity
3. Regeneration
4. Dacorum delivers
5. Affordable housing

It sets out the updated priorities for the Council.

## **Advice**

The Leader of the Council said that the Corporate Plan sets out the priorities for the next few years and gives a focal point. The policies are ongoing and therefore the priorities were similar to previous years but do include projects for the future. He added that it would be made available online.

The Portfolio Holder for Housing asked if the council had sold 500 houses as previously it stated we owned 10,500 but now states 10,000. The Chief Executive said the figure better reflected the situation over the 5 years of the plan. She also highlighted that the priority titles had been changed to reflect a more accessible and action-orientated plan.

The Leader of the Council pointed out some minor amendments to the table showing the previous priority titles. The Chief Executive agreed to have these altered.

The Portfolio Holder for Environmental, Sustainability & Regulatory Services referred to the 'About Dacorum' section of the plan and asked if the figures shown for recycling, population and adventure playgrounds were for the calendar year or financial year for 2014. She asked if more current figures were available. It was noted that funding would be received for a specific year; however this plan covered a few years. She felt that the figure for funding shown in pounds and pence would be better shown as a percentage.

The Leader of the Council explained that the funding figures were an accurate reflection of the council's position and he felt that the figures were more meaningful shown in pounds and pence rather than a percentage. The Assistant Director for Performance and Projects noted that the figures were for 2014/15 and he would therefore look into 2015/16 figures.

The Leader of the council suggested including a footnote on the 'About Dacorum' page along with the others, to explain the dates the figures were obtained.

The Portfolio Holder for Environmental, Sustainability & Regulatory Services disagreed with the wording shown in the 'Looking Forward' section that 'the traditional view of the council as a one-stop provider of services is unrealistic' and felt 'one-stop' should be replaced. It was agreed that 'one stop' would be replaced with 'main'.

The Portfolio Holder for Environmental, Sustainability & Regulatory Services referred to the 'Building strong and vibrant communities' section and asked if indeed 'we' had delivered superfast broadband as it states, as she thought BT did this? The leader of the Council confirmed that BT did indeed lay the cables but DBC paid for it.

The Chief Executive suggested adding a publication date to the document, to illustrate when the figures were obtained. The Portfolio Holder for Planning & Regeneration felt that the picture of the Maylands Business Centre included in the plan was not very relevant to the text on the same page. The Portfolio Holder for Residents & Corporate Services noted that it referred to the text shown on the following page. The Assistant Director for performance and Projects would amend this illustration.

## **Consultation**

Consultation took place with:

- Corporate Management Team
- Dacorum Borough Council Officers

**Voting**

None.