

**BROMSGROVE DISTRICT COUNCIL**

**MEETING OF THE CABINET**

**WEDNESDAY, 16TH JANUARY 2019, AT 6.30 P.M.**

PRESENT: Councillors G. N. Denaro (Leader), K.J. May (Deputy Leader),  
B. T. Cooper, M. A. Sherrey, C. B. Taylor and P. J. Whittaker

Officers: Mr. K. Dicks, Mrs. S. Hanley, Ms. J. Pickering, Mrs. C. Felton,  
Ms. D. Poole, Mrs B. Talbot and Mrs. P. Ross

50/18 **APOLOGIES**

There were no apologies for absence.

51/18 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

52/18 **MINUTES**

The minutes of the Cabinet meeting held on 5th December 2018 were submitted.

Councillor May asked for Minute No. 46/18, (page 3) to be amended as follows:

“It was understood that Councillor K. May as a County Councillor had asked for an assessment of the traffic in Hagley through the Worcestershire LEP”.

**RESOLVED** that the minutes of the meeting of the Cabinet held on 5th December 2018 be approved; subject to the amendment as detailed in the pre-amble above.

53/18 **MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 3RD DECEMBER 2018 AND 14TH JANUARY 2019 (RECOMMENDATIONS FROM THE FINANCE AND BUDGET WORKING GROUP)**

The minutes of the Overview and Scrutiny Board meeting held on 3rd December were noted.

It was noted that Agenda Item 4 on the Supplementary Agenda pack, should refer to the Minutes of the Overview and Scrutiny Board held on 14th January 2019 and not 3rd December 2018.

The Chairman then drew Members' attention to the Supplementary Agenda pack (pages 1 – 4), that was circulated prior to the commencement of the meeting; which detailed the recommendations from the Finance and Budget Working Group, as discussed and agreed at the Overview and Scrutiny Board meeting held on 14th January 2019.

The Fees and Charges for 2019/2020 were discussed in detail at the meeting of the Finance and Budget Working Group on 10th January 2019. The Working Group had put forward a number of recommendations for consideration by Cabinet, as detailed on pages 3 and 4 of the Supplementary Agenda pack.

**RESOLVED** that the recommendations, as detailed on pages 3 and 4 of the Supplementary Agenda pack, be discussed and considered with Agenda Item 7, the Fees and Charges report.

54/18

**HOMELESSNESS GRANT AND FLEXIBLE SUPPORT GRANT 2019/20**

Councillor Taylor, as Portfolio Holder for Strategic Housing, presented the report and in doing so highlighted that some interesting comments had been received when this item had been pre-scrutinised at the Overview and Scrutiny Board meeting held on 14th January 2019.

Councillor Taylor drew Members' attention to the following items:

- Homelessness Grant Allocation, as detailed on pages 17 and 18 of the main agenda report; and
- Flexible Homelessness Support Grant, as detailed on pages 18 and 19 of the main agenda report.

An element of the housing agency contract awarded to Bromsgrove District Housing Trust (BDHT) included the management of Temporary Accommodation for Homelessness Households. The Flexible Homelessness Support Grant had been allocated for the purpose of managing temporary accommodation and supporting those who were homeless or threatened with homelessness.

Members commented that they completely agreed that the support of all partner agencies was extremely important in helping the Council meet its statutory duties to those threatened with homelessness and homeless applicants.

Councillor May asked for sincere thanks to be noted as an acknowledgment to those partner agencies.

Councillor Sherrey commented that there needed to be an understanding of the definition of rough sleeping and homelessness.

Definition: "The distinction can be made between rough sleeping and homelessness in that it is possible to be homeless, but not sleeping

rough. For example, someone can be homeless if they are having to stay in temporary accommodation, however are not rough sleeping given they do have accommodation and a roof over their head at night”.

The Deputy Chief Executive informed Members that there was a bi-monthly corporate report, to be considered by Cabinet in the near future, and that she was happy to include a detailed definition of homelessness and rough sleeping. The focus of the report would be to cover delivery to the Council’s Strategic Purpose “Help me to find somewhere to live in my locality”.

**RESOLVED:**

- a) that Cabinet notes the 2019/2020 grant funding implications to be included as part of the Medium Term Financial Plan report to Council in February 2019, and that subject to Council approval of the budget;
- b) that the initiatives, as detailed in the report at bullet points 3.8, 3.10 and 3.11 as recommended by the Strategic Housing Manager, be approved to receive allocation of funding 2019/2020; and
- c) that delegated authority be granted to the Head of Community Services following consultation with the Portfolio Holder for Strategic Housing to use any unallocated Grant during the year or make further adjustments as necessary to ensure full utilisation of the Grants for 2019/2020 in support of existing or new schemes.

