

Extract from the draft minutes of the Cabinet meeting on 30 January 2019

Councillor T. Young (as a Director of North Essex Garden Communities Ltd) and Councillor King (as substitute Director of North Essex Garden Communities Ltd) declared a non-pecuniary interest in the following item pursuant to the provisions of Meetings General Procedure Rule 7(5).

326. 2019/20 General Fund Revenue Budget, Capital Programme and Medium Term Financial Forecast

The Assistant Director, Policy and Corporate, submitted a report a copy of which had been circulated to each Member, together with the draft minute from the Scrutiny Panel meeting of 29 January 2019.

Councillor Barber attended and with the consent of the Chairman addressed Cabinet and urged it to withdraw the allocation of £450,000 for work on the Local Plan until the Sustainability Appraisal had been completed. The Council should not commit resources to what was not yet the preferred option. The transfer of further funds to North Essex Garden Communities would remove the Council's ability to oversee the process.

Councillor King, Portfolio Holder for Resources, and Councillor T. Young, Portfolio Holder for Business and Culture, responded and stressed that the allocation was necessary in order to maintain the Local Plan process and ensure that resources were in place to ensure that any work that was required could be completed to the necessary standard. Outcomes had not been pre-determined. The other authorities involved in the Garden Communities had also contributed and if this allocation was not made the project could collapse, which was not in the borough's best interests.

Councillor G. Oxford attended and with the consent of the Chairman addressed Cabinet and stressed that the allocation was prudent as it was not clear how the situation in respect of the Local Plan may develop.

Councillor Laws attended and with the consent of the Chairman addressed Cabinet about the Better Colchester campaign. A number of the billboard adverts were self-congratulatory or their relevance to Colchester or the Council was unclear.

Councillor Cory, Leader of the Council and Portfolio Holder for Strategy, explained that Better Colchester was a wide marketing campaign involving a number of partners. It was also linked to the "Live Well" campaign so some of the messages were about health and wellbeing.

Councillor King, Portfolio Holder for Resources, introduced the report and drew Cabinet's attention to the minute from the Scrutiny Panel. He thanked officers for the hard work that had gone into preparing the budget. The budget needed to be seen in

the context of declining central government funding. This was a long-term trend that was accelerating. The Council had responded to this through a programme of efficiencies combined with creating opportunities for income and growth. As a consequence, the Council had strong balances and reserves, which would help if future settlements from government were challenging. The budget also provided investment in key services and work with partners, including policing and highways. It was a prudent and considered budget. It was acknowledged that an increase in Council Tax was an additional burden on residents but it was only the third rise since 2011. The generous Local Council Tax Support Scheme would be maintained to help those in need.

Councillor Cory and Councilor T. Young also expressed their support for the budget proposals and highlighted that in the context of the reductions in government funding the administration's radical approach to its delivery programme was the most efficient delivery method for services to residents.

RESOLVED that:-

(a) It be noted that for the purpose of assessing the impact on balances the outturn for the current financial year is assumed to be on budget (see paragraph 6.4 of the Assistant Director's report).

(b) The provisional Finance Settlement figures set out in Section 7 of the Assistant Director's report showing a cut to Revenue Support Grant of £275k be noted, meaning that there is no RSG in the 19/20 budget.

(c) To note the figures for the business rates retention scheme and the arrangements for completion of the required return of estimated business rates income as set out at paragraph 7.8 of the Assistant Director's report.

(d) The reduction in the New Homes Bonus grant be noted and that further reductions in later years are expected as set out in section 7 of the Assistant Director's report.

(e) The cost pressures, proposed use of New Homes Bonus, savings and increased income options identified during the budget forecast process as set out at in section 8 and detailed in Appendices C of the Assistant Director's report be approved.

(f). *RECOMMENDED TO COUNCIL* the 2019/20 Revenue Budget requirement of £20,206k (paragraph 8.24 of the Assistant Director's report) and the underlying detailed budgets set out in summary at Appendix E of the Assistant Director's report, and available background papers subject to the final proposal to be made in respect of Council Tax.

(g) *RECOMMENDED TO COUNCIL* Colchester's element of the Council Tax for 2019/20 at £190.62 per Band D property, which represents an increase of £5.49 (2.97%) from the current rate noting that the formal resolution to Council will include Parish, Police, Fire and County Council precepts and any changes arising from the formal Finance Settlement announcement and final completion of the business rates

NNDR 1. This will be prepared in consultation with the Leader of the Council.

(h) *RECOMMENDED TO COUNCIL* the following changes to Council Tax discounts and premiums:-

- To introduce a 28 day exemption of 100% Council Tax for empty and substantially unfurnished properties (Class C Dwellings)
- To increase the long term empty premium to the maximum amounts as stated in Rating (Property in Common Occupation) and Council Tax (Empty Dwellings) Act 2018

(i) The Revenue Balances for the financial year 2019/20 as set out at Appendix J of the Assistant Director's report be agreed and it be agreed that the minimum level be set at a minimum of £1,900k

(k) The updated position on earmarked reserves set out in section 10 of the Assistant Director's report be noted and the following be agreed:-

- Release of £185k use of parking reserve
- Contribution to balances in respect of redundancy costs.
- Contribution to the business rates reserve of £406k

(l) The reinstatement of balances in respect of the pensions deficit payment made in 2017/18 as set out in section 8.22 of the Assistant Director's report be agreed.

(m) It be agreed and *RECOMMENDED TO COUNCIL* that £100k of Revenue Balances be earmarked for potential unplanned expenditure within the guidelines set out at paragraph 12.3 of the Assistant Director's report.

(n) The Medium Term Financial Forecast for the financial years 2019/20 to 2022/23 set out in section 14 of the Assistant Director's report be noted.

(o) The position on the Capital Programme be noted and the Capital Strategy set out at Appendix O be approved and *RECOMMENDED to COUNCIL*

(p). *RECOMMENDED TO COUNCIL* the inclusion of the increased capital allocations set out at paragraphs 15.5 to 15.7 of the Assistant Director's report.

(q) The comments made on the robustness of budget estimates at section 16 of the Assistant Director's report be noted.

(r) The 2019/20 Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy as set out in the background paper at Appendix P of the Assistant Director's report be approved and *RECOMMENDED TO COUNCIL*.

(s) The contents of the draft minute from the Scrutiny Panel meeting of 29 January 2019 be noted.

REASONS

The Council is required to approve an annual budget.

The Assistant Director's report sets out supporting information and also statutory commentary about the robustness of the budget and the level of balances.

ALTERNATIVE OPTIONS

There are different options that could be considered as part of the budget within the constraints set out in the Assistant Director's report.