



RUSHMOOR BOROUGH COUNCIL

CABINET

Tuesday, 2nd February 2010 at 4.30 p.m.
at the Council Offices, Farnborough

Councillor P.J. Moyle (Leader)
Councillor R.L.G. Dibbs (Deputy Leader and Environment Portfolio)

Councillor Mrs. D.B. Bedford (Leisure and Youth Portfolio)
Councillor M.S. Choudhary (Concessions and Community Support Portfolio)
Councillor S.J. Masterson (Safety and Regulation Portfolio)
Councillor P.G. Taylor (Corporate Services Portfolio)
Councillor F.J. Williams (Health and Housing Portfolio)

The Cabinet considered the following matters at the above-mentioned meeting. All executive decisions of the Cabinet shall become effective, subject to the call-in procedure, from **18th February, 2010**.

76. **MINUTES –**

The Minutes of the meeting of the Cabinet held on 12th January 2010 were confirmed and signed by the Chairman.

77. **FINANCIAL MANAGEMENT MATTERS –**
(Leader of the Council)

(1) **Revenue Budget, Capital Programme and Council Tax Level –**

The Cabinet considered the Head of Financial Services' Report No. FIN1001 which set out the updated budget position, taking into account the final Local Government Finance Settlement figures published on 20th January, 2010 and also made the final recommendations on the budget and Council Tax for 2010/11. The Report included: the General Fund Revenue

Budget Summary; detailed base revenue budgets for each Cabinet Portfolio; additional items for inclusion in the budget; Capital Programme; budget risk management issues; Section 25 statement on the estimates/adequacy of balances and reserves; and, comments on the budget arising from the consultation process.

The Cabinet noted that the budget proposals had been presented to senior citizens panels, to a meeting of business ratepayers and to voluntary groups, all of which had commented favourably upon the plans. The Policy and Review Panels had also been consulted on the budget proposals.

The budget strategy had been endorsed by the Cabinet in January 2010 with the key principles of:

- setting out a four year revenue financial plan covering the period to 2012/13
- reflecting the Council's agreed priorities and strategic objectives
- setting a target range for revenue balances of £1.25 million to £1.75 million over the period of the plan to maintain the strength of the Council's position
- achieving the target range of balances by implementing processes which would realise budget savings totalling £1.8 million in 2010/11 with further savings beyond this
- realising the savings of £1.8 million in 2010/11 through the Service Transformation Programme via a combination of staff monitoring, increases in fees and charges, efficiency savings and service reviews, with a particular focus on projects that would deliver significant cash savings in a short time-scale.

The Cabinet was advised that the budget had also been updated to take account of the latest anticipated effect of the recent sharp increases in inflation as they were now expected to impinge on the Council's major contracts. This was expected to increase these budgeted costs by approximately £100,000 in 2010/11. As a result, the requirement for savings had now increased to £1.9 million in 2010/11. The budget summary had also been updated to take account of the position on the Housing and Planning Delivery Grant, some of which would be used to support office accommodation works within the Capital Programme. As a result, the revenue contributions to capital had been reduced to £450,000 in 2009/10 to take account of the loss of anticipated support from the Housing and Planning Delivery Grant in the revenue budget.

It was confirmed that the final Local Government Finance Settlement, which had been published on 20th January, 2010, remained unaltered from the provisional settlement which had been announced in November. The final grant figure was £7,009,255. This therefore meant that no changes had been

made either to the population figures or to the Area Cost Adjustment position, which effectively left the Council significantly underfunded when compared to its Surrey neighbours. The Department for Communities and Local Government had previously indicated that the Area Cost Adjustment issue would be subject to a review during the following 1-2 years, potentially in time for the 2011/12 settlement. The population data should also be subject to revision at this time. However, the issue of public expenditure cuts and reductions in Revenue Support Grant could have more serious implications for the Council.

The Cabinet was also advised that the budget provided for the implementation of committed and inescapable additional items totalling £217,000 over the two years 2009/10 and 2010/11. In addition, the proposals also allowed for budget provision to be made for supplementary estimates up to £150,000 in 2010/11 by earmarking part of the Council's revenue balances for this purpose. The Capital Programme would total over £5.8 million in 2010/11.

The budget proposals provided for a moderate Council Tax increase of 1.9% which was substantially lower than the current rate of CPI inflation of 2.9% and RPI inflation of 2.4%. In order to achieve this, the budget proposals would require the implementation of budget savings of £1.9 million in 2010/11, together with further savings over the medium term. This would require reductions in the Council's service expenditure and increases in income generation, using the processes which had been developed as part of the Service Transformation Programme. The Cabinet was advised that the Heads of Service were being consulted on an on-going basis to develop and generate ideas as part of the Service Transformation Programme. Services would also be exercising constraint for the rest of the financial year, but without compromising the Council's services to the Borough in order to assist the Council's financial position.

The Cabinet RECOMMENDED TO THE COUNCIL that approval be given to:

- (i) the General Fund Revenue Budget Summary, set out in Appendix 1 of the Head of Financial Services' Report No. FIN1001;
- (ii) the detailed General Fund Revenue Budget, set out in Appendix 2;
- (iii) the Net Budget Requirement of £12,833,000;
- (iv) the precept of £5,781,590 for this Council;
- (v) the Council Tax level for Rushmoor Borough Council's purposes of £184.07 for a Band D property in 2010/11;

- (vi) a budget provision of £150,000 for supplementary estimates in 2010/11 to be met from revenue balances;
- (vii) the reduction in revenue contributions to the Capital Programme in 2009/10 to maintain revenue balances within the target range;
- (viii) the additional items for inclusion in the budget, as set out in Appendix 3;
- (ix) the Capital Programme, as set out in Appendix 4;
- (x) the Director of Resources' report, under Section 25 of the Local Government Act 2003, as shown in Appendix 6; and
- (xi) the continued development and implementation of the Service Transformation Programme in order to achieve the required savings as outlined in Report No. DMB1001.

