



Doncaster Council

EXECUTIVE FUNCTIONS DECISION RECORD

The following decisions were taken on Tuesday, 20th February, 2018 by Cabinet.

Date notified to all Members: Friday, 23rd February, 2018

With the exception of Decisions 2-5, which are subject to Full Council approval on 5th March, 2018, the end of the call in period is 5.00 p.m. on Tuesday, 6th March, 2018 and therefore, the decision can be implemented on Wednesday 7th March, 2018

Present:

Vice-Chair - Councillor Glyn Jones (Deputy Mayor, Portfolio Holder for Housing and Equalities)

Cabinet Member for:

Councillor Nigel Ball	Public Health, Leisure and Culture
Councillor Joe Blackham	Highways, Street Scene and Trading Services
Councillor Rachael Blake	Adult Social Care
Councillor Nuala Fennelly	Children, Young People and Schools
Councillor Bill Mordue	Business, Skills and Economic Development
Councillor Chris McGuinness	Communities, Voluntary Sector and the Environment
Councillor Jane Nightingale	Customer and Corporate Services

Apologies for absence:-

An apology for absence was received from the Mayor, Ros Jones.

PUBLIC MEETING – SCHEDULE OF DECISIONS

Public Questions and Statements

There were no public questions or statements made at the meeting.

Decision records from the meeting held on 6th February, 2018 (previously circulated), were noted.

DECISION 1

1. AGENDA ITEM NUMBER AND TITLE

6. 2017-18 Quarter 3 Finance and Performance Improvement Report and 'Delivering for Doncaster' Booklet.

2. DECISION TAKEN

Cabinet:-

- (1) noted the actions to reduce the on-going overspend;
- (2) noted areas of performance and financial information;
- (3) noted the changes to the Strategic Risks, as detailed in paragraphs 34 and 35 of the report;
- (4) noted the unrecoverable debt write off, as detailed within the Financial Profile at Appendix A to the report;
- (5) noted the virements approved by the Chief Financial Officer, Chief Executive and approved the virements over £0.5m, as detailed in Appendix A of the report; and
- (6) approved the new additions to the Capital Programme, as detailed in the Appendix A to the report at pages 12 to 13.

3. REASON FOR DECISION

Cabinet received a report which provided the latest financial and performance information indicating the Council's current position towards its 2017/18 budget, performance against key service standards and the Council's progress towards the delivery of outcomes, as set out in the Mayor's 4-year plan, 'Doncaster Growing Together'.

In presenting the report, the Deputy Mayor, Councillor Glyn Jones, highlighted the following key headlines:-

At Quarter 3, the Council was forecasting a year-end overspend of £3.8m, as outlined in paragraphs 28 to 32 of the report; a projected overspend that had increased by £0.8m from Quarter 2. The Headlines included:-

- The Doncaster Children's Services Trust was projecting an overspend of just under £3m; which was an increase of £1.35m from Quarter 2;
- Waste and Recycling Pressure of £0.7m;
- a £0.5m reduced income in Schools Catering;
- Education Services Grant reduction of £0.4m;
- a one-off underspend on fleet services of £1.0m; and
- use of one-off iBCF funding of £2.7m

The Deputy Mayor reported that in order to improve the position at year-end and maintain minimum reserve levels, spend restrictions had been put in place across the Council. Performance Headlines had showed that a number of indicators were improving, including:-

- Local Authority spend with Doncaster companies and businesses remained stable (70% against a target of 70% which was £27.4m from a revenue spend of £39.1m)

- Doncaster's employment rate had increased and currently stands at 72.3%
- The number of residents in long-term care remained on track to achieve the year-end target
- The net number of new homes continued to rise with particular focus on the right types of housing, with new Care Leavers Accommodation opening up for 6 care leavers.

However, the Deputy Mayor highlighted the following Challenges that remained:-

- High levels of persistent absence in secondary schools, which was currently 17.8% against a national average of 12.8% and a reported persistent absence of 26.3% for Doncaster's children in care at secondary level;
- Low numbers of Doncaster residents employed in highly skilled occupations (30.8% approximately 46,500 people); and
- The Council needed to improve the overall achievement of higher level qualifications

The Deputy Mayor invited Jo Miller, Chief Executive, to comment on the report.

The Chief Executive reported that in terms of the Council's overall performance, Cabinet and Council had set a clear direction of what they wanted the Council to achieve. The report showed the significant progress that has been made in that direction.

