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Chairman and Members of the
Council

Your contact: Martin Ibrahim
Ext: 2173
Date: 17 February
2012

cc. All other recipients of the Council
agenda

Dear Councillor

COUNCIL - 22 FEBRUARY 2012: SUPPLEMENTARY AGENDA 1

Please find attached the following reports which were marked "to follow" on the agenda for the above meeting:

8. Executive Report - 7 February 2012 (Pages 111 - 118)

To receive a report from the Leader of the Council and to consider the following recommendations:

- (A) Treasury Management Strategy Statement 2012/13 and Minimum Revenue Policy Provision

Minute 599 refers.

- (B) Capital Programme 2011/12 (Revised) - 2014/15

Minute 600 refers.

- (C) Fees and Charges 2012/13

Minute 601 refers.

(D) Service Estimates - Probable Outturn 2011/12: Revenue Budget 2012/13

Minute 602 refers.

(E) Consolidated Budget Report and 2012/13 - 2015/16 Medium Term Financial Strategy

Minute 603 refers.

(F) Local Authority Mortgage Scheme

Minute 604 refers.

Please bring these papers with you to the meeting next Wednesday

Yours faithfully

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Democratic Services
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MEETING : COUNCIL
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : WEDNESDAY 22 FEBRUARY 2012
TIME : 7.00 PM

MINUTES OF A MEETING OF THE
EXECUTIVE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 7 FEBRUARY 2012, AT 7.00 PM

PRESENT: Councillor A Jackson (Chairman/Leader)
Councillors M Alexander, M Carver,
L Haysey and M Tindale.

ALSO PRESENT:

Councillors E Buckmaster, J Demonti,
M McMullen, P Moore, T Page, J Ranger,
C Rowley and P Ruffles.

OFFICERS IN ATTENDANCE:

Simon Drinkwater	- Director of Neighbourhood Services
Martin Ibrahim	- Democratic Services Team Leader
Alan Madin	- Director of Internal Services
George A Robertson	- Director of Customer and Community Services

599 **TREASURY MANAGEMENT STRATEGY STATEMENT
2012/13 AND MINIMUM REVENUE POLICY PROVISION**

The Executive Member for Finance submitted a report setting out the 2012/13 Treasury Management Strategy Statement and Minimum Revenue Provision Policy Statement together with the proposed Prudential Indicators.

He advised on comments made by the Audit Committee,

at its meeting held on 18 January 2012, in which the need to increase returns on investment was emphasised. He further advised on the outcome of a recent meeting with Sector, the Council's treasury advisors.

The Executive commended the proposals as now detailed.

RECOMMENDED – that (A) the comments of Audit Committee be received;

(B) the 2012/13 Treasury Management Strategy Statement and Annual Investment Strategy and Prudential Indicators for East Herts Council be approved; and

(C) the Policy on Minimum Revenue Provision (MRP) be approved.

600 **CAPITAL PROGRAMME 2011/12 (REVISED) - 2014/15**

The Executive Member for Finance submitted a report setting out proposals for the Council's Capital Programme for 2011/12 (Revised) – 2014/15. The joint meeting of Scrutiny Committees, at their meeting held on 17 January 2012, had supported the proposals.

The Executive Member reminded the Executive of the Council's Financial Strategy Statement, which had placed a £1m ceiling on the 2014/15 programme for projects to be funded from available capital resources. Therefore, it would be necessary to identify further reductions in the programme totalling £645k.

The Executive Member referred to proposals detailed at paragraph 2.4 of the report now submitted and suggested some amendments, in order to meet the £1m ceiling. These were:

Item	2011/12 £k	2012/13 £k	2013/14 £k	2014/15 £k
Community Capital Grants (consolidation of 4 existing separate budgets)	140	100	90	80
Private Sector Improvement Grants	820	820	820	615
Town Centre Enhancements	100	0	0	0
Capitalised Salaries	186	188.6	188.6	0

The Executive Member explained that capitalised salaries would be funded from revenue from 2014/15. Town centre enhancements could be funded from the New Homes Bonus. He referred to slippage on various items and indicated that proposals on these would be made in respect of the Healthcheck item elsewhere on the agenda.

The Executive commended the proposals as now detailed.

RECOMMENDED – that (A) the comments of the Joint Scrutiny Committees of 17 January 2012, be received; and

(B) the new Capital Programme for the period 2011/12 (Revised) to 2014/15 as now amended, be approved.

601 **FEES AND CHARGES 2012/13**

The Executive Member for Finance submitted a report setting out proposed fees and charges for 2012/13. The joint meeting of Scrutiny Committees, at their meeting held on 17 January 2012, had supported the proposals

now detailed.

Members were reminded of the decision taken at the previous meeting in respect of car parking charges.

The Executive commended the proposals as now detailed.

RECOMMENDED – that (A) the comments of the Joint Scrutiny Committees of 17 January 2012, be received; and

(B) the increases in fees and charges as detailed in Essential Reference Paper ‘B’ of the report submitted, be approved.

602 **SERVICE ESTIMATES - PROBABLE OUTTURN 2011/12:
REVENUE BUDGET 2012/13**

The Executive Member for Finance submitted a report on the service estimates. The joint meeting of Scrutiny Committees, at their meeting held on 17 January 2012, had supported the proposals.

