

Minutes of: CABINET

Date of Meeting: 19 February 2014

Present: Councillor M C Connolly (in the Chair)
Councillors J Smith, G Campbell, T Isherwood, J Lewis,
S Walmsley and I Gartside

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence: Councillor G Campbell

CA.787 DECLARATIONS OF INTEREST

Councillor Connolly declared a personal interest in any matters likely to impact on the fact that his partner is employed by Adult Care Services.

CA.788 MINUTES

Delegated decision:

That the Minutes of the meeting of the Cabinet held on 5 February 2014 be approved as a correct record and signed by the Chair.

CA.789 PUBLIC QUESTION TIME

No questions were asked under the item.

CA.790 CORPORATE FINANCIAL MONITORING REPORT - MONTH 9

The Deputy Leader and Cabinet Member for Finance and Corporate Affairs submitted a report which informed Members of the financial performance of the Council for the period up to December 2013. It also provided projections, based on current trends and information, of the likely outturn at the end of 2013/2014.

Delegated decisions:

1. That the financial position of the Council as at 31 December 2013 be noted.
2. That the Section 151 Officer's assessment of the minimum level of balances be approved.

Reason for the decisions:

Budget Monitoring falls within the appropriate statutory duties and powers and is a requirement of the Council's Financial Regulations.

Other option considered and rejected:

To reject the recommendation.

CA.791 HOUSING REVENUE ACCOUNT 2014-2015

A report was submitted by the Deputy Leader and Cabinet Member for Finance and Corporate Affairs and the Cabinet Member for Adult Care, Health and Housing which detailed the proposed Housing Revenue Account for 2014/2015.

RECOMMENDATION TO COUNCIL:

That the report be noted and the Council be requested to consider all matters relating to the Housing Revenue Account 2014/15, the increase in Council House and garage rents and changes to other charges.

CA.792 BUDGET 2014/2015 TO 2015/2016

The Deputy Leader and Cabinet Member for Finance and Corporate Affairs submitted a report detailing:-

- **The Capital Programme 2014/2015 to 2016/2017 (Section A)**

This sets out the draft Capital Programme and a forecast of the available resources for 2014/2015 to 2016/2017. In view of the continued very difficult budget situation the report recommended that the Programme be limited to those schemes that are fully funded from external sources.

- **The Revenue Budget 2014/2015 to 2015/2016 (Section B)**

This examined the position of the Revenue Budget and also outlined other important budget issues including the final Local Government Finance Settlement for 2014/2015, the forecast outturn for 2013/2014, the budget strategy for 2014/2015 and 2015/2016 and the approach to balancing the budget as set out in the Plan for Change 3.

The report also examined the robustness of the assumptions behind the budget forecast and contains an assessment of the adequacy of the Council's balances. The report was prepared on the basis that the Bury element of the Council Tax will be frozen for 2014/15, to be funded (in part) by £0.772m of Central Government grant.

Attention was drawn to the fact that despite the extremely challenging local government finance Settlement, and the resultant savings target, the proposed budget places no reliance on one-off savings options.

RECOMMENDATION TO COUNCIL

That the report be noted and the Council be requested to consider and determine all matters relating to the Budget, the Capital Programme and the level of the Council Tax for 2014/2015 at its meeting on 19 February 2014.

CA.793 TREASURY MANAGEMENT STRATEGY 2014-2015

The Deputy Leader and Cabinet Member for Finance and Corporate Affairs submitted a report which set out the suggested Strategy for 2014/2015 in respect of the following aspects of the Treasury Management Function:-

- Treasury limits in force which will limit the Treasury risk and activities of the Council
- Prudential and Treasury Indicators
- The current treasury position
- The borrowing requirement
- Prospects for interest rates
- The borrowing strategy
- Debt re-scheduling
- The investment strategy
- The minimum Revenue Provision Policy

The primary objective of the Council's Treasury Management Function would continue to be the minimisation of financing costs whilst ensuring the stability of the Authority's long-term financial position by borrowing at the lowest rates of interest and by investing surplus cash to earn maximum interest, all at an acceptable level of risk.

The overall strategy for 2014/2015 would be to finance capital expenditure by running down cash/investment balances and using short term temporary borrowing rather than more expensive longer term loans. The taking out of longer terms loans (1 to 10 years) to finance capital spending will only then be considered if required by the Council's underlying cash flow needs. With the reduction of cash balances the level of short term investments will fall. Given that investment returns are likely to remain low (say) 0.50% for the financial year 2014/2015, then savings will be made from running down investments rather than taking out more expensive long term loans.

This approach does have a refinancing risk and it should be noted that with a 2 pool approach to Housing Revenue Account (HRA) and General Fund (GF) debt, whilst the HRA is fully funded, the GF is carrying all of this risk.

All prospects of rescheduling debt will be considered, in order to generate savings by switching from high costing on term debt to lower costing shorter term debt.

RECOMMENDATION TO COUNCIL:

That the Prudential Indicators Forecast for 3 years; the Treasury Management Strategy 2014/15; the Minimum Revenue Provision Policy for 2014/15 and the Scheme of Delegation and Responsibility as set out in the report be approved.

COUNCILLOR M C CONNOLLY
Chair

(Note: The meeting started at 5.30 pm and ended at 5.40 pm)