



Cabinet Meeting

Minutes - 22 October 2014

Attendance

Members of the Cabinet

Cllr Roger Lawrence (Chair)
Cllr Peter Bilson (Vice-Chair)
Cllr Val Gibson
Cllr Andrew Johnson
Cllr Elias Mattu
Cllr Phil Page
Cllr John Reynolds
Cllr Sandra Samuels
Cllr Paul Sweet

Employees

Dereck Francis	Democratic Support Officer
Viv Griffin	Assistant Director - Health, Well Being and Disability
Kevin O'Keefe	Chief Legal Officer
Mark Taylor	Assistant Director, Finance

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
An apology for absence was submitted on behalf of Cllr Steve Evans.
- 2 Declaration of interests**
No declarations of interests were made.
- 3 Minutes of the previous meeting (1 October 2014)**
Resolved:
That the minutes of the previous meeting held on 1 October 2014 be approved as a correct record and signed by the Chair.
- 4 Matters arising**
There were no matters arising from the minutes of the previous meeting
- 5 2015/16 Budget and Medium Term Financial Strategy 2015/16 - 2018/19**
Cllr Andrew Johnson presented the report that identified additional proposals to achieve the £25 million savings target agreed by Council on 5 March 2014. He recommended that the proposals be approved as the basis of consultations. In doing so he highlighted that:

- Since the June report significant additional work had resulted in the identification of a total of £9.0 million of additional savings proposals bringing the total to £27.1 million. £2.0 million had been identified to meet an additional deferred Community directorate target.
- Of the savings target of £123 million to address the budget gap in the Medium Term Financial Strategy (MTFS), £86 million of savings had been identified leaving £37 million of additional savings to be identified for 2015/16 in order to address the projected budget deficit over the medium term to 2018/19.
- Whilst delivering the savings had been difficult and not without pain, two external reports had commented on the way the Council has gone about it. The Council's external auditors PricewaterhouseCoopers in their report on the "financial resilience of the Council's finances" had said that the Council had robust systems and processes to manage its financial risks and was moving in the right direction. Also Eugene Sullivan, ex- chief executive of the Audit Commission, in his review of the process for the Council's MTFS and Budget had said that the Council's approach to five year planning was as good as he had seen anywhere else.
- The position on the projected uncommitted general fund balance. In order to support the savings programme in rebuilding general reserves it was proposed, similar to last year, to approve that expenditure during the remainder of 2014/15 be restricted to that which is essential to enable the Council to undertake its planned level of services.
- A technical change to the way the Council budgets for the way borrowing is repaid was proposed which would generate an annual saving of approximately £4.4 million. This proposal would require a separate approval by Full Council.
- It was no longer proposed to change Council employee terms and conditions by the reduction of hours from 37 to 35 per week and the freezing of increments.
- The current levels of uncertainty and the outlook for local government finances at present had led to the planning horizon for the current Medium Term Financial Strategy being restricted to four years. If the current level of uncertainty persisted this would be further reduced to three years from 2016/17.

Resolved:

1. That the budget and medium term financial strategy for the four year period 2015/16 to 2018/19 for general fund services be approved as the basis of budget consultation.
2. That the key budget assumptions, including budget parameters such as inflationary increases be approved.
3. That expenditure during the remainder of 2014/15 be restricted to that which is essential to enable the Council to undertake its planned level of services.
4. That authority be delegated to the Cabinet Member for Resources in consultation with the Assistant Director Finance to approve the final budget consultation arrangements.

5. That it be noted that due to the uncertainty surrounding the future of public finances in 2015/16 and beyond, the variability inherent in forecast assumptions and the difficulties in achieving the successful delivery of significant levels of challenging savings, the projected additional savings requirement in each of the next four financial years could still change significantly as more information becomes available.
6. That it be noted that due to the current level of uncertainty medium term financial planning had been restricted to a four year period in the Medium Term Financial Strategy.
7. That it be noted that the assumption regarding pay awards is subject to particular uncertainty with recent proposals by the Local Government Association still being discussed.
8. That it be noted that whilst the savings proposals identified are sufficient to rebuild general reserves to the minimum £10 million level in 2015/16, it is projected that general fund balances would be exhausted in 2016/17. This represents progress against the Council's agreed budget strategy but work must continue in order to achieve the further £35 million savings under that strategy to ensure that general fund balances are maintained in the medium term.

6 **Regeneration Compliance and Regulatory Policy Review**

Cllr John Reynolds requested approval to a revised Regeneration Compliance and Regulatory policy. The policy reflected best practice as laid down in a new Regulators' Code, as well as the outcome of systems thinking reviews within the Regeneration Service area. He informed Cabinet that Regulatory services were already operating the best practice set out in the Regulators' Code. The revised policy was therefore a rewrite and update in accordance with the Code. It also contained a shift in emphasis of regulatory activity more towards compliance assistance.

Resolved:

That the revised Regeneration Compliance and Regulatory policy be approved.

7 **Appointments to Outside Bodies**

Cllr Roger Lawrence proposed a change to the Council's representative on the Sandwell Youth Employment Commission.

Resolved:

That Cllr Daniel Warren replace Cllr Julie Hodgkiss as the Council's representative on the Sandwell Youth Employment Commission.