In referring to the increase in Secondary School Persistent absence and the headlines regarding school exclusions, which highlighted that all South Yorkshire Local Authorities were in the top ten in the country for fixed term exclusions, the Chief Executive pointed out that these were matters that had been highlighted by the Council through the 'One Doncaster' Commission. The Cabinet and Council were clear that Doncaster's children were no less well behaved and no less able to get to school than any other children elsewhere in the country, and the Council was working closely with schools in this respect.

In relation to the budget overspend, the Chief Executive highlighted that funding to local authorities budgets had been reduced since 2010, which made it more difficult year on year for the Council to make the savings which were required to be made whilst continuing to deliver improved performance. Occasionally savings are not achieved on time which resulted in overspending.

In terms of Doncaster Children's Services Trust (DCST), which was of great concern, the Chief Executive explained that there had been a difference in the projected overspend between Quarter 2 and Quarter 3. The Chief Executive explained that in relation to the overspend at Quarter 2, money had been put in to the budget at the start of the year and at that time, the Council was working towards an overspend of 25%. However, an 81% increase at Quarter 2 had occurred which was due to a large increase in demand in the system. The Council's options for dealing with overspends are limited and the continued use of Council reserves is not a long term solution. The Chief Executive emphasised that it was vital for the Council to retain minimum reserve levels, which provides enough money to run the Council for 2 weeks. The overspends therefore need addressing to preserve the minimum reserve position.

It was highlighted that much of the overspend, but not all of it, had been due to extra demand for some Children's services, which is currently a national issue. The Chief Executive stated that it had been highlighted in the press that Northampton Council had issued formal restricted spend but assured Cabinet that this was not the case in Doncaster and the local measures introduced here aimed to protect the Council's finances going forward.

The Chief Executive informed Members that she had called meetings with the DCST Chair, the Chief Executive and the senior Management Team to meet on a weekly basis to ensure that the overspend was not exacerbated any further.

The Chief Executive provided assurances that she would continue to report to Executive Board and Cabinet regarding the measures taken with DCST, to make sure that there was a grip on reporting demand and that the Council received the most appropriate financial information at the right time and confidence that DCST were doing all they could to live within their means and the Council's means.

Councillor Chris McGuinness, Cabinet Member for Communities, Voluntary Sector and the Environment, made reference and cited some examples of the wealthiest local authorities in the country who were currently experiencing difficulties in managing Council budgets and felt that overall, Doncaster was in a better position compared to that of other local authorities.

4. ALTERNATIVES CONSIDERED AND REJECTED

There were no other alternatives considered or rejected.

5. DECLARATIONS OF INTEREST AND DISPENSATIONS

There were no declarations.

6. IF EXEMPT, REASON FOR EXEMPTION

Not Exempt

7. DIRECTOR RESPONSIBLE FOR IMPLEMENTATION

Steve Mawson, Chief Financial Officer and Assistant Director of Finance.

DECISION 2

1. AGENDA ITEM NUMBER AND TITLE

7. Revenue Budget 2018/19 - 2020/22.

2. DECISION TAKEN

Cabinet recommended to Council to approve the 2018/19 to 2020/21 Revenue Budget as set out in the report. This included:-

- (1) the revenue budget proposals for 2018/19, as detailed at Appendix B (pressures £5.622m) and Appendix C (savings £17.702m);

- (2) Council Tax to be increased by 3.99% to £1,287.20 for a Band D property (£858.13 for a Band A) for 2018/19. This included:-
 - (i) 1.99% Council tax increase equates to an increase of £24.63 for Band D per annum, £0.47 per week (£16.42 for Band A per annum, £0.31 per week);
 - (ii) 2.00% Government's Social Care "precept" equates to an increase of £24.76 for Band D per annum, £0.47 per week (£16.50 for Band A per annum, £0.32 per week).
- (3) the 2018/19 Grants to 3rd Sector Organisations, as outlined in paragraph 30 and Appendix G;
- (4) the fees and charges proposed for 2018/19 at Appendix H;
- (5) the Medium Term Financial Forecast including all proposals in this report, as set out in Appendix E; and
- (6) a gross revenue expenditure budget of £479.6m and a net revenue expenditure budget of £214.8m, as detailed in Appendix E.

3. REASON FOR DECISION

The Deputy Mayor, Councillor Glyn Jones, presented the Mayor's Revenue Budget proposals for 2018/19 to 2020/21.

In introducing the report, the Deputy Mayor endorsed a number of points made by the Mayor when she had launched her proposals in December 2017.

