

EXECUTIVE

An excerpt of the minutes of the meeting held on Monday 12 February 2007 in the Town Hall, Royal Leamington Spa at 6.00 pm

PRESENT: Councillor Crowther (Chair); Councillors Mrs Begg, Boad, Gifford, Gill, Holland and Mrs McFarland.

ALSO PRESENT: Councillor Caborn (Chairman of the Audit and Resources Overview and Scrutiny Committee); Councillor Doody (Chairman of the Executive Overview and Scrutiny Committee); Councillor Hammon (Conservative Group Observer); Councillor Coker and Councillor Pratt.

1. **DECLARATIONS OF INTEREST**

Minute Number 5 Budget 2007/2008 and Council Tax – Revenue and Capital

Councillor Crowther declared a personal interest because he was a board member of the Shopmobility Scheme on behalf of Warwick District Council

Minute Number 17(G) Warwick Renaissance Project

Councillors Holland and McFarland declared personal interests because they were Warwick Town Councillors.

5. **BUDGET 2007/2008 AND COUNCIL TAX – REVENUE AND CAPITAL**

The Executive considered a report from the Strategic Director for Community Resources and the Chief Finance Officer on the revenue and capital budget 2007/2008 and council tax.

The Council was required to set a budget and council tax each year taking into account the many factors that were considered in paragraphs 5 and onwards of this report. In particular:-

- The revenue and capital budget were being considered together.
- The Council was required to determine an affordable borrowing limit in accordance with The Local Government Act 2004, Section 3, and to agree prudential indicators in accordance with the CIPFA Code for Capital Finance in Local Authorities.
- The Chief Financial Officer was required to report on the robustness of the estimates made and the adequacy of the proposed financial reserves.

The financial strategy and capital strategy were revised in the light of the proposed revenue and capital budgets, and the issues that these budgets address.

The Executive Overview and Scrutiny Committee noted the recommendations in the report, but made no comments.

The Audit and Resources Overview and Scrutiny Committee reviewed the reserves and balances as set out in Appendix 5 to the report, and were satisfied with the plans. They made no comment upon the proposals other than to agree to undertake the review set out in 1.7, of the report.

RECOMMENDED that

- (1) the 2006/07 Revised General Fund Revenue Estimated net expenditure of £16,009,652 (as summarised within Appendices 1 and 3a of the report), after £139,952 contribution to the General Fund Balance (subject to review on closing the 2006/07 Accounts), be approved;
- (2) the changes to the 2007/08 General Fund revenue base budget in paragraph 7.2 of the report, together with the Portfolio holder proposals for new growth and savings in paragraph 8.1 of the report, be approved, with net expenditure of £16,945,091, after £400,391 contribution to the General Fund Balance (para 10.1 of the report), as summarised in Appendix 1 to the report, (and the formal resolution to this effect be contained in the further budget report that will be prepared for the 22 February Council meeting. This report is to include the parish, county and police precepts);
- (3) the Council Tax for Warwick District Council for 2007/08 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police Authority precepts be agreed at £132.09, an increase of 4.94% on 2006/07;
- (4) the Council Tax charges for Warwick District Council for 2007/08 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police Authority precepts, for each band be as follows:-

A	£88.06
B	£102.74
C	£117.41
D	£132.09
E	£161.44

F	£190.80
G	£220.15
H	£264.18

- (5) the General Fund Capital Programme and the Housing Investment Programme as set out in Appendix 8 to the report, and Paragraph 12 of the report be agreed together with their financing as shown in paragraph 12.4 and 12.5 of the report;
- (6) if there is any mismatch between the Council's subsidiary strategies and action plans officers bring forward proposals for managing within the agreed budgets (Para 4.2 of the report);
- (7) Audit and Resources scrutinise the car parking income in order to better understand the trends and projections, especially in the light of decriminalisation, (Para 7.2 (d) of the report);
- (8) any LABGI resources received be contributed to the new Repairs and Renewals Reserve (Para 6.4 and 7.2 (f) of the report);
- (9) a review of the future operations of the Shopmobility project be brought forward during the year, to include all options, including the possibility of the Council managing this service directly (Para 8.1.4 of the report);
- (10) a review of the trial of the marketing post (Leisure) be undertaken following the trial to determine if it should continue on a more permanent basis (Para 8.1.16 (b) of the report);
- (11) the implications for future year's taxes as set out in Paragraph 9 of the report, and Appendix 3 to the report, be noted;
- (12) Audit and Resources be asked to pay particular Scrutiny attention to the reserves and balances set out in Appendix 5 to the report;

