

EXECUTIVE

An exert of the minutes of the meeting held on Monday 11 February 2008 at the Town Hall, Royal Leamington Spa at 6.00 pm.

PRESENT: Councillor Coker (Chairman); Councillors Mrs Bunker, Michael Doody, Kinson, Kirton, Pratt and White.

ALSO PRESENT: Councillor Boad (Chair of Executive Overview and Scrutiny Committee);
Councillor Caborn (Chairman of the Council);
Councillor Crowther (Labour Group Observer);
Councillor Ms De-Lara-Bond (Liberal Democrat Group Observer); and
Councillor Mrs Knight (Chair of Audit and Resources Overview and Scrutiny Committee).

An apology for absence was received from Councillor Hammon.

1. **DECLARATIONS OF INTEREST**

There were no declarations of interest in minute numbers 2 and 3.

2. **BUDGET 2008/2009 AND COUNCIL TAX – REVENUE AND CAPITAL**

The Executive considered a report from Finance on all matters pertinent to agreeing revenue and capital budgets for 2008/2009, as well as a revised financial strategy in the light of the Comprehensive Spending Review 2008 and subsequent local government grant settlement.

The Council was required to set a budget and council tax each year taking into account the many factors detailed in the report, in particular:-

- The revenue and capital budget being considered together.
- The Council's requirement 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's requirement 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 light of the proposed revenue and capital budgets, and the issues that these budgets addressed.

The Audit and Resources Overview and Scrutiny Committee supported the recommendations in the report. The Committee requested that rigorous monitoring of paragraph 9.2(f) (on page 18 of the report) was undertaken to ensure that these savings were realised. The Committee also wished to highlight the projected figures stated in paragraph 9.3 (on page 19 of the report).

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Considerable concern was expressed with regard to the use of so much of the 2008/09 contingency fund before the year had started. The Committee also felt that the assumptions for car parking were not solid enough.

The Executive Overview and Scrutiny Committee noted the recommendations in the report, however, they made the following comments:

- On the table on page 25 of the report, the Committee recognised that funding had been taken from capital receipts from council house sales and were interested to know when this policy change decision was taken and by whom? The October report requesting the purchase of Oakley Wood referred to a net cost of £100,000. Was it the Executive's intention to return £240,000 to the capital receipts from council house sales reserves if and when any return was made on the investment?
- Within appendix 8 part 1, as shown on page 58 of the report, it stated that there would be no expenditure for the Replacement of Dog Bins and for the Refurbishment of Public Conveniences. Why was this?
- Also, the table on page 23 of the report, para 12.2.2 stated that the corporate target for Rural Initiatives Grants was to target resources to areas of greatest need which the Committee would like to see evidence of.

RECOMMENDED that

- (1) the 2007/08 Revised General Fund Revenue Estimated net expenditure of £17,251,991 as summarised in Appendix 1 to the report, after taking into account the allocations in paragraph 6.5 of the report, be approved;
- (2) the changes to the 2008/09 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 £17,523,700, as summarised in Appendix 1 to the report;
- (3) the Council Tax for Warwick District Council for 2008/09 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police Authority precepts be approved at £138.03, an increase of 4.5% (£5-94) on 2007/08;
- (4) the Council Tax charges for Warwick District Council for 2008/09 before the addition of parish/town council, Warwickshire County Council and Warwickshire Police Authority precepts, for each band be approved, as follows:-

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A	£92.02
B	£107.36
C	£122.69
D	£138.03
E	£168.70
F	£199.38
G	£230.05
H	£276.06

- (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 approved, together with their financing as shown in paragraphs 12.4 and 12.5 of the report, for 2008/2009, and this be reviewed for 2009/2010 onwards, with a view to using any new general fund receipts in place of housing receipts used for the general fund programme;
- (6) if there is any mismatch between these subsidiary strategies and action plans, officers bring forward to the Executive, proposals for managing within the agreed budgets as detailed in paragraph 5.1 of the report;
- (7) the release of monies from the Equipment Renewal Reserve be supported by a report to CMT, and made subject to CMT agreeing the need for the allocation in consultation with the relevant service Portfolio Holder and the Corporate and Strategic Leadership Portfolio Holder;
- (8) the work in 2009/10 on the Core Strategy be met from the Planning reserve, which will still leave £70,000 for any unforeseen challenge to a planning decision;
- (9) £450,000 be allocated to the contingency budget in 2008/09, but £200,000 not be used for any other purpose than concessionary fares until all costs are certain;
- (10) a review of the current taxi scheme takes place to review the total package on offer in order to see what can be provided for the original sum on non-statutory concessionary travel, when the current arrangement comes to an end;

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- (11) when the position regarding external funding and the staffing of the CDRP is known, a report be submitted to the Executive to agree the priorities and detailed budget issues in Community Safety to make best use of the additional Council support;
- (12) the progress towards the milestones for achieving the building on excellence savings during 2008/09, be included in the budget monitoring reports to members;
- (13) a group, including all political parties, be formed to advise and monitor priorities for reducing the Council's budget;
- (14) the implications for future year's taxes as set out in Paragraph 9 of the report, and Appendix 3 to the report, be noted;
- (15) Audit and Resources Overview and Scrutiny Committee be asked to pay particular Scrutiny attention to the reserves and balances set out in Appendix 5 to 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;
- (17) the revised financial strategy as set out in Appendix 10 to the report be approved, and further updated in light of a review of all resource strategies;
- (18) the fees for woodland burials be increased to £1,600;
- (19) should the Executive receive viable self –funded business cases, amendments be made to the budget; and
- (20) the longer term prospects for the housing programme be subject to review during 2008/09.

(The Portfolio Holders for this item were Councillors Mrs Bunker, Coker, Doody, Hammon, Kinson, Pratt and White)
(Forward Plan ref 52)

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3. HOUSING RENTS AND HOUSING REVENUE ACCOUNT 2008/09

The Executive considered a report from Housing on the proposed increases in dwelling and garage rents, the Supporting People charges payable on designated dwellings and the proposed Housing Revenue Account (HRA) budget for 2008/09.

The Council was required to set a budget for the HRA each year, requiring agreement on the level of rents and other charges that were levied. The Executive was therefore required to make recommendations to Council that take into account the base budget revenue estimates for the HRA, the 2008/09 final subsidy determination and the current Government guidance on rent restructuring.

The proposed dwelling rent increase was in accordance with Government guidance and the Council's Financial Strategy.

The proposed garage rent increase was not governed by Government guidance on rent restructuring. An increase below the rate of inflation was proposed as over a third of current garage lettings were to housing tenants who would be experiencing a rent increase for their home that was significantly above the rate of inflation. The proposal minimised the potential for these tenants to fall into rent arrears without compromising the financial stability and viability of the HRA.

The proposed Supporting People charge increase was equivalent to the inflationary increase, awarded by Warwickshire County Council for all Supporting People contracts, effective from April 2007. The County Council's decision on this increase was received too late for it to be reflected in the 2007/08 charge levied to tenants.

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

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

RECOMMENDED that

- (1) an average increase of 7.6% on housing dwelling rents for 2008/09, be approved;
- (2) an increase of 2.5% on garage rents be approved;
- (3) an increase of 1.5% on Supporting People charges be approved; and

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- (4) the 2008/09 Housing Revenue Account (HRA) budget, updated with the Final Subsidy Determination information, as set out at Appendix 3 to the report, be approved.

(The Portfolio Holder for this item was Councillor Doody)
(Forward Plan ref 53)

(The meeting ended at 10.00pm)