The Deputy Mayor stated that the proposals delivered another prudent three year financial plan, aligned to the 'Doncaster Growing Together' Strategy approved by Council, which focused on protecting and improving front line services, and investing in Doncaster's future. He emphasised that in the current climate, that was no easy task. As everyone was aware, the Council continued to face a difficult financial challenge. There had been no let-up by the Conservative Government. The savage cuts to Council budgets had left the Council with another significant budget gap.

The Deputy Mayor reported that over the next three years, the Council needed to meet a further budget gap of £44m. This was on top of the £224m of ongoing savings the Council had already had to find in its annual Revenue Budget since the Government's austerity measures began. He highlighted that it would take the total annual budget gap the Council has had to bridge to more than £267m, since the Government's austerity measures took hold in 2010/11.

In light of the economic challenges the Council continued to face, it did not get any easier to prepare a budget which invested in the Borough's future, protected the most vulnerable and maintained the services that mattered most to Doncaster's residents.

However, the Deputy Mayor pointed out that this was the Council's key priority. He added that the budget proposals therefore continued to deliver the Mayor's priority and the priority of this Labour administration to:-

- Increase jobs, apprenticeships, inward investment and grow the Borough's economy, including more well paid, high skilled jobs that local people could access;
- Deliver more new homes that meet the needs of everyone;
- Developing the Borough's town centres and the arts, culture and leisure offer;
- Increasing physical activity, including cycling, to improve population health and well-being;
- Raise education standards, and bring the education system and business community together, to give the Borough's young people more opportunities to flourish;
- Deliver vital services for children and vulnerable residents, joining up health and social care, focusing on prevention and support, and transforming Adult Services; and
- Supporting and working with communities to help keep them clean, green and safe.

The Deputy Mayor stressed that in these difficult times, the Council also had to live within its means; to meet its goals the Council must continue to modernise and improve its services, and deliver value for money. The Council would therefore continue to develop online services for residents, and its transformation programme, to support more people to live in their own homes for longer, which the Deputy Mayor felt was the right thing to do, which meant that there was less need for long-term or traditional care, which saved money.

It was further reported that whilst there was a limit to what the Council could do to tackle increasing costs for residents, in this budget, the Council had sought to minimise the increase in fees and charges, and aimed to keep them in line with inflation. The Deputy Mayor drew Members' attention to the fees which were set out in Appendix H and I of the report, and highlighted some minor changes in Adults Services related fees, which now had confirmed the cost of the service.

The Deputy Mayor expressed his disappointment at the Government's complete failure to deal with the national funding problems facing local authorities, particularly with regard to Adult Social Care, adding that the Government's answer, which was to underfund vital services and yet increase the financial burden on local taxpayers, was wrong, as it placed a strain on those who could least afford it, through a regressive tax system that benefited wealthy areas over places like Doncaster and South Yorkshire.

The Deputy Mayor stated that unfortunately, Government policy on Local Authority funding meant that Council Tax rises were inevitable in order to sustain vital services. However, he pointed out that Council Tax increases would not bridge the funding gap. In Doncaster, like elsewhere, people would see their Council Tax rise as the Government squeeze on hard working families continued, yet the budget for vital public services would still go down.

Through the Council's careful planning and prudent approach over the last four years, it had managed to limit the proposed rise in Doncaster next year to 3.99%, which was well below the maximum 6% that the Government was now allowing, which many other parts of the country were experiencing.

The Deputy Mayor commented that this meant that Council Tax in Doncaster would remain one of the lowest in the Country amongst Metropolitan and Unitary authorities, but added that he was deeply disappointed that the Prime Minister had forced these costs on to people who could least afford them. He explained that the Council's only course of action was to grow its way out of the situation. The Deputy Mayor stated that the good news was that in Doncaster the Council was delivering on that agenda and its approach was paying dividends.

To conclude, the Deputy Mayor thanked all staff, partners and colleagues, who had helped the Council to deliver its successes, in often difficult circumstances. This proposal continued the Council's prudent and effective, but ambitious approach, to delivering services and supporting the Borough.

The Deputy Mayor invited Councillor Kevin Rodgers, Chair of the Overview and Scrutiny Management Committee to comment on the Mayor's budget proposals.

In presenting Overview and Scrutiny's response in reviewing the Mayor's budget proposals, Councillor Rodgers outlined the main points in the appendix to his letter to the Mayor. In relation to the first six points set out in the appendix, Overview and Scrutiny had acknowledged the challenges and the financial constraints that the Local Authority was to face over the next 5 years, including the National pay negotiations and South Yorkshire Pensions, but also areas where prudent management had eased aspects of the financial constraints. Overview and Scrutiny had also noted that the Council had made real progress in the regeneration of the Town Centre, which has had a positive effect on the Borough.

