

CABINET

Meeting held in the Council Chamber, Council Offices, Urban Road, Kirkby-in-Ashfield,

on Monday, 19th February, 2024 at 10.00 am

Present: Councillor Jason Zadrozny in the Chair;

Councillors Samantha Deakin, Vicki Heslop,
Tom Hollis, Christopher Huskinson,
Rachel Madden, Andy Meakin, Matthew Relf,
Helen-Ann Smith and John Wilmott.

Officers Present: John Bennett, Craig Bonar, Lynn Cain,
Sarah Daniel, Ruth Dennis, Theresa Hodgkinson,
Peter Hudson, Paul Parkinson and Abbie Smith.

CA.57 Declarations of Disclosable Pecuniary or Personal Interests and/or Non-Registrable Interests

The Leader of the Council and the Executive Director for Governance and Monitoring Officer, on behalf of all Members and officers' present at the meeting, declared a general Non Registrable Interest in respect of items related to the setting of the Council Tax for 2024/2025.

CA.58 Minutes

RESOLVED

that the minutes of the meeting of the Cabinet held on 29 January 2024, be received and approved as a correct record.

CA.59 Joint Statement from the Chief Executive and the Corporate Resources Director (and Section 151 Officer)

"Recently there have been references in both the press and on social media about the level of borrowing at Ashfield District Council. These messages deliberately 'paint one side of the story' and unfairly damage the reputation of the Council, causing unnecessary unrest for our staff and residents.

For this reason, this joint message from myself and the Council's Chief Finance Officer is to reassure our staff and residents that the Council's finances are robust and in excellent order. We have a healthy financial position, and our future financial sustainability is not something anyone should be concerned about. Unlike other Councils we are not having to withdraw from our reserves to balance our budget.

Ashfield's debt actually decreased by 6.6% from the end of March 2022 to the end of March 2023, and our level of borrowing is in line with other comparable

Nottinghamshire District and Borough Councils of Bassetlaw, Broxtowe, and Newark and Sherwood.

Some of our borrowing is due to the investment properties we own. What is not stated in the press articles is that this borrowing, after paying interest costs, brings in a hugely significant amount of income for the Council to fund local services. In 2024/25 this income will bring in £3million pounds. Without the investment properties we would not have this income, which would mean we would have to cut discretionary and non-essential services by £3million pounds. This would be a huge loss to our residents. So, we are in an incredibly fortunate position, thanks to the forward-thinking approach of this Council investing, in a business-like manner, to make income which help run our services.

It is concerning that in recent months a number of Councils have found themselves issuing a Section 114 notice – essentially declaring themselves bankrupt – being forced to limit service provision to the statutory minimum. Furthermore, it is concerning that an even larger number of Councils have indicated that they too are on the brink of issuing a Section 114 notice.

Please be assured that Ashfield is not one of the Councils who need to consider issuing a Section 114 notice. This Council's financial position is strong, as evidenced by two completely independent organisations – the Local Government Association (LGA) and Mazars, our External Auditors.

An independent Finance Health Check conducted by the LGA in December 2021 confirmed that: 'The Council is well managed financially and has consistently spent within its budget'. Our 2021/22 accounts, which were signed off by Mazars in March 2023, included their Value For Money (VFM) opinion which is largely based on the financial sustainability of the Council. This opinion said there were no issues to raise and that the Council's 'reported financial position does not indicate a risk of significant weakness in VFM arrangements for financial sustainability'. Our 2022/23 accounts are due to be signed off at Audit Committee at the end of this month where we are again expecting a clean report.

For years the Government has said it will introduce Local Government Funding Reform which we expect will result in some of our funding, (predominantly the growth in business rates which we have enjoyed in recent years due to our success of attracting businesses into the District) being diverted elsewhere to meet the huge national increase in costs of Social Care and Education, services which District Councils do not provide. To date this Funding Reform has not been implemented. It is now expected that 2026 will be the earliest this will happen. We know that Funding Reform is going to happen, and we have been responsibly planning for it. We have healthy reserves which we can draw on to cushion the loss of funding in the short term, but we do need to be on the front foot and forward plan for when the funding reductions are implemented.

This forward planning includes our:

- *Ongoing Service Review Programme (including consideration of alternative delivery models);*

- *Identification of efficiencies from investment in our Digital Services Transformation Programme;*
- *Delivery of procurement efficiencies;*
- *Review of our Fees and Charges and the identification of additional income generation opportunities;*
- *Rationalisation of our assets, where it is appropriate to do so; and*
- *Use of reserves in the short term to smooth the loss of funding as we identify and implement savings into the medium and longer term.*

We will also look forward to the new opportunities, both financial and non-financial, which will come from the newly formed East Midlands Combined Authority.

We hope the above provides some reassurance regarding the Council's healthy financial position; we are not one of those Councils who risk having to issue a Section 114 Notice. Our financial position is positive, unlike other local Councils we are not having to withdraw from reserves to balance our budget.

As a Council, we don't want to settle for just providing statutory services, so alongside our recently approved ambitious Corporate Plan, we have secured over £100m of external funding to transform the District. This will allow us to create physical change by building even more social housing, investing in Community Safety initiatives, and regenerating our town centres, as well as a cultural shift by investing in skills development, creating employment, and inspiring the next generation. We have a vision of creating a great Ashfield, an Ashfield everyone can be proud of, and the future really is looking bright for residents, businesses, visitors, and this Council."

CA.60 Annual Budget and Council Tax 2024/25 and Medium Term Financial Strategy Update

Cabinet was presented with the Council's Annual Budget, the Council Tax proposals for 2024/25 and a Medium Term Financial Strategy (MTFS) update.

