

**CANNOCK CHASE COUNCIL**

**EXTRACT FROM  
MINUTES OF THE MEETING OF THE**

**CABINET**

**HELD ON MONDAY, 1 FEBRUARY, 2016 AT 4:00 P.M.**

**IN THE CIVIC CENTRE, BEECROFT ROAD, CANNOCK**

**IN RESPECT OF BUDGET RESOLUTIONS:  
HOUSING REVENUE ACCOUNT AND GENERAL FUND**

**(NB The Minutes are presented in the order in which they will be considered at  
Council on 16 February, 2016)**

**PART 1**

PRESENT: Councillors:

Adamson, G.	Leader of the Council
Alcott, G.	Deputy Leader of the Council and Economic Development and Planning Portfolio Leader
Mitchell, Mrs. C.	Culture and Sport Portfolio Leader
Dudson, A.	Environment Portfolio Leader
Davis, Mrs. M.A.	Health and Wellbeing Portfolio Leader
Allen, F.W.C.	Housing Portfolio Leader

**71. Apologies**

Apologies were received from Councillors C. Bennett, Crime and Partnerships Portfolio Leader; A. Lovell, Corporate Improvement Portfolio Leader; and Mrs. D. Todd, Town Centre Regeneration Portfolio Leader

**HOUSING REVENUE ACCOUNT**

**83. Housing Revenue Account Budgets 2016-17 to 2018-19**

Consideration was given to the Joint Report of the Head of Housing and Waste Management and Head of Finance (Item 13.1 – 13.9).

RESOLVED:

That:

- (A) The revised position with regard to estimated income and expenditure in respect of the 2015-16 Housing Revenue Account Budget and base Housing Revenue Account budgets for the period 2016-17 to 2018-19 as

summarised in Appendix 1 to the report be noted.

(B) Council, at its meeting on 16 February, 2016, be recommended to:-

- (i) Determine a minimum level of working balances of £1,546,310 for 2016-17 and indicative working balances of £1,710,770 and £1,767,810 for 2017-18 and 2018-19 respectively;
- (ii) Note the 1% reduction in rents for 2016-17 in accordance with the Government's Social Rent Policy;
- (iii) Approve the HRA Revenue Budgets for 2016-17, 2017-18 and 2018-19 (and note the estimated outturn for 2015-16) as summarised in Appendix 1 of the report.

### Reasons for Decisions

The report considered proposed three-year HRA budgets for 2016-17, 2017-18 and 2018-19, which were formulated within the framework provided by the Interim Review of Housing Revenue Account Business Plan considered by Cabinet on 10 December, 2015.

A review of the 2015-16 HRA budget, together with base HRA budgets for the period 2016-17 to 2018-19 was attached as Appendix 1 to the report. The base budgets were formulated in accordance with the assumptions set out in the HRA Business Plan, with projected levels of income and expenditure as summarised below.

<b>Table 1: HRA Summary Budget 2016-17 to 2018-19</b>			
	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Income	(19,838)	(19,718)	(19,520)
Expenditure	15,463	17,108	17,678
Revenue Contribution to Capital Outlay	4,353	2,446	1,785
Surplus in Year/ Working Balances	(22)	(164)	(57)
Deficit in Year			

In considering the HRA Revenue Account, consideration needed to be given to the HRA Capital Programme and the level of Working Balances. A key consideration of the Capital Programme was the Revenue Contribution to Capital Outlay (RCCO). In accordance with the Interim Business Plan the RCCO represented the net surplus on the Revenue Account after determining the level of Working Balances.

In view of the risks associated with the management of the HRA under self-financing, minimum working balances of 10% of net operating expenditure were assumed throughout the three-year budget period.

The Working Balances position can be summarised as follows :

<b>Table 2 : Working Balances Summary 2015-16 to 2018-19</b>				
	<b><u>2015-16</u></b>	<b><u>2016-17</u></b>	<b><u>2017-18</u></b>	<b><u>2018-19</u></b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Balance B/fwd.	3,626	1,524	1,546	1,711
Minimum Amount required	1,524	1,540	1,711	1,768
Transfer to RCCO in year	(2,102)			
Amount of Surplus to be retained		22	165	57
Balance C/fwd.	1,524	1,546	1,711	1,768

## **82. Housing Revenue Account Capital Programmes 2015-16 to 2018-19**

Consideration was given to the Joint Report of the Head of Housing and Waste Management and Head of Finance (Item 12.1 – 12.7).