Councillor Rodgers highlighted points 7 to 13 of the appendix and drew Members' attention in particular, to the work required by the Council in the future in relation to the commissioning of Social Care and commented that the Council needed to have a real steer about when the Council go from a more Localised Setting rather than relying on national contractors.

Additionally, Councillor Rodgers spoke of the necessity for the Council to focus on under-performing areas, including the Assets Review, and had extended an invitation to the Mayor and Cabinet that if they wanted Overview and Scrutiny to do a particular piece of work next year then Overview and Scrutiny would be willing to look at that.

Councillor Rodgers also highlighted Overview and Scrutiny's concerns about the ongoing overspend in DCST and commended the work by Cabinet and Officers to bring a focus on to this issue.

The Deputy Mayor thanked Councillor Rodgers for his comments and noted that in the Mayor's response to Councillor Rodgers as Overview and Scrutiny Chair, she had noted all the points put forward and shared Overview and Scrutiny's concerns. The Deputy Mayor thanked the Chair and Members of the Overview and Scrutiny Management Committee for a good piece of work.

In noting the report, Councillor Chris McGuinness commented that there wasn't anything significantly different in this report to the report that was considered by full Council at its meeting in January 2018 and pointed out that at that meeting, there had been no objections from Members to the budget proposals.

Steve Mawson, Chief Financial Officer and Assistant Director, Finance drew

Members' attention to paragraph 50 of the report and highlighted some of the key risks and areas of concern in relation to the 2018/19 budget, including the 2017/18 projected overspend position of £3.8m and the risks around the Medium-Term Financial Forecast budget assumptions in relation to rising inflation at 3%, which was a drain on resources.

He also highlighted the ongoing budget pressures to the Council and despite the Council having reduced resources, emphasised that the demand for Council services had not reduced. This therefore created a constant drain on Council resources. The Chief Financial Officer and Assistant Director, Finance advised that due to one off grants, the Government was yet to put in place sustainable funding for Adult Social Care. He added that there also remained a significant pressure on the Improved Better Care Fund one off funding, which was also an area of concern.

The Chief Financial Officer and Assistant Director, Finance further advised that the single biggest risk towards the end of the Strategy was in 2020, when there was a review of where funding would come from as part of the Fairer Spending Review, and explained that whilst the Council had taken a prudent approach, there was a risk that the actual funding may differ to the estimated figures and could potentially reduce. However, he pointed out that Doncaster Council was currently in a good position and had a 3-year sustainable plan to get the Council to a balanced position by 2021. He added that Elected Members and Officers had worked hard to put in place sustainable proposals, which he felt was to be commended.

In reference to the funding of Adults Services and an ageing population, Councillor Rachael Blake, Cabinet Member for Adult Social Care, stated that going forward in the future, the Council needed to have a mature debate about how the Council was to fund Adult Services and commented that the most vulnerable people in society should not have to pay the costs. Councillor Blake echoed the comments made previously by Councillor Rodgers at this meeting regarding the commissioning of services and stated that in moving forward, the Council should embrace the fantastic community groups that were operating in Doncaster.

In terms of the validity of local communities, Councillor Nigel Ball, Cabinet Member for Public Health, Leisure and Culture, spoke of the need for the Council to empower communities. He stated that due to the Government's harsh austerity cuts over the last seven years, vulnerable people had been hit the hardest, which he believed was a failure of the private sector and the banks and their mismanagement. However, Councillor Ball commented that Doncaster was resilient and would move forward together and the people of Doncaster would respond to that.

4. ALTERNATIVES CONSIDERED AND REJECTED

A menu of options for the savings have been produced and considered over the preceding months.

5. DECLARATIONS OF INTEREST AND DISPENSATIONS

There were no declarations.

6. IF EXEMPT, REASON FOR EXEMPTION

Not Exempt

7. DIRECTOR RESPONSIBLE FOR IMPLEMENTATION

Steve Mawson, Chief Financial Officer and Assistant Director of Finance.

DECISION 3

1. AGENDA ITEM NUMBER AND TITLE

8. Capital Programme 2018/19 to 2021/22.

2. DECISION TAKEN

Cabinet recommended to Council to approve the Capital Budget proposals for 2018/19 to 2021/22, as set out in the report. This included:-

- (1) approving the Capital Programme, noting the proposed investment over the next four years and noted what that would deliver; and
- (2) approving that Cabinet take responsibility for agreeing any significant changes to the Schools Condition Programme and the Local Transport Plan funding and that they are agreed in consultation with the relevant Portfolio Holder.

