

RECOMMENDATIONS TO COUNCIL ON 22 FEBRUARY 2024 FROM CABINET ON 7 FEBRUARY 2024

CAB116 FINANCIAL PLAN 2023/2028

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The Assistant Director, Resources presented the Financial Plan 2023 to 2028 and reported changes that had already happened since the report was published. She reported that the Internal Drainage Board Levy estimates had increased to over £3.5m for next year, with some decisions from IDBs still to come.

She reported she had been to a meeting with Government hosted by Liz Truss MP on the issue of the IDB levies and local government funding of them. The meeting was well attended and made a strong case for why the funding arrangements needed to change. MPs present had commented on the level of emails they were receiving on the matter and expressed a commitment to look for a permanent solution for 2025/26.

It was reported that the grant announcement from the Government had shown some increase in a number of government grants giving an additional sum of over £174,000.

The Assistant Director also reported that in making the funding announcements they had also announced that they were expecting councils to provide further information in the form of Local Productivity Plans, to include Transformation of services to make better use of services, opportunities to take advantage of technological advances, maximising data informed decision making and service design, and ways to reduce wasteful spend for example on consultants, and barriers preventing activity that the Government can help to remove. The expectation of the plan was that it would be signed off by Members by July 2024. In referring to the new expectations it was confirmed that much of the work required tied in with work already underway on the cost reduction work, and also following the Peer Review.

In supporting the recommendations the Chair and Cabinet made reference to the new requirements.

RECOMMENDED: That Council consider and approve the following:

Recommendation 1

It is recommended that Council note the revision to the Forecast for 2023/2024 as set out in the report.

Recommendation 2

Council is recommended to approve the Policy on Earmarked Reserves and General Fund Balance and the maximum balances set for the reserves as noted in the report and at Appendix 7.

Recommendation 3 It is recommended that Council :

- 1) Approves the budget requirement of £24,353,670 for 2024/2025 and notes the projections for 2025/2026, 2026/2027 and 2027/2028.
- 2) Approves the level of Special Expenses for the Town/Parish Councils as detailed in the report (Appendix 6).
- 3) Approves the Fees and Charges 2024/2025 detailed in Appendix 4.
- 4) Approves a Band D council tax of £148.37 for 2024/2025.

Recommendation 4

It is recommended that Council approves a minimum requirement of the General Fund balance for 2024/2025 of £1,217,680 (5% of estimated budget requirement).

Recommendation 5

Pursuant to Section 25 of the Local Government Act, Council is asked to have due regard to this statement at Section 9 of this report when considering and approving the budget and the level of council tax for 2024/2025.

Reason for Decision

To set a budget for 2023/2028

CAB117 **CAPITAL STRATEGY 2024/25**

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The Assistant Director Resources presented the report on the Capital Strategy 2024/25 which outlined the principles and framework that shaped the Council's capital decisions. The report explained that the principal aim was to deliver a programme of capital investment that contributed to the achievement of the Council's priorities and objectives as set out in the Corporate Plan.

The Capital Strategy was updated annually and put before Cabinet alongside the Treasury Management Strategy so that it could be approved before the year to which it related began.

The Strategy defined at the highest level how the capital programme was to be formulated; it identified the issues and options that influenced capital spending and set out how the resources and capital programme would be managed.

The Assistant Director drew attention to the new element of the Strategy this year which included the loan facility for the Council's Companies.

The Chair drew attention to the fact that Cabinet members were well acquainted with the suite of documents for the budget. Councillor Beales drew attention to the well attended Joint Panels meeting which held a good debate.

Under standing order 34 Councillor Ware commented that she was grateful for the sessions on the budget which were helpful, and thanked the Assistant Director for her assistance on budget matters.

RECOMMENDED: 1) That Council approve the Capital Strategy 2024/2025 as attached to the report.

Additional Recommendation to Full Council from Cabinet 15 January 2024:

2) To give delegated authority to the Section 151 Officer in consultation with the Portfolio Holder for Business to amend the Capital Strategy for 2023- 2024 to reflect the approved Drawdown facility to the Companies (from report to Cabinet on 15 January 2024 Council Company Funding

Reason for Decision

Not to approve these policies would contravene the requirements of both legislation and good practice. In addition, the external auditors may comment in their report to those charged with governance (ISA260).