Members considered the alternative option of declining to apply an increase to Council Tax for the 2024/25 financial year, but this was not recommended due to significant inflationary increases to its pay, energy, fuel and contracts costs in recent months, the estimated funding gap for 2025/26 and beyond and the recommendation in relation to Council Tax from the Local Government Association Finance Health Check undertaken in December 2021.

RESOLVED

that Cabinet recommends the following to Council:

- a) approval of a £5.92 annual increase in the level of the District's own Council Tax for 2024/25, setting the Band D equivalent at £207.13. This represents a 2.94% increase compared with 2023/24;
- b) approval of the proposed 2024/25 Revenue (General Fund) and HRA Budgets as set out in the report (Sections 3 and 4);

- c) approval of the proposed Capital Programme and associated borrowing 2023/24 to 2027/28 as set out in the report (Section 5);
- d) approval of the 2023/24 Revised HRA and Capital Budgets as set out in the report (Sections 4 and 5);
- e) approval that the precept figures from Nottinghamshire County Council, Nottinghamshire Fire and Rescue Authority, Nottinghamshire Police and Crime Commissioner and the two Parish Councils within the District be incorporated, when known, into the Council Tax recommendation to Council on 4th March 2024;
- f) that it notes the estimated financial challenge in the Medium-Term Financial Strategy (MTFS) for 2025/2026 to 2026/27 and the planned approach to address the challenge (Section 6);
- g) approval of the proposed use of reserves as set out in the report (Table 6 [General Fund] and Table 9 [HRA]);
- h) that it notes and accepts the comments and advice of the Corporate Resources Director (Section 151 Officer), provided in compliance with Section 25 of the Local Government Act 2003, as to the robustness of the estimates included in the 2024/25 Budget and the adequacy of the reserves for which the budget provides (Section 7);
- i) notes that the proposed 2024/25 budgets reflect the agreed changes to Fees and Charges approved by Cabinet on 29th January 2024.

Reason:

In accordance with the Local Government Finance Act 1992 the Council must set its annual budget by 10th March in the preceding financial year.

CA.61 Capital Strategy 2024/25

Cabinet considered the Council's proposed Capital Strategy prepared in accordance with the Chartered Institute Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities.

As it is a requirement of the CIPFA Prudential Code for all Local Authorities to have a Capital Strategy and a requirement of DLUHC Statutory Guidance on Local Government Investments to have an Investment Strategy covering non treasury management investments, Members did not have any alternative options to consider.

RESOLVED that

- a) the contents of the Capital Strategy (CS) for 2024/25 including the Annexes 1-3, as presented, be received and noted;
- b) Council be recommended to approve the following:

- Capital Strategy
- Commercial Property Investment Strategy
- Commercial Property Indicators

c) it be duly noted that the Capital Strategy was considered and supported by the Audit Committee on 1 February 2024.

Reasons:

1. It is a requirement of the CIPFA Prudential Code for all Local Authorities to have a Capital Strategy approved by Council.
2. DLUHC Statutory Guidance on Local Government Investments require that the Council has an Investment Strategy that covers non-treasury management investments and includes quantitative indicators approved by Council.

CA.62 Treasury Management Strategy 2024/25

Members were requested to consider the Council's Treasury Management Strategy for the financial year 2024/25 comprising the following:-

Treasury Management Policy
 Treasury Management Strategy Statement (TMSS)
 Borrowing Strategy
 Annual Investment Strategy
 Minimum Revenue Provision Policy
 Prudential Indicators and Treasury Management Indicators
 Treasury Management Practices: Risk Management.

As it is a requirement of the CIPFA Treasury Management Code for all Local Authorities to have a Treasury Management Strategy (TMS) and a requirement of DLUHC Statutory Guidance on Local Government Investments to have an Investment Strategy, Members had no alternative options to consider.

RESOLVED that

- a) the contents of the Treasury Management Strategy (TMS) for 2024/25, including the changes to the Annual Investment Strategy, as presented, be received and noted;
- b) Council be recommended to approve the Treasury Management Policy Statement incorporating the:
 - Treasury Management Strategy Statement (TMSS)
 - Borrowing Strategy
 - Annual Investment Strategy
 - Minimum Revenue Provision (MRP) Policy
 - Prudential Indicators and Treasury Management Indicators including the Liability Benchmark indicator
 - Treasury Management Practices: Risk Management which includes the Environmental, Social and Governance (ESG) update.

- c) it be noted that the Treasury Management Strategy was considered and is supported by the Audit Committee at its meeting on 1 February 2024.

Reason:

In accordance with Financial Regulation C.31. Cabinet is responsible for providing effective scrutiny of the Treasury Management Strategy and Policies and recommending the same to Council for approval.

CA.63 Policy Updates for Markets and Events, and Outdoor Sports

Cabinet was requested to approve the new Markets Fees and Charges Policy and the changes to the Outdoor Sports Booking Policy, as appended to the report.

Members considered the alternative options of declining to approve the new and updated Policies but this was not recommended for the reasons outlined in the report.

RESOLVED that

- a) the new Markets Fees and Charges Policy, as presented, be approved;
- b) the amendments to the Outdoor Sports Booking Policy, as presented, be also approved.

Reasons:

1. In relation to the Markets Fees and Charging Policy, an audit review recommended that whilst the Council had an agreed scheme of delegation with regards to amending fees and charges, a clearly defined policy defining how and where these can be changed, would strengthen accountability.
2. In relation to the Outdoor Sports Booking Policy, some minor amendments had been made to the policy regarding responsibility for damage to Council assets and information has been provided regarding defibrillators.

The meeting closed at 11.10 am

Chairman.