3. REASON FOR DECISION

In presenting the Capital Programme Budget proposals for 2018/19 to 2021, the Deputy Mayor, Councillor Glyn Jones reported that despite the Government's revenue budgets cuts, it was vital that the Council continued to invest in Doncaster's future for the benefit of its residents, and to stimulate economic growth and job creation. He was therefore very pleased to introduce the Council's Capital Budget proposals, which would see an estimated £349m of investment across the Borough over the period 2018/19 to 2021/22.

The Deputy Mayor reported that this year alone, £129m of spend was estimated. In particular, residents would see significant progress on a number of important projects to revitalise the town centre and drive forward the Borough's economy. Key to this ambition was the Council's schemes to progress the exciting Urban Centre Masterplan, which would help to reshape the town centre as a key economic driver for the Borough. It aimed to make Doncaster town centre a vibrant hub, with more people living and working in the area, and improvements to the leisure and culture offer.

This year, residents and businesses would see significant progress on a number of schemes, including:-

- The regeneration of Doncaster's historic market, focused on the redevelopment of the Grade II Listed Wool Market.
- An improved gateway into the town centre at the railway station, making major improvements to the area for railway station users, and encouraging new investment in this part of town.
- Construction of the new Central Library, Museum and Art Gallery would

commence, continuing the development of the Civic and Cultural Quarter and bringing the former Girls School site back into use, incorporating the original frontage into the new scheme.

The Deputy Mayor stated that as these schemes progressed, the Council also had a pipeline of new projects to continue the masterplan development, including Quality Streets proposals for Silver Street and Hallgate.

Elsewhere in the Borough, the Council would continue its success in using major transport schemes to deliver new jobs, economic growth and housing:-

- £13.3m was earmarked for the DN7 Unity Hatfield Link Road, a new 3km road from J5 M18. It was expected to deliver 3,100 houses, 395,000m² of commercial floor space and a local centre with new retail and educational facilities over a 30 year timeframe;
- Phase 2 of the Great Yorkshire Way would open this year, taking visitors directly to Doncaster Sheffield Airport, enabling 396,000m² of commercial development; and
- The £10.3m A630 Westmoor Link would unlock housing and employment sites by introducing new infrastructure improvements, including high capacity junctions and widening a narrow railway bridge.

The Deputy Mayor stated that where the market had been unable to deliver on its own, the Council was stepping in to help bring new economic development schemes to fruition. At Lakeside, the Council would develop the Herten Triangle scheme to deliver new leisure facilities with a number of restaurant, cafe and drive through units. As well as creating new jobs for local people, the project was expected to generate £0.5m per year in rent and around £0.3m per year of new business rates, helping to offset the impact of Government cuts.

However, in terms of Housing, the Deputy Mayor pointed out that the Capital Programme was not limited to major economic development schemes. Over the next two years, 151 new Council owned affordable units would be delivered through the Council's Affordable Housing building programme, investing £16.8m, which included the major regeneration and redevelopment at the Wheatley Howards Estate.

It was also reported that further funding totalling £20.6m has been earmarked for new build developments, subject to scheme approval. It was estimated this would deliver in the region of 180 additional units.

The Council would also be improving its existing Council Housing stock, with £15.3m allocated in 2018/19 for improving and maintaining existing Council homes.

A further £3.6m would be spent on high-rise fire safety improvements, including the introduction of new fire suppressant and sprinkler systems following the tragic Grenfell Fire; and

In addition, £5.4m would be invested in Energy Efficiency Works on hard to treat properties, improving the lives of our tenants.

In Adults Services, 1200 housing adaptations for the disabled were estimated to be completed per year, with an estimated funding package of £17.8m.

In relation to Children and Young People, twenty nine schools were estimated to have a range of improvements works completed in 2018/19, including roof replacements, electrical and lighting upgrades, window replacement and heating system improvements, investing £11.1m. £1.5m would also be invested through Doncaster Children's Services Trust for the construction and acquisition of accommodation for Care Leavers.

With regard to Doncaster Culture and Leisure Trust, this was also the final year of a 5 year programme of investment in the Council's leisure facilities, with a £3.8m allocation for 2018/19. £1.3m was estimated to be used on fabric maintenance and system replacement in 2018/19, mainly at Adwick, Dearne Valley and the Dome.

