

**Minutes of:** CABINET

**Date of Meeting:** 25 February 2015

**Present:** Councillor M C Connolly (in the Chair)  
Councillors R Shori, J Lewis and S Walmsley

**Also in attendance:**

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

**Apologies for Absence:** Councillor T Isherwood and Councillor G Campbell

**CA.740 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.741 PUBLIC QUESTION TIME**

No questions were asked under the item.

**CA.742 CORPORATE FINANCIAL MONITORING REPORT APRIL 2014 TO DECEMBER 2014**

The Leader and Cabinet Member for Finance submitted a report which informed Cabinet of the financial performance of the Council for the period April 2014 to December 2014. The report also provided projections, based on current trends and information, of the likely outturn at the end of 2014/2015.

Details of the proposed series of measures that were agreed by Cabinet on 26 November 2014 to curb spend in 2014/2015 were set out and it was proposed that these measures should continue into 2015/2016, as detailed in Paragraphs 3.5 and 3.6 of the report. In addition Prudential Indicators in accordance with CIPFA's Prudential Code were included.

**Delegated decisions:**

1. That the financial position of the Council as at 31 December 2014 be noted.
2. That the Section 151 Officer's assessment of the minimum level of balances be approved.
3. That approval be given for the continued use of the measures into 2015/2016 to help curb spend, as listed in paragraphs 3.5 and 3.6.

**Reasons for the decision:**

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 recommendations.

**CA.743 HOUSING REVENUE ACCOUNT 2015-2016**

A report was submitted by the Leader and Cabinet Member for Finance and the Deputy Leader and Cabinet Member for Health and Wellbeing which detailed the proposed Housing Revenue Account for 2015/2016. The report also provided proposals for Dwelling and Garage rents, Sheltered Support, Management, Amenities and Heating charges, Furnished Tenancy charges and Fernhill Caravan site tenancy charges.

**RECOMMENDATION TO COUNCIL:**

That the report be noted and the Council be requested to consider all matters relating to the Housing Revenue Account 2015/16, the increase in Council House and garage rents and changes to other charges.

**CA.744 BUDGET 2015/2016 TO 2016/2017**

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

• **The Capital Programme 2015/2016 to 2017/2018 (Section A)**

This sets out the draft Capital Programme and a forecast of the available resources. 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 2015/2016 (Section B)**

Section B addressed the revenue budget and also outlined;

- 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.

The report also examined the robustness of the assumptions behind the budget forecast and provided 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 2015/2016, to be funded (in part) by £0.774m of Central Government grant.

Cabinet's attention was also drawn particularly to the fact that despite the extremely challenging local government finance Settlement, and the resultant savings target, the proposed budget places no long term reliance on one-off savings options.

The Leader thanked those Bury residents that had responded during the consultation process which had achieved over 1000 responses.

**RECOMMENDATION TO COUNCIL:**

The Cabinet is recommended to note the report and request that the Council consider and determine all matters relating to the Budget, the Capital

Programme and the level of the Council Tax for 2015/2016 at its meeting on 25th February 2015.

**CA.745 TREASURY MANAGEMENT STRATEGY 2016-2016**

The Leader and Cabinet Member for Finance submitted a report which set out the suggested Treasury Management Strategy for 2015/2016 in respect of the following aspects of the Treasury Management function.

The Strategy is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's Treasury advisor.

The Strategy covers the following:-

- 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 rescheduling;
- the investment strategy;
- the minimum revenue provision policy.

The primary objective of the Council's treasury management function will 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 2015/2016 will 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 term loans (1 to 10 years) to finance capital spending would only then be considered if required by the Council's underlying cash flow needs. Some long term loans (over 10 years) may be undertaken to replace debt which matures in the year. With the reduction of cash balances the level of short term investments will fall. Given that investment returns are likely to remain low (0.50%) for the financial year 2015/2016, 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 for rescheduling debt will be considered, in order to generate savings by switching from high costing long term debt to lower costing shorter term debt.

**RECOMMENDATION TO COUNCIL:**

That approval be given to the submission of the following to Council for consideration:-

- Prudential Indicators Forecast for 3 years;
- Treasury Management Strategy 2015/2016;
- Minimum Revenue Provision Policy for 2015/2016;
- Scheme of Delegation and Responsibility as set out in Appendices 2 and 6 of the report submitted.

**CA.746 EXCLUSION OF PRESS AND PUBLIC**

**Delegated decision:**

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item of business if it involves the likely disclosure of information as detailed in the condition of category 3.

**CA.747 TRANSFER OF THE COMMISSIONING FUNCTION FOR EARLY YEARS HEALTH SERVICES TO BURY COUNCIL**

(Pages 507 - 510)

The Deputy Leader and Cabinet Member for Health and Wellbeing submitted a report regarding the transfer from the NHS to the Council of Early Years Public Health commissioned functions in October 2015.

**Delegated decisions:**

1. That approval be given to endorse the proposal to pursue contracting with NHS England. A full year contract for 2015/2016 which will novate to the Local Authority on 1 October 2015.
2. That approval be given to an exception to contractual standing orders to support the transition of Early Years Health Services as a novation of contract from NHS England to the Council, subject to the publication of the NHS contract and financial allocations.

**Reason for decision:**

This decision will enable a contract commissioned by NHS England to be put in place with the existing provider of Health Visiting and Family Nurse Partnership for 2015/2016 to allow stability during transition.

**Other option considered and rejected:**

To reject the recommendations.

(The Chair indicated that he had agreed to the submission of this item as urgent business for the reason that a decision was required before the date of the next scheduled meeting of the Cabinet).

**COUNCILLOR M C CONNOLLY**  
**Chair**

**(Note: The meeting started at 5:40pm and ended at 5:45pm.)**

Document is Restricted

This page is intentionally left blank