CAB118 TREASURY MANAGEMENT STRATEGY STATEMENT, MINIMUM REVENUE PROVISION POLICY STATEMENT AND ANNUAL INVESTMENT STRATEGY 2024/25

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The Assistant Director Resources presented the report which informed Members that the Council was required to receive and approve a Treasury Management Strategy Statement; Annual Investment Strategy; and Minimum Revenue Provision Policy Statement which covered:

- The Treasury Management Strategy
- Capital plans, including prudential indicators
- A Minimum Revenue Provision (MRP) Policy
- An Investment Strategy

This report covered the requirements of the Local Government Act 2003, the Chartered Institute of Public Finance Accountants (CIPFA) Prudential Code, The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)), MRP Guidance, the CIPFA Treasury Management Code and the DLUHC Investment Guidance.

The Council's Treasury Advisor, Link Asset Services, provided a template document for the Treasury Management Strategy Statement, which was fully compliant with CIPFA's code and DLUHC's guidance. The Council had used this template in preparing the report.

The report looked at the period 2024-2028, which fitted with the Council's Financial Plan and Capital Programme. Officers of the council had prepared the report based on their views of forecasts for interest rates, and had used information provided by the council's Treasury Management Advisor, Link Asset Services.

In presenting the report the Assistant Director explained that it was expected that the liability benchmark against which the council would be measured against going forward, the individual requirements for which were set out in the report.

Councillor Morley drew attention to the commitment to the high programme of work.

The Assistant Director drew attention to a further amendment that she would incorporate into the Treasury Management Strategy when it was presented to Council in order for Council to take the decision relating to Cabinet recommendation CAB96: Council Companies Funding, which was a recommendation for Council at the 31 January Council meeting but not reached but was now superseded by the Strategy coming forward.

RECOMMENDED: That the following items be approved:

- Treasury Management Strategy Statement 2024/2025, including treasury indicators for 2024-2028.
- The Minimum Revenue Provision Policy 2024/2025

- The Investment Strategy 2024/2025

Additional Recommendation to Full Council from Cabinet 15 January 2024:

- **Amend Treasury Management Strategy in reference to the recommendation to give delegated authority to the Section 151 Officer in consultation with the Portfolio Holder for Business to amend the Capital Strategy for 2023- 2024 to reflect the approved Drawdown facility to the Companies (from report to Cabinet on 15 January 2024 Council Company Funding.**

Reason for the Decision

The Council must have approved a Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2024/2025 by 31 March 2024.

CAB119 **CAPITAL PROGRAMME 2023-2028**

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The Assistant Director Resources presented the report which:

- revised the 2023/2024 projections for spending on the capital programme
- set out an estimate of capital resources that will be available for 2023-2028
- detailed new capital bids that were recommended to be included in the capital programme for the period 2023-2028
- outlined provisional figures for capital expenditure for the period 2023-2028

The Assistant Director informed Cabinet that the Capital programme recommendation on the Lynnsport 1 Scheme considered by cabinet at its meeting on 6 February would now be incorporated into this report going forward to Council for consideration in order that the full programme was considered together at the meeting.

Councillor Morley drew attention to the bottom line of £170m of planned investment into the Borough which was a meaningful investment.

In concluding the item the Chair encouraged accurate figures to be reported on for the budget figures. He reminded all that the Joint Panels meeting had supported the recommendations.

RECOMMENDED That:

- 1) Council approve the amendments to capital schemes and resources for the 2023-2028 capital programme as detailed in the report.
- 2) Council approve new capital bids as set out in section 5 table 6, to be funded from available capital resources and included in the capital programme 2023-2028 as detailed in the report.

Additional Recommendation to Full Council (from Cabinet Meeting 6 February 2024):

3) To approve the Capital budget estimate as detailed in section 5 and appendix 2 of the report Lynnsport 1 Development Update presented to Cabinet on 6 February 2024.

Reason for Decision

To report amendments, rephrasing and resources to the 2023-2028 Capital Programme.