The Deputy Mayor further reported that in relation to the Borough's roads, an estimated £4.4m of LTP capital funded works would be programmed for highway, bridge and street lighting maintenance schemes in 2018/19. This funding would support on average per year approximately 25km of surface dressing, strengthening and resurfacing around 10km of local roads, and reconstructing and resurfacing around 8km of footways in 2018/19.

In addition, it was anticipated that around 15,000m² of permanent patching repairs would be undertaken in 2018/19 in support of pothole repairs, pothole prevention measures and routine maintenance. £1.3m would be invested in street lighting column replacements.

In summary, the Deputy Mayor commented that this was an excellent and exciting Capital Programme which invested in the Borough for the benefit of residents both now and in the future.

Steve Mawson, Chief Financial Officer and Assistant Director, Finance stated that the Council had an ambitious programme in place and there was a lot of work to be undertaken this year. He advised that the single biggest risk to the programme was the delivery of capital receipts in selling off land and Council buildings in order to generate money, which the Council had a good track record on delivering the programme. He added that there were some very ambitious targets this year which the Council would be closely monitoring. Unfortunately, the Council hadn't managed to achieve targets for capital receipts in 2017/18; however this would be monitored throughout the year. The Council was continuing to use resources from the Sheffield City Region Investment Fund to obtain the best economic outcome for the Borough.

Despite the challenges the Council was facing in terms of Government cuts, Councillor Bill Mordue welcomed the report and felt that it was exciting times for Doncaster. He commented that through the hard work of everyone at the Council, visitors to Doncaster in the near future would find Doncaster a very prosperous and successful town. He added that the majority of the projects taking place in the Borough were exciting and felt that they would be a game changer for Doncaster. Councillor Mordue highlighted that the Yorkshire Post had recently reported Doncaster as being a place that was 'on the up', which he felt was exciting times

ahead for the Borough.

Councillor Rachael Blake spoke of the diversity, the range of the capital programmes and the Council's ambitions for the future, which she felt was good for the Borough. She commented that the Council should be celebrating more of the Council's achievements, which was something residents in the Borough were not aware was happening. Whilst she welcomed the Council's flagship projects, she spoke of the importance of adaptations in housing being right to ensure that people were living in a suitable environment.

To conclude, the Deputy Mayor stated that the report was positive moving forward and was about building on and investing in Doncaster's future, to increase both capital and revenue.

4. ALTERNATIVES CONSIDERED AND REJECTED

Option 1 – Do not support the proposal for the 2018/19 to 2021/22 Capital budget.

5. DECLARATIONS OF INTEREST AND DISPENSATIONS

There were no declarations.

6. IF EXEMPT, REASON FOR EXEMPTION

Not Exempt

7. DIRECTOR RESPONSIBLE FOR IMPLEMENTATION

Steve Mawson, Chief Financial Officer and Assistant Director of Finance.

DECISION 4

1. AGENDA ITEM NUMBER AND TITLE

9. Housing Revenue Account Budget 2018/19.

2. DECISION TAKEN

Cabinet noted the report and recommended to Council to approve the Housing Revenue Account budget proposals, as set out in the report and included:-

- (1) rents were reduced from 2nd April 2018, by 1.0%, as detailed in paragraphs 7 to 10 in line with Government policy. This would result in an average weekly rent decrease of £0.71, resulting in an average rent of approximately £69.83 per week. Rents would be charged every week of the year;
- (2) the budget proposals for the HRA for 2018/19 which were contained in Appendix A. These proposals set a balanced budget for the HRA and maintained a reserve of £4.0m; and
- (3) fees and charges, as set out in paragraph 13.

3. REASON FOR DECISION

The Deputy Mayor, Councillor Glyn Jones, introduced the Housing Revenue Account (HRA) Budget proposals for the 2018/19 financial year and the medium term financial forecast for the next three years. He reported that the account had a budget to break even and was targeted to have a working balance of £4.0m over the next four years.

The Deputy Mayor outlined the recommendations within the report which included:-

That housing rents were decreased by 1% in 2018/19 and in 2019/20. This decrease was a statutory change which was included within the Welfare Reform and Work Act 2016. 2018/19 is the third of four years where there would be a 1% rent reduction.

As previously reported, the rent reductions had significantly reduced the resources available within the HRA but the Council was confident that it would not reduce its ability to deliver excellent, value for money services to all tenants and ensure that the Council maintained the investment in tenant's homes, especially around ensuring that they were as energy efficient as possible. The Council was also able to deliver significant fire safety improvements in its nine high rise blocks. The Deputy Mayor expressed his disappointment that the four year rent reductions did reduce the number of new build council houses that the Council were able to deliver, but this reduction had not stopped the Council House new build programme. This decrease made a small weekly difference for tenants but every little helped in the current economic climate.

