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SHEPWAY DISTRICT COUNCIL

Minutes for the meeting of the Council held at the Council Chamber - Civic Centre Folkestone on Wednesday, 14 September 2016

Present: Councillors Mrs Ann Berry, Miss Susan Carey, John Collier, Malcolm Dearden, Alan Ewart-James, Peter Gane, Clive Goddard, David Godfrey, Miss Susie Govett, Ms Janet Holben (Chairman), Mrs Jennifer Hollingsbee, Mrs Claire Jeffrey, Len Laws, Rory Love, Philip Martin, Frank McKenna, Ian Meyers, David Monk, Dick Pascoe, Paul Peacock, Stuart Peall, Damon Robinson, Carol Sacre, Mrs Susan Wallace and Roger Wilkins

Apologies for Absence: Councillors Mrs Mary Lawes, Michael Lyons, David Owen, Peter Simmons and Mrs Rodica Wheeler

140. Declarations of interest

There were no declarations of interest.

141. Medium Term Financial Strategy 2017/18 to 2020/21

Report A/16/17 The Medium Term Financial Strategy (MTFS) is the Council's key financial planning document. It puts the financial perspective on the council's Corporate Plan priorities, expressing the aims and objectives of various plans and strategies in financial terms over the four year period ending 31st March 2021. It covers both revenue and capital for the General Fund and the Housing Revenue Account. Also included are the Council's reserves policies. The MTFS is a key element of sound corporate governance and financial management.

This report was considered by Cabinet 14 September 2016.

Councillor Len Laws, Leader UKIP, spoke on the following:

- Efficiency plan – recognised that the Efficiency Plan was a robust response to Government policy and providing elements, many of which are defined elsewhere in the MTFS. He referred to the plan stating it clearly overlapped with the MTFS and also with the process of reducing Central Government funding by reduction in the Revenue Support Grant. He noted that the levels of RSG support in this MTFS are lower than those envisaged in the previous year and it is partly thanks to the Efficiency Plan that shortfalls are compensated.
- Devolution – He felt the business case for devolution was strong with savings particularly in economies of scale, although he felt there should be some attempt to look at some of the likely financial implications of devolved spending and build these into strategic planning now.
- Otterpool Park – Although it is mentioned in the efficiency plan it is too early for inclusion in the MTFS planning, it will still require financial resources to effectively plan the development.

- Housing Revenue Account Business Plan - He understood the plan had been amended as a result of a change of Government policy which imposed a 1% cut in council rents year on year, therefore agreed that it was a sensible move to cut projected house building from 300 to 200 during the next ten years, although he did suggest that the Council looks at this again to see if there is any room for increasing the figure.
- Risk Analysis – following on from above Councillor Laws raised the issue in respect of risk analysis in the business plan and the effects of inflation both on maintenance and likely rental income, suggesting it might be prudent to model the effects of falling property prices on rental income for HRA.
- Council Tax - he asked whether the increase of 2% was necessary following the freeze on council tax being lifted in 2016/17.

Members agreed the following amendments to the Medium Term Financial Plan:

Introduction - Paragraph 3 Page 8 will now read 'The 'BREXIT' vote to leave the EU will have consequences on the UK and the political landscape but the Chancellor's assurance to continue long term grant funding won before the UK leaves will protect the council's position on any potential EU funded projects. (deleting the word 'Profound' before consequences).

Risks and Sensitivities – Bullet point 2 will now read 'Impact of "Brexit"'. Whilst the government has underwritten EU funding agreed prior to the 2016 Autumn Statement, the impact of any departure from the EU by the UK is one that is unclear and may impact both politically and economically. (inserting the words 'by the UK').

Members made the following recommendations:

Proposed by Councillor David Monk
Seconded by Councillor Ms Susan Carey and

Resolved:

1. To receive and note Report A/16/17.
2. To recommend that the Medium Term Financial Strategy, as appended to this report, is adopted.
3. To agree to the MTFS and Efficiency Plan for submission to DCLG as set out within the documents.
4. To agree the flexible use of capital receipts as set out in the report to fund the digital delivery programme.

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(Voting: For 25; Against 0; Abstentions 0)

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