

- Councillor Holt enquired about the number of Right to Buy sales and the effect on the Housing Revenue Account (HRA). The Assistant Director of Resources and Regulation acknowledged that sales meant the loss of better housing stock and reduced rental stream but explained that, although time limited, the effect was mitigated to some extent by the New Homes Bonus scheme.
- The Assistant Director explained that demand pressures in Adult Care were a result of both the volume and complexity of referrals.
- In response to questions concerning the shortfall in parking income, the Assistant Director explained that the number of Penalty Charge Notices issued had reduced as drivers become more compliant with parking restrictions in the Borough.
- Councillor Daly enquired whether the residual figure relating to the Department for Communities and Neighbourhoods was an ongoing figure? The Assistant Director confirmed that it was but highlighted that it had been offered up as a cut as part of the 2015/2016 Budget.
- In response to a question concerning the Coroners Court costs, the Assistant Director explained that the Council were working with Rochdale, the Lead Authority, to streamline back office processes.
- In terms of mid-year savings achieved from recycling, the Assistant Director explained that the level of savings for this year would be off set against one off set up costs.

It was agreed:

That the financial position of the Council, as at 31 December 2014, be noted.

OSC.715 BUDGET 2015/16

The Leader of the Council and Cabinet Member for Finance submitted a report setting out details of the Capital Programme for 2015/16 to 2017/18 and the Revenue Budget for 2015/16 to 2016/17. A draft programme of savings and consultation responses were appended to the report.

The report recommended that the Capital Programme be limited to those schemes fully funded from external sources.

With regard to the revenue budget the report outlined details of:

- The final Local Government Finance Settlement for 2015/16
- Forecast outturn for 2014/15
- The budget strategy for 2015/16 and the approach to balancing the budget.

It was explained that the report had been prepared on the basis that the Bury element of the Council Tax would be frozen for 2015/16, to be funded in part by

£0.774m of Central Government grant. It was stressed that the Council Tax would not be set until the full Council meeting on 25th February.

Questions and comments were invited from Members of the Committee and the following issues were raised:

- In response to a question from Councillor Daly concerning service levels in the light of budget reductions since 2011, the Leader highlighted that staff had been asked to do more with less but acknowledged that capacity was an issue as a result of reduced funding and increased demands.
- The Leader explained that forecasts suggested further cuts of a similar level would be necessary in 2016/17 and acknowledged the way the Council operates would need to change with services being prioritised.
- In terms of the funding formula it was explained that Bury was disadvantaged mainly as a result of factors relating to population, deprivation and welfare claimant numbers.
- In response to a question from Councillor Holt, the Assistant Director explained that the localisation of the Council Tax Benefit Scheme meant that the risk lay with the Council should the number of claimant increase.
- Councillor Daly commented that the detail of the proposed savings highlighted within the consultation pack was limited in terms of outlining how the savings figures would be achieved.
- The Chair Councillor Gartside referred to Bury's Settlement Funding Allocation and questioned the comparability of 2014/15 and 2015/16 figures; the Assistant Director explained that the 2014/15 figures included the Council Tax Freeze Grant for that year; whereas the 2015/16 figure did not – as DCLG would not be aware at this stage of Councils' Council Tax proposals.

It was agreed:

That the report be noted.

OSC.716 DRAFT HOUSING REVENUE ACCOUNT 2015/16

A joint report of the Leader of the Council and Cabinet Member for Finance and Deputy Leader and Cabinet Member for Health and Wellbeing was submitted which detailed the proposed Housing Revenue Account (HRA) for 2015/2016. The report set out proposals in respect of Dwelling and Garage rents, Sheltered Support, Management Amenities, Heating and Furnished Tenancy charges and Fernhill Caravan site tenancy charges. Proposed rent increases for Dwellings and Garages of 2.2% along with a 1.2% rise for Sheltered Amenity charges were outlined in the report.

During discussion of this item, Members of the Committee raised concerns in relation to the increase in rent arrears. The Assistant Director highlighted the potential future risks associated with the roll out of Universal Credit. The importance of closer liaison with the Department for Work and Pensions was raised as help prevent further rent arrears.

It was agreed:

That the report be noted.

OSC.717 TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2015/16

The Leader of the Council and Cabinet Member for Finance submitted a report setting out the suggested Strategy for 2015/2016 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
- Prospects for interest rates
- The borrowing strategy
- The borrowing requirement
- 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 2015/16 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.

It was agreed:

That the report be noted.

COUNCILLOR I GARTSIDE

Chair

(Note: The meeting started at 7.00 pm and ended at 8.30 pm)