RESOLVED:

That:

- (A) The estimated availability of Housing Revenue Account capital resources for the period 2016-17 to 2018-19 (as set out in Appendix 1 to the report) be noted.
- (B) Council, at its meeting to be held on 16 February, 2016, be recommended to approve the three year Housing Revenue Account Capital Programme for the period 2016-17 to 2018-19 (as set out in Appendix 2 to the report).

### Reasons for Decisions

The report considered the draft proposed three year HRA Capital Programme for the period 2016-17 to 2018-19, together with the forecast outturn for 2015-16, compiled within the financial framework provided by the revised HRA Business Plan.

Details of the estimated availability of HRA capital resources during the three year period were set out in Appendix 1 to the report, whilst a three year HRA Capital Programme was set out in Appendix 2.

A comparison of estimated resource availability with the proposed HRA capital expenditure programmes was also set out:

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
	£000's	£000's	£000's	£000's
Net Resources Brought Forward	<b>3,270</b>	<b>2,158</b>	<b>565</b>	<b>655</b>
New Resources	12,202	9,634	9,551	5,578
Total Resources:	15,472	11,792	10,116	6,233
Less:				
Expenditure Programme	(13,314)	(11,227)	(9,461)	(4,973)
Resources carried forward to future years	<b>2,158</b>	<b>565</b>	<b>655</b>	<b>1,260</b>

### GENERAL FUND

#### **81. General Fund Revenue Budget and Capital Programme 2016-17 to 2018-19**

Consideration was given to the Report of the Head of Finance (Item 11.1 – 11.73).

RESOLVED:

That the following be recommended to Council on 16 February, 2016, as part of the formal budget setting process:-

- (A) The level of net spending for the General Fund Revenue Budget for 2016-17 be set at £12.383 million; with indicative net spending for 2017-18 and 2018-19 of £11.996 million and £12.771 million respectively.
- (B) The detailed portfolio budgets as set out in Appendix 2 to the report.
- (C) The forecast outturn net budget of £12.717 million including a Revenue Contribution to Capital Outlay of £0.252 million be approved.
- (D) The use of Government Grants in 2016-17 of £1.443 million with indicative figures of £1.457 million and £1.148 million for 2017-18 and 2018-19 respectively.
- (E) The working balances be set at £0.681 million; £1.032 million and £1.010 million for 2016-17 to 2018-19 respectively.
- (F) That a Council Tax of £204.87 be recommended for 2016-17; with indicative increases of 1.95% to the level of Council Tax for 2017-18 and 2018-19.
- (G) The Council's Tax Base be set at 27,148.87.
- (H) The revised Capital Programme, including new schemes, as set out in Appendices 3 and 4 of the report.

### Reason for Decisions

The report set out a draft standstill budget for 2016-17 as well as indicative budgets for 2017-18 and 2018-19 and associated issues and also included current indications of the impact this would have on Council Tax. It also set out the updated Capital Programme and the capital resources available to the Authority to finance the Capital Programme.

#### **84. Treasury Management Strategy, Minimum Revenue Provision Policy and Annual Investment Strategy 2016-17**

Consideration was given to the Report of the Head of Finance (Item 14.1 – 14.26 of the Official Minutes of the Council).

RESOLVED:

That Council, at its meeting to be held on 16 February, 2016, be recommended to approve:

- (A) The Prudential and Treasury indicators;
- (B) The Minimum Revenue Provision (MRP) Policy Statement;
- (C) The Treasury Management Policy;
- (D) The Annual Investment Strategy for 2016/17.

### Reason for Decisions

The Council is required to approve its treasury management and investment strategies to ensure that cash flow is adequately planned and that surplus monies are invested appropriately.

The meeting closed at 4.45 p.m.

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LEADER