The Deputy Mayor stated that average rent in Doncaster would be the lowest of all Metropolitan District Councils at £69.83 per week and that inflationary increases in the charges for garages and enclosed gardens was the first increase since April 2014.

The HRA continued to fund £40 million of investment within the Council stock during 2018/19. The main areas of investment were fire safety works, the Council House new build programme, the regeneration of the Bristol Grove area in Wheatley, continued investment in new energy efficient boilers, and heating systems and new roofs, including fascias, gutters and soffits.

Cabinet was therefore requested to note the report and recommend to Council for approval of the HRA budget and rent decrease proposals.

Julie Crook, Director of Corporate Resources, St Leger Homes of Doncaster was in attendance at the meeting and took the opportunity to inform Members that the new show flats were available to view this week for tenants and Elected Members and they would also have the opportunity to view the sprinkler installations in the high rise blocks. She advised that major consultation was to start in this area.

4. ALTERNATIVES CONSIDERED AND REJECTED

The Welfare Reform and Work Act 2016 defined how Local Authority rents would be set over the period 2016/17 to 2019/20. No other options were considered.

5. DECLARATIONS OF INTEREST AND DISPENSATIONS

There were no declarations.

6. IF EXEMPT, REASON FOR EXEMPTION

Not Exempt

7. DIRECTOR RESPONSIBLE FOR IMPLEMENTATION

Steve Mawson, Chief Financial Officer and Assistant Director of Finance.

DECISION 5

1. AGENDA ITEM NUMBER AND TITLE

10. The Treasury Management Strategy Statement 2018/19 to 2021/22.

2. DECISION TAKEN

Cabinet:-

- (1) recommended to Council, the Treasury Management Strategy Statement 2018/19 - 2021/22 report and the Prudential Indicators included;
- (2) recommended to Council the Minimum Revenue Provision (MRP) policy, as set out in paragraphs 27 - 28 and Appendix B of the report; and
- (3) noted the Treasury Management Annual Review report at Appendix F of the report.

3. REASON FOR DECISION

Cabinet considered a report, introduced by the Deputy Mayor, Councillor Glyn Jones, which provided details of the strategy for the management of the Council's finances and provided a framework for the operation of the Treasury Management function within the Council.

In presenting the report, the Deputy Mayor reported that Treasury management is "the management of the organisation's investments and cash flows". This included the Council's banking, money market and capital market transactions, whilst balancing risk and optimum performance.

The Deputy Mayor advised that the Council must ensure that it had access to money to pay its bills and it was vital that the Council managed its finances in the best interests of local residents. This Strategy proposed how the Council would take a sound and prudent approach to achieve those goals.

Steve Mawson, Chief Financial Officer and Assistant Director of Finance, drew Members' attention to the following issues:-

- Investment interest rates continued to remain low. Throughout the forecast of the 4 year programme, the Council would see interest rates start to grow, which would need to be closely monitored. The Bank of England had forecast rates to go up slightly quicker to that what was previously forecast because they wanted to maintain low inflation and were trying to get inflation back to a

2% figure over the next 18-24 months. The Council needed to monitor this closely because if interest rates rise the Council need to look at borrowing;

- In relation to Borrowing requirements, currently the Council borrowed short term under 5 years because it saved a lot of money and the Council was continuing with this Strategy;
- The Council's Capital Financing Requirement is a measure of the Council's underlying borrowing need which was estimated at £563m in 2018/19, which the Council needed to monitor;
- This year 2018/19, the Council expected to take out new borrowing of around £26m to help fund the Capital Programme, which had been budgeted for in the Revenue Budget and the Council would continue to keep on top of this;
- There were loans currently totalling £32.5m, expiring during 2018/19 which would require refinancing. There was at least £60m new borrowing the Council would need to take out during the year;
- The Council was forecasting £59m in investments which was a 10th of the Authority's borrowing and that most of the activities on borrowing related to investments. It was explained that there was only a small amount of money made on investments because interest rates were currently very low. Therefore, the Council had made some treasury predictions in the forecast; and
- In relation to the Minimum Revenue Provision, the Council was required to put money aside, an element of the General Fund capital spend in much the same way as people would pay capital off their mortgage. This was called Minimum Revenue Provision and was an important figure for the Council. The Government had recently carried out consultation in this respect which had put the MRP borrowing on a stable platform.

