

Minutes of: CABINET

Date of Meeting: 22 February 2017

Present: Councillor R Shori (in the Chair)
Councillors K S Briggs, J Daly, T Holt, A Quinn, T Tariq
and S Walmsley

Apologies: -

Public attendance: No members of the public were in attendance.

CA.01 DECLARATIONS OF INTEREST

Councillor Shori declared a personal interest that his partner is employed by the Council.

CA.02 PUBLIC QUESTION TIME

No questions were asked under the item.

CA.03 MINUTES

Delegated decision:

That the minutes of the meeting held on 25 January 2017 be approved as a correct record and signed by the Chair.

CA.04 CORPORATE FINANCIAL MONITORING REPORT – APRIL 2016 TO DECEMBER 2017

The Deputy Leader of the Council and Cabinet Member (Finance and Human Resources) submitted a report which informed Cabinet of the financial position of the Council for the period April 2016 to December 2016. The report also provided projections, based on current trends and information, of the likely outturn at the end of 2016/2017. Prudential Indicators in accordance with CIPFA's Prudential Code were also included.

Delegated decision:

That the financial position of the Council as at 31 December 2016 be noted.

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.05 BUDGET 2016/2017

The Deputy Leader of the Council and Cabinet Member (Finance and Human Resources) submitted a report that provided Cabinet with details of the Capital Programme for 2017/18 to 2019/20 (Section A) and the Revenue Budget for

2017/18 to 2019/20 (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 the difficult revenue budget situation the report recommended that the Capital 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 2017/2018 to 2019/2020
- Forecast outturn for 2016/2017
- The budget strategy for 2017/2018 to 2019/2020 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.

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 long term reliance on one-off savings options.

The Leader thanked the residents of Bury that had taken part in 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 2017/2018 and cuts proposals for the period 2017/2018 to 2019/2020 at its meeting on 23 February 2017.

Recommendations to Council:

Section A – Capital Programme

1. That approval be given to the Capital Programme for 2017/2018 and future years, shown in Appendix 1 of the report submitted.
2. That approval be given to the proposed financing of the Capital Programme.

Section B – Revenue Budget

3. That the details of the draft Settlement Funding Allocation (SFA) for 2017/18 to 2019/20 be noted.
4. That in the event that the final Settlement is not confirmed by the Government in time for the Council meeting, then amendments to the budget, and calculations made in line with the Local Government Finance Act 1992, to reflect any changes to the Settlement figures be delegated to the Chief Executive and Interim Director of Resources & Regulation in consultation with the Leader of the Council, Deputy Leader and portfolio

holder for Finance & Human Resources and opposition Party Leaders. Any amendments will be reported to Council on 19 April 2017.

5. That the 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.
6. That it be noted that under delegated powers the Interim Executive Director of Resources and Regulation has calculated the amount of 52,350 as the Council Tax base for the year 2017/2018 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.
7. That the forecast outturn position for 2016/2017 be noted.
8. That approval be given that the actual minimum level of balances for 2017/2018 be set at £4.25m in view of the Council's risk profile.
9. That approval be given to amend or reject the draft Revenue Budget for 2017/2018 to 2019/2020 as shown in the report.
10. That approval be given to the programme of cuts for delivery over the 3 year period 2017/2018 to 2019/2020 set out at Appendix 5 of the report.
11. That the recommendations of the Schools' Forum around education funding issues be noted.
12. 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.
13. That the level of the Council Tax / Social Care Precept for 2017/2018 be determined.

CA.06 HOUSING REVENUE ACCOUNT 2016-2017

The Deputy Leader of the Council and Cabinet Member (Finance and Human Resources) the Cabinet Member (Strategic Housing and Support Services) submitted a report detailing the proposed Housing Revenue Account (HRA) for 2017/2018. The report included proposals for Dwelling and Garage rents, Sheltered Support, Management, Amenities and Heating charges, Furnished Tenancy charges and Fernhill Caravan site tenancy charges.

Cabinet was reminded that the report was prepared on the basis of the Government's requirement for a decrease in dwelling rents of 1% for 2017/2018 for General Needs and Sheltered/Extra Care 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 2017/2018, 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.
2. That approval be given to decrease the Rents for all HRA dwellings by 1% from the first rent week in April 2017.
3. That approval be given to increase Garage rents by 2.0% from the first rent week in April 2017.
4. That approval be given to increase Sheltered Management and Amenity Charges by 2.0% from the first rent week in April 2017.
5. That approval be given to Sheltered Support charges and heating charges remain unchanged from the first rent week in April 2017.
6. That approval be given to reduce Furnished Tenancy charges by 5% from the first rent week in April 2017.
7. That approval be given to increase tenancy charges at the Fernhill Caravan Site by 2.0% from the first rent week in April 2017.

CA.07 TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2017/2018

The Deputy Leader of the Council and Cabinet Member (Finance and Human Resources) submitted a report setting out the suggested Strategy for 2017/2018 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:

- Capital plans and prudential indicators;
- the minimum revenue provision policy;
- the current treasury position;
- treasury limits in force which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

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 2017/2018 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

the financial year 2017/2018, 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 2017/2018.
- 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 R SHORI
Chair

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