The Executive commended the proposals now detailed.

RECOMMENDED – that (A) the comments of the Joint Scrutiny Committees of 17 January 2012 be received; and

(B) the probable Revenue Estimates for 2011/12 and the draft Revenue Estimates for 2012/13 be approved.

603 **CONSOLIDATED BUDGET REPORT AND 2012/13 -
2015/16 MEDIUM TERM FINANCIAL STRATEGY**

The Executive Member for Finance submitted a report recommending the revenue budget for 2012/13. The joint meeting of Scrutiny Committees, at their meeting held on 17 January 2012, had supported the proposals now

detailed.

The Executive Member referred to the Medium Term Financial Plan (MTFP) and the proposed levels of Council Tax. He was pleased to advise that there would be a 0% increase in 2012/13 and that the MTFP assumed a 0% increase in 2013/14.

Arising from Members' comments, the Executive Member for Community Safety and Environment acknowledged the value of Police and Community Safety Officers to residents and confirmed that implementation of savings remained subject to the forthcoming Community Safety Review.

The Executive commended the proposals as now detailed.

RECOMMENDED - that (A) the comments and proposals of the Joint Scrutiny Committees of 17 January 2012, be received;

(B) the probable outturn for 2011/12 be approved and any variation at outturn showing an improved position against the £13k under spending reported be put to the interest equalisation reserve;

(C) the revenue budget for 2012/13 be approved and the planning contingency be taken to the investment income reserve, as detailed at paragraph 2.22 of the report submitted;

(D) the Medium Term Financial Plan to 2015/16, as now submitted, be approved; and

(E) there be no increase in council tax for 2012/13 and, in the absence of government making currently unplanned reductions in local authority funding, there be no increase in 2013/14.

604 LOCAL AUTHORITY MORTGAGE SCHEME

The Executive Members for Finance and Health, Housing and Community Support submitted a joint report seeking approval to provide £1m funding for house purchase mortgages within East Herts using the Local Authority Mortgage Scheme (LAMS) that had been developed by Sector, the Council's treasury management advisers.

The Executive noted that the scheme had been proposed in the context of strategic housing policy and not as a treasury investment decision. The Executive Members detailed the key features of the scheme, which would be administered by Sector and the banks. In essence, LAMS allowed local authorities to help address a shortage of mortgage lending accessible to those with deposits of less than 25%. The scheme gave access to funding to those with a deposit of 5% or more with the Council acting as guarantor for the balance of the usual deposit of up to 20%.

Various Members expressed support for the scheme.

The Executive recommended the proposals as now detailed.

RECOMMENDED - that (A) £1m be allocated to support the LAMS scheme in East Herts and that the following parameters be set:

- (1) the Scheme to apply to all post code areas within East Herts; and
- (2) the maximum loan per property be set at £160,000;

(B) the Executive Member for Finance be authorised to determine the allocation of the £1m in (A) above to either a cash backed or guarantee scheme, in the light of confirmed interest from local and national mortgage providers;

(C) subject to the determination by the Executive Member of Finance in (B) above, approval be given in respect of Lloyds TSB Bank plc and Lloyds TSB Scotland plc for:

- (1) a Scheme Indemnity Deed as set out at Essential Reference Paper 'E' of the report submitted; and**
- (2) an Officer's Indemnity Deed as set out at Essential Reference Paper 'F' of the report submitted.**

605 MINUTES

RESOLVED – that the Minutes of the Executive meeting held on 10 January 2012 be approved and signed by the Leader as a correct record.

606 ISSUES ARISING FROM SCRUTINY

The Executive received a report detailing those issues referred to it by the Scrutiny Committees. Issues relating to specific reports for the Executive were considered and detailed at the relevant report of the Executive Member.

RESOLVED – that the report be received.

607 MONTHLY CORPORATE HEALTHCHECK - DECEMBER 2012

The Leader of the Council submitted an exception report on finance and performance monitoring for December 2011.

The Executive Member for Finance referred to items of slippage and the consideration given to reductions in the capital programme elsewhere on the agenda. He suggested that slippage on Town Centre enhancements and various budgets as detailed in recommendations (C) – (F) of the report now submitted, should be deferred pending further

review by Officers, in order to clarify:

- schemes in progress;
- schemes where funds had already been committed; and
- schemes where submitted applications had yet to be considered.

The Executive agreed that where items did not meet any of these criteria, they should be deleted from the programme, in order that savings could be made. Officers were requested to clarify these issues in the next Healthcheck report.

The Executive approved the proposals now detailed.

RESOLVED – that (A) the budgetary variances set out in paragraph 2.1 of the report be noted;

(B) £100,000 of the Drill Hall capital budget be re-profiled from 2011/12 into 2012/13, as detailed at paragraph 2.25 of the report submitted;

(C) proposed slippage on Capital Grants, Village Hall Community Challenge, Partnership Investment Fund, Community Planning Grants and Town Centre Environmental Enhancements be deferred until the next Healthcheck report, pending clarification of applications awaiting consideration, schemes in progress and commitments made; and

(D) £16,800 of the Historic Buildings Grants capital budget be re-profiled from 2011/12 – 2012/13 as detailed at paragraph 2.30 of the report submitted.

The meeting closed at 8.06 pm

Chairman
Date