

MINUTES OF COUNCIL CABINET REQUIRING THE APPROVAL OF COUNCIL
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Council Cabinet

21 February 2012

## **Budget and Policy Framework**

### **159/11 Housing Revenue Account and Business Plan**

The Council Cabinet considered a report on the Housing revenue Account Business Plan and Rents 2012/12. The financial system for managing the Housing Revenue Account (HRA) was about to change fundamentally.

From April 2012 the current Housing subsidy system would be abolished and replaced with a new self financing regime. This would mean that the Council would be able to retain all rents locally and no longer be obliged to pay over a proportion to the government. These rents would still be subject to the HRA ring fence arrangements in that they could only be used for HRA purposes.

The new funding regime, if managed correctly, would allow for additional resources to be invested within the HRA. The availability of such resources would, however, be highly dependent on the level of rent increases agreed with tenants.

The report set a strategy for approval by the Council to utilise any additional resources and recommended a rent increase and suggested rent policy to support the strategy. The HRA Business Plan 2012/42 was available on the Council Meeting Information System, CMIS.

#### **Decision**

1. To approve the 30 year HRA business plan.
2. To approve an average rent increase of 8.30% as set out in section 5 of the HRA business plan.
3. To approve the principle of approving increases to service charges at the level of cost increases where charges had been levied at cost, with exceptions to this principle brought back specifically for approval.
4. To recommend to Council the additional borrowing required to finance the HRA debt settlement.

## 160/11 Treasury Management Strategy and Prudential Code Indicators 2012/13

The Council Cabinet considered a report on Treasury Management Strategy and Prudential Code Indicators 2012/13. The report outlined the Council treasury management strategy for the financial year 2012/13. Specifically it covered all borrowing and investment activity undertaken by the Council.

It sought Council approval for the strategy and for the prudential indicators derived from this strategy.

The report also showed the revenue implications of the Council's capital programme, showing how the costs of debt servicing were increasing as a proportion of the Council's overall revenue budget.

### **Decision**

To approve and recommend to Council each of the following five key elements:

1. The Prudential Indicators and Limits for 2012/13 to 2014/15 contained within the Supporting Information of this report and detailed in Appendix 3 of the report.
2. The Minimum Revenue Provision - MRP - statement shown in section 13 of the report.
3. The Treasury Management Strategy 2012/13 to 2014/15, and the Treasury Management Prudential Indicators.
4. The Authorised Limit Prudential Indicator shown in Appendix 3 paragraph 8.4 of the report.
5. The Investment Strategy 2012/13 contained in the treasury management strategy in section 11 of the report.

## 161/11 Council Tax 2012/13

The Council Cabinet considered a report on Council Tax 2012/13. At its meeting on 15 December 2011, the Council approved a net budget requirement of £215,652,862 for 2012/13 and agreed to freeze the Council's council tax at 2011/12 levels.

The Localism Act 2011 had made significant changes to the Local Government Finance Act 1992, and now required the billing authority to calculate a council tax requirement for the year, not its budget requirement as previously.

The report set out the Council's Council Tax requirement and the total Council Tax for Derby City residents for 2012/13 including the precepts for Derbyshire Police Authority and Derbyshire Fire Authority. Figures for the Derbyshire Police Authority and Derbyshire Fire Authority precepts would be available after 23 February 2012 and would be added to the report for Council.

## Decision

1. To note the budget requirement for Derby City Council for 2012/13 of £215,652,862 approved by Full Council on 15 December 2011.
2. To confirm the following amounts for the year 2012/13 where were consistent with net budget requirement agreed by the Council at its meeting on 15 December 2011 in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
  - a. £652,589,862 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2)(a) to (f).
  - b. (£570,611,542) being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act.
  - c. £81,978,320 as its Council Tax requirement for the year, being the amount by which the aggregate at (a) above exceeds the aggregate at (b) above, calculated by the Council, in accordance with Section 31A(3) of the Local Government Finance Act 1992 as amended by the Localism Act 2011.
  - d. £1,127.21 as the basic amount of its Council Tax for the year, being the amount at (c) above, divided by the amount at 4.1 below, calculated by the Council, in accordance with Section 31(B) of the Local Government Finance Act 1992 as amended by the Localism Act 2011. The Council has no special items as defined by the Act.
  - e. for the following Valuation Bands:
 

	£		£
A	751.47	E	1,377.70
B	876.72	F	1,628.19
C	1,001.96	G	1,878.68
D	1,127.21	H	2,254.42

as the amounts to be taken into account for the year, under Section 30(2)(a) of the Act, in respect of categories of dwellings listed in different valuation bands, being the amounts given by multiplying the amount at (d) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to all dwellings listed in each particular valuation band divided by the number which in that proportion is applicable to dwellings listed in Valuation Band D, calculated by the Council, in accordance with Section 36(1) of the Act.

3. To note that for the year 2012/13, Derbyshire Police Authority had stated that the following in a precept to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

4. To note that for the year 2012/13, Derbyshire Fire Authority had stated the following in a precept to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below

All dwellings in Valuation Band:

	£		£
A	**	E	**
B	**	F	**
C	**	G	**
D	**	H	**

5. To set the following amounts as the amounts of Council Tax for the year 2012/13 for each of the categories of dwelling shown below, being the aggregate in each case of the amounts in 2, 3 and 4 above in accordance with Section 30(2) of the Local Government Finance Act 1992.

All dwellings in Valuation Band:

A	£ **	E	£ **
B	**	F	**
C	**	G	**
D	**	H	**

6. To recommend to Council the publication of the requisite notices in accordance with the provisions of Section 38(2) of the Local Government Finance Act 1992.
7. To note that the Council's basic amount of Council Tax for 2012/13 was not considered excessive in accordance with the principles approved under section 52ZB of the Local Government Finance Act 1992.