



MINUTES OF A MEETING OF THE CABINET HELD ON 9th JULY 2020

PRESENT: Councillor D Cook (Chair), Councillors R Pritchard (Vice-Chair), J Chesworth, M Cook, S Doyle and J Oates

The following officers were present: Andrew Barratt (Chief Executive), Anica Goodwin (Executive Director Organisation), Stefan Garner (Executive Director Finance), John Day (Knowledge, Performance and Insight Co-ordinator) and Jodie Small (Legal, Democratic and Corporate Support Assistant)

Guest : Councillor Dr S Peale

Apologies received from: Councillor(s) none received

1 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 19th March 2020 were approved and signed as a correct record.

(Moved by Councillor J Oates and seconded by Councillor J Chesworth)

2 DECLARATIONS OF INTEREST

There were no Declarations of Interest.

3 QUESTION TIME:

No questions received

4 MATTERS REFERRED TO THE CABINET IN ACCORDANCE WITH THE OVERVIEW AND SCRUTINY PROCEDURE RULES

None

5 QUARTER FOUR 2019/20 PERFORMANCE REPORT

The Leader of the Council provided Cabinet with a performance update and financial Health check. The report was considered by Corporate Scrutiny Committee at their meeting on 17th June 2020

RESOLVED

That Cabinet;

Approved an immediate suspension of all non-essential spending and that the budget be revised to remove these following the preparation of the first quarterly monitoring report, and

Endorsed the contents of this report

(Moved by Councillor D Cook and seconded by Councillor S Doyle)

6 CAPITAL OUTTURN REPORT 2019/20

The Portfolio Holder for Assets and Finance advised Members of the final outturn of the Authority's Capital Programme for 2019/20 (subject to audit confirmation) and requested formal approval to re-profile specific programme budgets into 2020/21.

RESOLVED

That Cabinet;

- 1 Received the final outturn position of the 2019/20 capital programme as summarised in Appendix A;
- 2 approved for each of the projects detailed in Appendix B the re-profiling of the budget into the Authority's Capital Programme 2020/21 (total £21.080m); and
- 3 Approved that the Building Repairs fund contribution of £0.56m allocated by Cabinet to the Assembly Rooms scheme be retained in reserve which will mean additional borrowing will be required to fund the outturn for the Assembly Rooms scheme.

(Moved by Councillor R Pritchard and seconded by Councillor M Cook)

7 QUESTIONS SUBMITTED BY COUNCILLOR DR S PEAPLE**Question 1**

Does the reference, in the first paragraph on Page 2, to the "revenue budget" mean the general fund revenue budget? Does this mean that Recommendation 3 is asking Cabinet to hold back a planned revenue contribution to a capital programme from last year's budget to help plug a gap in the current year's revenue budget? What are the revenue implications for the additional borrowing required?

Answer

Yes the reference is to supporting General Fund 'Revenue Budget'. The proposal is to retain the planned contribution of £560k (that was planned to support Assembly Rooms) in a revenue reserve so it will be available to support the MTFs (in 2020/21 or later years as necessary). The revenue impact of borrowing the £560k is estimated at c. £20k p.a. (over a period of 30 years – subject to the valuer's confirmation as part of the accounts process). As the report states, this includes an associated increase in minimum revenue provision and interest costs written down annually over the estimated life of the improvements (as indicated by the valuer). Interest costs will be minimal due to the current base rate forecasts.

Question 2

GF Contingency Plant and Equipment – if this was based on a business case, why is it not needed?

Answer

This is a contingency budget to be used if it would prove more financially beneficial/better VFM to purchase plant and /or equipment rather than lease. Business case would be examined on a case by case basis.

Question 3

Refurb of Marmion House contingency – the budget was apparently rolled over from last year and was not needed this year but is still being re-profiled into next year. As this is specific to reception, what concerns are there that have not yet manifested themselves?

Answer

The impact of Covid-19 has changed the plans for this budget. The money was set aside to refresh reception and the plan was to do this and move the contact centre to the ground floor. With everyone now working at home for the foreseeable future then this has been paused. However we need to do a piece of work around our most vulnerable residents and how they are accessing our services and what their needs are – which will inform the need for the budget.

Question 4

It is stated that the £30K to be spent under the Homelessness Reduction Act is not expected to be spent this year – given the huge pressures on the service this seems illogical, but does not spending it have any implications for our ability to apply for DHCLG funding in 2020/1 and beyond?

Answer

The Homelessness and Rough Sleeping Strategy is currently under review with a cabinet report set for approval in the Autumn 2020. This will include an updated evidence base as well as spending and delivery plan. A full review of expenditure

is underway and it is expected that funds will be committed to facilitate homeless prevention, especially arising as a result of COVID.

Question 5

Private Sector Coalfields Fund & Private Sector Improvements Grants– what was this money budgeted to be spent on?

Answer

Previous cabinet reports released some of the grant to be used for the improvement of dilapidated empty homes, no spend is now anticipated until the Empty Homes policy has been updated at which time a new capital appraisal business case will be considered.

Question 6

HRA – Rewire – there has been discussion over several meetings of committee and Council regarding the level of annual underspends in the authority – this could be seen as a way in which £262K of contingency has been built in since it seems to turn on a hypothetical – how rigorously are these items contested during the budget setting process?

Answer

The rewire was included as a hypothetical investment requirement based on the information available at the time. The budget has been used largely in a responsive manner delivering upgrades identified through the Periodic Electrical Inspection Reports which are funded through the housing repairs revenue budgets. Until the inspections are completed the exact nature of any follow-on work is not known. The actual works required may vary from year to year. Unfortunately even stock condition data won't identify this as no intrusive work or testing of installations is done.

Question 7

The Tinker's Green Project is forecast to come in under budget, but the smaller Kerria is predicted to be 10% over budget – is there a particular reason why the Kerria costs have varied?

Answer

This relates to an Extension of Time claim; part of this stems from the demolition phase and the fact that utilities were found under the site that had not previously been identified and part relates to the changes to the retail unit. The carry forward amounts are based on latest estimates required to complete the schemes.

Question 8

Under Regeneration General (last page) it shows a spend of (£31k) to give a saving of £81K – how is this achieved?

Answer

The underspend relates to an accrual for estimated retention payments on the 19 new build properties from 2018/19 which was not required. Budgets have subsequently been merged to create "Regeneration and New Affordable Housing" code to ensure 1-4-1 receipts are spent.

Leader