- (13) a further report be presented to the Executive on management of the Land Charges Account. (Para 11.2 of the report);
- (14) the following capital projects be reviewed during 2007/08 to see if they are viable on a business case basis:-
- Digitisation of the deeds store
 - Move Oracle to SQL if there is a licence cost saving
 - Renewable energy
- and if a business case can be demonstrated these projects be considered by the Executive (Para 12.2.4 of the report);
- (15) the detailed business cases be drawn up for each new capital project and approved by the Executive, with the project plans being agreed by the officer capital working group (Para 12.2.9 of the report);
- (16) the Prudential indicators as set out in Appendix 6 to the report, and highlighted in Paragraph 13.1 of the report, be approved; and
- (17) the revised financial strategy as set out in Appendix 10 to the report, be agreed.

(The Portfolio Holders for this item were Councillors Mrs Begg, Boad, Crowther, Gill, Holland and Mrs McFarland)
(Forward Plan reference 45/06)

7. HOUSING RENTS AND HOUSING REVENUE ACCOUNT 2007/2008

The Executive considered a report from the Strategic Director for Community Resources and Chief Finance Officer on the housing rents and housing revenue account for 2007/2008.

The Council was required to set a budget for the HRA each year which required agreement on the level of rents to be charged. The Executive was therefore required to make recommendations to Council that take into account the base budget revenue estimates for the HRA, the 2007/08 subsidy determination and the current guidance from the Government on rent restructuring.

The proposed rent increase followed Government guidance and was in accordance with the Council's financial strategy. The recommendations would enable the proposed Housing Investment Programme to be carried out whilst maintaining a minimum working balance on the HRA of at least £750,000, in line with Council policy.

Garage rents were unaffected by the Rent Restructuring guidelines and any percentage increase could therefore be considered. Whilst a high rent rise would in theory, result in additional income, this would be offset if the new rent was higher than the local market could sustain resulting in higher void levels and consequent void rent loss.

A rent increase of 5.0%, equivalent to the average dwelling rent increase, was proposed. As garage rents would remain amongst the lowest of the rents being charged locally there should be no issues regarding affordability. This would not rule out the potential for greater increases in future years, ensuring convergence with the higher rents elsewhere in the county, if this was deemed desirable or there was a need to maximise income from this source.

Supporting People charges had been introduced in April 2003 for tenants living in properties that received a housing support service in addition to the normal tenancy management arrangements. Whilst the latter were financed from the rents all tenants pay, the introduction of the Government's Supporting People initiative meant that the cost of housing support had to be separately funded to eliminate "rent pooling". The charge that was levied for the additional support was payable by the individual tenant who received it unless they qualify for Supporting People Grant. Anyone eligible for Housing Benefit would automatically qualify for Grant which was administered by the County Council.

The Executive Overview and Scrutiny Committee supported the recommendations in the report.

The Audit and Resources Overview and Scrutiny Committee supported the recommendations in the report.

RECOMMENDED that

- (1) housing dwelling rents for 2007/08 be increased by an average of 5%;
- (2) garage rents be increased by 5%;
- (3) Supporting People charges not be increased;
- (4) the Housing Revenue Account (HRA), updated with the information from the Final Subsidy Determination, as detailed in Appendix 3 to the report, be approved.

(The Portfolio Holders for this item were Councillors Boad and Crowther)
(Forward Plan reference 46/06)