

Minutes of: CABINET

Date of Meeting: 24 February 2016

Present: Councillor M C Connolly (in the Chair)
Councillors R Shori, P Heneghan, T Isherwood, A Simpson
and S Walmsley

Public Attendance: 1 member of the public was present at the meeting.

**Apologies for
Absence:** Councillor J Lewis

CA.704 DECLARATIONS OF INTEREST

Councillor Connolly declared a personal interest in any matters relating to the fact that his partner is employed by Persona Care and Support Ltd (Local Authority Trading Company).

CA.705 PUBLIC QUESTION TIME

No questions were asked under the item.

CA.706 CORPORATE FINANCIAL MONITORING APRIL 2015 TO DECEMBER 2015

The Deputy Leader and Cabinet Member for Finance and Housing submitted a report which informed Cabinet of the financial position of the Council for the period April 2015 to December 2015. The report also provided projections, based on current trends and information, of the likely outturn at the end of 2015/2016. Prudential Indicators in accordance with CIPFA's Prudential Code were also included.

Delegated decisions:

1. That the financial position of the Council as at 31 December 2015 be noted.
2. That the Section 151 Officer's assessment of the minimum level of balances be approved.

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.707 DRAFT REVENUE BUDGET 2016/2017

The Deputy Leader and Cabinet Member for Finance and Housing submitted a report that provided Cabinet with details of the Capital Programme for 2016/17 to 2018/19 (Section A) and the Revenue Budget for 2016/17 (Section B) and outlined the Council's strategy for tackling the financial challenges ahead.

Section A of the report set out the draft Capital Programme and a forecast of the available resources. In view of what continues to be a very difficult revenue budget situation it was recommended that the Programme be limited to those schemes that are fully funded from external sources.

Section B of the report addressed the revenue budget and outlined;

- The final Local Government Finance Settlement for 2016/17
- Forecast outturn for 2015/16
- The budget strategy for 2016/17 and the approach to balancing the budget.

The report examined the robustness of the assumptions behind the budget forecast and contained an assessment of the adequacy of the Council's balances.

Members' attention was 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.

Thanks were given to the Bury residents who had responded during the budget consultation process.

Delegated decisions:

1. That the report be noted.
2. That 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 2016/2017 at its meeting on 24th February 2016.

Recommendations to Council:

Section A – Capital Programme

1. That approval be given to the Capital Programme for 2016/17 and future years, as detailed in Appendix 1 of the report.
2. That approval be given to the proposed financing of the Capital Programme.

Section B – Revenue Budget

3. That the details of the Settlement Funding Allocation (SFA) for 2016/17 be noted.
4. That the recently approved level of repayment of principal on General Fund debt at the minimum of 2% in line with the current Minimum Revenue Provision policy be noted;
5. That it be noted that under delegated powers the Interim Executive Director of Resources & Regulation has calculated the amount of 51,900 as the Council Tax base for the year 2016/17 in accordance with the Local Government Act 2003 and with regulations made under Section 33(5) of the Local Government Finance Act 1992 and the Local Authority (Calculation of Council Tax Base) (England) Regulations 2012.

6. That the forecast outturn position for 2015/16 be noted.
7. That approval be given to the actual minimum level of balances for 2016/17 being reduced to £4,250,000 in view of the Council's risk profile.
8. That approval be given to amend or reject the draft Revenue Budget for 2016/17 as detailed in the report.
9. That approval be given to the programme of cuts set out in Appendix 5 of the report.
10. That the recommendations of the Schools' Forum around education funding issues be noted.
11. That the statements by the Interim Executive Director of Resources & Regulation on the robustness of budget assumptions and on the minimum level of balances be endorsed.
12. That Council determine the level of the Council Tax for 2016/17.
13. That Council accept the 4 year indicative Settlement figures released by the Government; which requires the preparation of an Annual Efficiency Plan.

CA.708 DRAFT HOUSING REVENUE ACCOUNT FOR 2016/2017

A report was submitted by the Deputy Leader and Cabinet Member for Finance and Housing which detailed the proposed Housing Revenue Account for 2016/2017. 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.

The report was prepared on the basis of the Government's requirement for a decrease in dwelling rents of 1% for 2016/17 for General Needs properties. Any decrease more than this level would result in a reduction in rental income which will impact on future years and could jeopardise the financial viability of the HRA and the sustainability of the business plan.

Delegated decisions:

1. That the report be noted.
2. That Council be requested to consider all matters relating to the Housing Revenue Account 2016/17, the increase in Council House and garage rents and changes to other charges.

Recommendations to Council:

1. That approval be given to the Housing Revenue Account estimates as set out in Appendix 1 of the report submitted, subject to potential amendment to reflect the agreed Management Fee payable to Six Town Housing.
2. That approval be given to decrease the Rents for dwellings other than Sheltered and Extra Care by 1% from the first rent week in April.
3. That approval be given to increase the Rents for Sheltered and Extra Care dwellings by 0.9% from the first rent week in April.
4. That approval be given to adopt the policy of reletting dwellings at Target rents with effect from the first rent week in April.
5. That approval be given to increase Garage rents by 0.9% from the first rent week in April.
6. That approval be given to increase Sheltered Management and Amenity Charges by 0.9% from the first rent week in April.
7. That approval be given to reduce Sheltered heating charges by 10% from the first rent week in April.
8. That approval be given that Sheltered support and Furnished Tenancy charges remain unchanged from the first rent week in April.
9. That approval be given to increase tenancy charges at the Fernhill Caravan Site by 0.9% from the first rent week in April.

**CA.709 TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS
2016/2017**

The Deputy Leader and Cabinet Member for Finance and Housing submitted a report setting out the suggested Strategy for 2016/17 in respect of the following aspects of the Treasury Management function. This 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:

- 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 2016/17 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 will 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 2016/17) then savings will be made from running down investments rather than taking out more expensive long term loans.

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.

Delegated decision:

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

- Prudential Indicators Forecast for 3 years.
- Treasury Management Strategy 2016/2017.
- Minimum Revenue Provision Policy for 2016/2017.
- Scheme of Delegation and Responsibility as set out in Appendices 2 and 6 of the report submitted.

Recommendation to Council:

That approval be given to the recommendations made in the report.

Reasons for the decision:

It is a requirement of the CIPFA Code that the Council receives an annual treasury management strategy report.

Other options considered and rejected:

To reject the recommendations.

COUNCILLOR M C CONNOLLY
Chair

(Note: The meeting started t 5.30pm and ended at 5.35pm)