55/18

**MEDIUM TERM FINANCIAL PLAN 2019/2020 - 2022/2023**

.The Executive Director, Finance and Resources highlighted a number of areas within the Draft Medium Term Financial Plan update report for further consideration by Members, which included:

- When reviewing the budget projections, officers considered the impact of demand on service and the costs associated with this demand. This may result in additional costs (associated with maintaining current service delivery) or reductions in anticipated income revenue over the next four years.
- **Unavoidable Costs** - A number of budget pressures that have been deemed “unavoidable”. Unavoidable included the ongoing effects of pressures identified during 2018/2019 together with any issues that had been raised as fundamental to maintaining service provision as part of the budget process. In addition income shortfalls that cannot be managed by improved marketing or price increases have been addressed during the budget planning. The unavoidable pressures of £164k were detailed at Appendix 1 to the report.
- **Identified Savings and additional income of £133k** - These were proposed to ensure that budget pressures could be met and demonstrate the additional income that the Council was generating. This included the income of £80k that had been generated from the service agreement to provide Lifeline services to Cannock Council.

- It was proposed that there were no longer any savings or income allocations that were not specifically identified and therefore there was a pressure to the budget of £654k to reflect the removal of the unidentified savings.
- **Negative RSG** - £740k. Whilst the final settlement had not been received, the projection included the removal of the £740k negative grant payment to Government.
- **New Homes Bonus (NHB) Grant.** The amount of NHB for 2019/2020 had been confirmed as £1.589m which was £54k less than anticipated in the Medium Term Financial Plan (MTFP). This was due to the Band D equivalent properties being less than anticipated due to redevelopments not being delivered in the District. The 2019/2020 income would be generated from 363 Band D properties. However, the 0.4% levy on growth equated to 171 properties which resulted in an annual reduction of £227k in NHB Bonus received.
- **Future Years** – It is assumed that 2019/2020 will be the final year of the NHB scheme. Therefore an estimate of £295k was included in 2019/2020 to continue for 4 years. There was no further funding included in the MTFP for “new” monies from 2020/2021 which would result in a considerable funding gap for the Council. In addition Members would need to consider the impact on the community group funding from 2020/2021. In addition the costs of borrowing for the capital programme were included and the ongoing financial impact of the revised pay model.

At the invitation of the Chairman, the Human Resources and Development Manager provided Members with information on the National Pay Award – Joint Pay Model, as detailed at Appendix 5i of the report.

The Human Resources and Development Manager explained that a two year pay award was agreed Nationally to cover 2018/2019 and 2019/2020. As part of this agreement there was the introduction of a new pay spine that would take effect from April 2019.

The Human Resources and Development Manager highlighted that whilst no employees would be negatively affected, some employees would not see the financial gain they had expected in April 2019, it might take a longer period to reach the top of the grade, due to the additional spinal column points that had been added to some grades.

The Human Resources and Development Manager further explained that should Council agree, there would be a formal consultation with the Trade Unions.

The Executive Director, Finance and Resources stated that Members were being asked to consider the impact of the national pay agreement for Bromsgrove District Council only.

The Portfolio Holder for Finance and Enabling Services expressed his sincere thanks to the Executive Director, Finance and Resources and the finance team.

**RESOLVED** that the current Medium Term Financial Plan gap, be noted and that officers be requested to continue to review the position to enable a balanced budget to be presented to the next meeting of Cabinet on 13th February 2019.

**RECOMMENDED:**

- a) that the pay model as detailed at Appendix 5i of the report, be adopted and implemented with effect from 1st April 2019; and
- b) that a formal consultation be commenced with the Trade Unions, with a view to reaching a Collective Agreement to implement the pay model in line with the revised National Pay spines.

56/18

**FEES AND CHARGES 2018/19**

Members considered the Fees and Charges to be levied on services provided by the Council as used as the basis for income targets in the Medium Term Financial Plan (MTFP) 2019/2020 – 2022/2023.

The Executive Director, Finance and Resources informed Members that a new process had been followed for the review of income to be realised from 1st April 2019/2020. This had included an assessment of each fee in order to identify how it met the Council's Strategic Purposes and the level of increase that was proposed. Therefore the levels of increase were based on a robust estimate of the impact of cost increases and demand within services. Retail Price Index (RPI) at 3% had been used where a general inflationary increase was proposed.

Fees were to be considered using the following criteria:

- Service to be subsidised by the Council
- Service to break even
- Service to make a surplus to offset other relevant costs

As agreed by Members the recommendations from the Finance and Budget Working Group, as detailed on pages 3 and 4 of the Supplementary Agenda pack were considered.

Following the presentation of the report, Members briefly discussed the following:

- That there was no increase in the brown bin garden waste charge.
- Hire Products (page 45 of the main agenda pack) it was agreed that more detailed information should be included in order to highlight that the hire of a smoke alarm per week; was for a hard wired, serviced smoke alarm.
- Charges for mechanically sweeping a private road/car park – both mini and HGV hourly charges.