To conclude the Chief Financial Officer and Assistant Director of Finance advised that the Council continued to follow a prudent approach for the Council, which balanced minimising costs but also maintained a high yield, and the Council would continue to monitor that throughout the year.

4. ALTERNATIVES CONSIDERED AND REJECTED

Other options that had been considered and Members needed to be aware of, when compiling the report, that would affect the investments and borrowing decisions were as follows:-

Options	Likely impact on Income and Expenditure	Likely impact on risk management
Invest in a narrower range of institutions and shorter terms	Interest income will be lower	Reduced risk of losses from credit related defaults, but any single loss could be magnified.

Borrow additional sums at long term fixed interest rates	Debt interest costs will rise, this is unlikely to be offset by higher investment income	Reduced interest rate risk. But higher investment balance could lead to a higher impact in the event of a default.
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income. Premium to be paid if debt paid down (avoided if the reduction is done by not replacing maturing debt).	Reduced investment balance leading to a lower impact in the event of default, however long term interest costs become less certain.
Increase level of borrowing	Additional cost of debt interest is likely to exceed additional investment income received.	Under-borrowing uses a combination of reserves and working capital. Any adverse changes to either could lead to cash not being available to fund expenditure. Leading to increased levels of borrowing.
Borrow sufficient funds for under-borrowed position	Additional interest costs of up to £1.1m per annum. It should be noted that a proportion of the under-borrowed position has been used to prepay the pension contribution.	Reduced interest rate risk, but significantly higher costs. In addition the higher investment balance could lead to a higher impact in the event of a default.

5. DECLARATIONS OF INTEREST AND DISPENSATIONS

There were no declarations.

6. IF EXEMPT, REASON FOR EXEMPTION

Not Exempt

7. DIRECTOR RESPONSIBLE FOR IMPLEMENTATION

Steve Mawson, Chief Financial Officer and Assistant Director of Finance.

DECISION 6

1. AGENDA ITEM NUMBER AND TITLE

11. St. Leger Homes of Doncaster (SLHD) Performance and Delivery Update: 2017/18 Quarter Three (Non-Key decision).

2. DECISION TAKEN

Cabinet noted the progress of SLHD performance outcomes and the contribution SLHD made to supporting DMBC strategic priorities.

3. REASON FOR DECISION

The Deputy Mayor, Councillor Glyn Jones, introduced St. Leger Homes Performance and Delivery Update report for 2017/18 Quarter 3, which set out the performance successes and issues against the suite of 2017/18 key performance indicators.

In presenting the report, the Deputy Mayor, Councillor Glyn Jones, reported that SLHD performance report was presented to Cabinet on a quarterly basis and stated that the majority of the indicators were on track and above target. However, he advised that there were 3 indicators which were currently off target and the Council was working with St. Leger Homes of Doncaster (SLHD) to improve performance in these areas. The Deputy Mayor highlighted that for the first time, SLHD was reporting on the number of households placed in bed and breakfast accommodation.

The Deputy Mayor highlighted the main areas to note which included:-

- The current rent arrears, the performance of rent collection continued to go well and this indicator was above target despite the current difficult economic climate and, the fact that universal credit began full roll out in Doncaster on 11th October 2017; and
- There had been more households in bed and breakfast than the Council would like to see and in an ideal world this figure would be zero, but there were occasions when bed and breakfast was the most appropriate short term solution. St Leger Homes worked with other Council services to keep this figure as low as possible and it was noted that no one spent Christmas in bed and breakfast accommodation.

In concluding his presentation of the report, Cabinet was therefore requested to note the progress of SLHD performance outcomes and the contribution SLHD made to supporting DMBC strategic priorities and Doncaster Growing Together.

Councillor Nigel Ball, Cabinet Member for Public Health, Leisure and Culture, highlighted the increase in the number of homeless people, not only in Doncaster but across the country, and in referring to paragraph 11.4 of the report, welcomed the initiatives being put in place by SLHD to reduce homelessness in Doncaster.

4. ALTERNATIVES CONSIDERED AND REJECTED

There were no other alternatives considered or rejected.

5. DECLARATIONS OF INTEREST AND DISPENSATIONS

There were no declarations.

6. IF EXEMPT, REASON FOR EXEMPTION

Not Exempt

7. DIRECTOR RESPONSIBLE FOR IMPLEMENTATION

Paul Tanney, Chief Executive Officer, St. Leger Homes of Doncaster.

Signed.....Chair/Decision Maker