(2) Prudential Indicators and Minimum Revenue Provision –

The Cabinet considered the Head of Financial Services' Report No. FIN1002, which sought approval of the Prudential Indicators and the approach to the Minimum Revenue Provision Policy set out in the Report.

The prudential indicators were prepared in accordance with the prudential system of capital accounting and were designed to support and record local decision-making in a publicly accountable manner.

Local authorities were required each year to set aside some of their revenue as a provision for debt. The provision was in respect of capital expenditure financed by borrowing or credit arrangements. The scheme for calculating the Minimum Revenue Position was set out in the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008. Rushmoor was currently debt free and, as such, did not make a minimum revenue provision. As the Council did not plan to finance capital expenditure through borrowing for the life of the Medium Term Financial Strategy, then it was not deemed necessary to indicate which option for calculation would be used. Whichever option the Council adopted, the Minimum Revenue Provision would be £0 for the current year. Should the situation change, a revised statement would be submitted to the Council.

The Cabinet RECOMMENDED TO THE COUNCIL that

- (i) the Prudential Indicators, as set out in Appendix A of the Head of Financial Services' Report No. FIN1002, be approved;
- (ii) the adoption of the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes be approved; and

- (iii) the approach to Minimum Revenue Provision, as set out in the Report, be approved.

(3) **Annual Treasury Management Strategy 2010/11 –**

The Cabinet considered the Head of Financial Services' Report No. FIN1003, which sought approval of the Treasury Management Strategy for 2010/11 and formal adoption of the revised Treasury Management Policy Statement. The Strategy and Policy Statement had been prepared in accordance with CIPFA's revised code of practice for treasury management, the Department for Communities and Local Government guidance on investments and the prudential system of capital accounting (the Prudential Code) and the Council's Risk Management Strategy.

The Cabinet noted that, due to the continuing levels of extreme financial turbulence that remained in the markets, the Council would continue to take a very cautious approach by investing on a short-term basis and only in the highest rated areas. A decision to relax this approach would be made by the Director of Resources in consultation with the Cabinet Member for Corporate Services and the Leader of the Council once it had been judged that market conditions had improved sufficiently.

The Cabinet

- (i) **RECOMMENDED TO THE COUNCIL** that approval be given to the Annual Treasury Management Strategy 2010/11 and hence the treasury indicators and Annual Investment Strategy contained within the Strategy; and
- (ii) **RESOLVED** that approval be given to the adoption of the Treasury Management Policy Statement.

78. **REFURBISHMENT OF PUBLIC CONVENIENCES AT HIGH STREET MULTI-STOREY CAR PARK, ALDERSHOT -**
(Environment)

The Cabinet considered the Head of Environmental Health's Report No. EH10007, which sought approval for a variation to the 2009/10 Capital Programme to allow the refurbishment of the disused public conveniences in the High Street multi-storey car park in Aldershot. This would facilitate the closure of the Princes Gardens facilities as part of the redevelopment of the site.

The Cabinet assessed the financial implications of the refurbishment, which would require a variation to the 2009/10 Capital Programme of £27,000. This would result in an estimated loss of interest of £1,350 on the £27,000 capital contribution. At Council Tax level, this equated to an increase of 4 pence.

During discussion it was requested that sufficient signage should be used to advise people of the location of the public conveniences.

The Cabinet RESOLVED that approval be given to the variation of the 2009/10 Capital Programme of £27,000 to facilitate the refurbishment of the disused public conveniences in the High Street multi-story car park in Aldershot, as set out in the Head of Environmental Health's Report No. EH10007.

79. **FARNBOROUGH RUGBY CLUB - FLOODLIGHTS -**
(Leisure and Youth)

The Cabinet considered the Head of Community's Report No. COMM10012, which sought approval to provide a grant of £6,500 to Farnborough Rugby Club from Section 106 funds (sports pitch improvements) to install floodlights.

The Cabinet was advised that the installation of the floodlights would cost £44,000, for which £37,500 had been secured by the Club from a number of organisations, including the Rugby Football Union, Hampshire Playing Fields Association and SITA UK (Landfill Trust).

In making its decision, the Cabinet assessed the financial position of the Club and the facilities provided by the Club. It was noted that the Club had planning permission for four 18 metre floodlights and additional training lights, which would enable extended use of the Club's facilities. It would also support community safety by providing a range of diversionary activities and healthier lifestyles through increased exercise.

The Cabinet RESOLVED that approval be given to a grant of £6,500 to Farnborough Rugby Club from existing Section 106 funds to enable the Club to install floodlights.

80. **FOOD/HEALTH AND SAFETY SERVICE PLANS 2010/11 -**
(Safety and Regulation)

The Cabinet considered the Head of Environmental Health's Report No. EH10002, which sought endorsement of the draft Food Safety Service Plan and draft Health and Safety Service Plan for 2010/11 for consultation with local businesses and business organisations. The Licensing and General Purposes Committee had considered the draft Plans the previous day and had recommended that the documents should be endorsed for consultation.

The Cabinet RESOLVED that the draft Food Safety Service Plan and draft Health and Safety Service Plan for 2010/11 be approved for consultation with local businesses and business organisations.

81. **RUSHMOOR HEALTH LIVING - DIRECTOR -**
(Health and Housing)

The Cabinet RESOLVED that Mr. David Quirk, Director of Community and Environment, be appointed as a Director of Rushmoor Healthy Living.

The Meeting closed at 5.10 p.m.

P.J. MOYLE
CHAIRMAN