**RESOLVED**

- a) that the recommendations from the Finance and Budget Working Group as agreed by the Overview and Scrutiny Board, as detailed on pages 3 and 4 of the Supplementary Agenda pack, be included in the Fees and Charges update report, to be presented to Council on 23rd January 2019; and
- b) that the information on Hire Products, as detailed in the preamble above, also be reported to Council on 23rd January 2019.

**RECOMMENDED:**

- a) that Council approve all fees and charges that are included within Appendix 1 of the report;
- b) that Council approve the recommendations from the Finance and Budget Working Group, as detailed at Appendix 1 to the minutes; and
- c) that additional information on Hire Products be included within future fees and charges reports.

57/18

**COUNCIL TAX CALCULATION 2019/20**

Members considered a report which contained details of the calculation of the District's tax base for Council Tax setting purposes for 2019/2020.

The Executive Director, Finance and Resources introduced the report and in so doing explained to Members that it set out the details of the calculation of the District's tax base for Council Tax setting purposes. This was required as part of the determination of the level of Council Tax for 2019/2020. The Council Tax Base was calculated using a prescribed formula to generate the equivalent number of Band D properties in the District and also took into account the number of Council Tax Support claimants within the area.

**RESOLVED** that the amount calculated by Bromsgrove District Council as the Council Tax Base for the whole area for 2019/2020 be approved at £36,714.20 as detailed at Appendix 1 of the report; to include the individual parish elements.

58/18

**CAPITAL STRATEGY REPORT 2019/20**

Members were asked to consider the Capital Strategy 2019/2020 incorporating treasury Management Strategy and half term year treasury update.

The Executive Director, Finance and Resources informed Members that the report was a new report for 2019/2020, required by changes in the guidance from CIPFA and the Ministry of Housing, Communities and Local Government (MHCLG). The strategies set limits and indicators that embodied the risk management approach that the Council believed to be prudent.

Pages 98 and 99 of the main agenda pack set out the “Local Context”, “Liability Benchmark” and the “Borrowing Strategy”.

Page 101 of the main agenda pack detailed the “Treasury Management Indicators”.

**RESOLVED** that the half year treasury update be noted.

**RECOMMENDED:**

- a) that the Capital Strategy as an appropriate overarching strategy for the Council and the flexible use of capital receipts, as detailed at Appendix E of the report, be approved; and
- b) that the Treasury Management Strategy for 2019/2020 and the associated limits, MRP policy and treasury management policy, as detailed at Appendices C and D and the specific indicators, included in the report, be approved by 31st March 2019.

59/18

**LOCAL GOVERNMENT ACT 1972**

(During consideration of this item Members agreed that Minute No’s 60/18 and 61/18 were not being discussed or debated, therefore it was agreed not to exclude the press and public, as no debate or information would be revealed relating to financial and business affairs).

60/18

**FEES AND CHARGES - CONFIDENTIAL APPENDIX 1 (AGENDA ITEM 7 REFERS)**

**RESOLVED** that the Fees and Charges confidential Appendix 1, as detailed on page 129 of the main agenda pack, be noted.

61/18

**OVERVIEW AND SCRUTINY BOARD CONFIDENTIAL MINUTES 3RD DECEMBER 2018**

**RESOLVED** that the confidential minutes of the Overview and Scrutiny Board held on 29th October 2018 and further discussed at the Overview and Scrutiny Board held on 3rd December 2018, be approved as an accurate record.

The meeting closed at 7.08 p.m.

Chairman

This page is intentionally left blank



## **Finance and Budget Working Group**

### **Fees and Charges – Meeting 10<sup>th</sup> January 2019**

The Finance and Budget Working Group met with the Heads of Service and relevant Portfolio Holders and discussed in detail the fees and charges for 2019/20. The Working Group put forward a number of recommendations which they would like Cabinet to consider in more detail, these were:

#### **New and Existing Properties**

Street naming and numbering – it was noted that the charge for this service should not exceed the cost of providing it to include any share of overhead cost

#### **Recommended:**

Officers look at the cost of providing this service and what a reasonable charge would be for it, with a view to doubling this charge if possible.

#### **Private Sector Housing**

Strategic Housing – Members discussed the charges at length and proposed that no increase would be made and a comment be made to ensure residents were aware of the financial support that can be made to provide funding for those in crisis.

Housing Fitness Inspections – It was noted that this was a one off payments every three years.

#### **Recommended:**

This be increased to £150 per inspection.

#### **Environmental Services**

Cemetery charges – particularly in respect of child burials.

It was suggested that the words free of charge be replaced with “no charge”.

Mechanically Sweep Private Road/Car Park – Mini Sweeper per hour

#### **Recommended:**

That a charge for travel time be included, in additional to the use of the sweeper and that this be included in the charge

## **Medium Term Financial Plan**

Members also considered the Medium Term Financial Plan and discussed a number of areas including Bids, Savings and the Capital Programme. The following recommendation was made:

### **Recommended:**

An ambition to make clear identified savings in the coming years.