

<b>Minutes of:</b>	<b>CABINET</b>
<b>Date of Meeting:</b>	21 February 2018
<b>Present:</b>	Councillor R Shori (in the Chair) Councillors K S Briggs, J Kelly, E O'Brien. A Simpson and T. Tariq
<b>Also in Attendance</b>	Councillor J Daly
<b>Apologies:</b>	Councillor T Pickstone and A Quinn
<b>Public attendance:</b>	1 member of the public was in attendance.

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#### **CA.403 DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting.

#### **CA.404 PUBLIC QUESTION TIME**

No questions were asked under the item.

#### **CA.405 MINUTES**

##### **Delegated decision:**

That the minutes of the meeting held on 31st January 2018 be approved as a correct record and signed by the Chair.

#### **CA.406 MONTH 9 CORPORATE FINANCIAL MONITORING REPORT**

The Cabinet Member for Finance and Housing submitted a report which informed Cabinet of the financial position of the Council for the period April 2017 to December 2017 and projects the estimated outturn at the end of 2017/18. The Report also includes Prudential Indicators in accordance with CIPFAs Code of Practice.

##### **Delegated decision:**

That the financial position of the Council as at 31 December 2017 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.407 HOUSING REVENUE ACCOUNT 2018-2019**

The Cabinet Member for Finance and Housing submitted a report detailing the proposed Housing Revenue Account (HRA) for 2018/2019. 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 2018/2019 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 2018/2019, the increase in Council House and garage rents and changes to other charges.

**Recommendations to Council:**

- (a) Approve the Housing Revenue Account estimates set out in Appendix 1.
- (b) Decrease the Rents for all HRA dwellings by 1% from the first rent week in April.
- (c) Increase Garage rents by 4.0% from the first rent week in April.
- (d) Increase Sheltered Management and Amenity Charges by 4.0% from the first rent week in April.
- (e) Approve that Sheltered support charges remain unchanged from the first rent week in April.
- (f) Reduce Sheltered heating charges by 20% from the first rent week in April.
- (g) Reduce Furnished Tenancy charges by 5% from the first rent week in April.
- (h) Increase tenancy charges at the Fernhill Caravan Site by 4.0% from the first rent week in April.

**CA.408 REVENUE BUDGET & CAPITAL PROGRAMME 2018/19 TO 2019/2020**

The Cabinet Member for Finance and Housing submitted the budget report. The report provides Members with details of the Capital Programme for 2018/19 to 2020/21 (section A) and the Revenue Budget for 2018/19 to 2019/20 (section B) and outlines the Council's strategy for tackling the financial challenges ahead.

Section A sets out the draft Capital Programme and a forecast of the available resources.

Section B addresses the revenue budget and also outlines;

- the Local Government Finance Settlement for 2018/19 to 2019/20
- Forecast outturn for 2017/18
- The budget strategy for 2018/19 to 2019/20 and the approach to balancing the budget.

It also examines the robustness of the assumptions behind the budget forecast and it contains an assessment of the adequacy of the Council's balances.

The Cabinet member reported 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 / use of reserves.

### **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 2018/2019, and cuts proposals for the period 2018/19 to 2019/20 at its meeting on 21st February 2018.

### **Recommendations to Council:**

#### **Section A – Capital Programme**

1. Approve the Capital Programme for 2018/19 and future years, shown in Appendix 1;
2. Approve the proposed financing of the Capital Programme;

#### **Section B – Revenue Budget**

3. Note the details of the Final Settlement Funding Allocation (SFA) for 2018/19 to 2019/20.
4. Note the level of repayment of principal on General Fund debt at the minimum of 2% in line with the current Minimum Revenue Provision policy;
5. Note that under delegated powers the Interim Executive Director of Resources & Regulation has calculated the amount of 52,850 as the Council Tax base for the year 2018/19 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. Note the forecast outturn position for 2017/18;
7. Approve that the minimum level of balances for 2018/19 be set at £4.250m in view of the Council's risk profile;
8. Approve, amend or reject the draft Revenue Budget for 2018/19 to 2019/20 as shown in the report;
9. Reaffirm the programme of cuts for delivery over the 3 year period 2017/18 to 2019/20 as approved by Council on 22<sup>nd</sup> February 2017, and as set out at Appendix 5;
10. Note the recommendations of the Schools' Forum around education funding issues;
11. Endorse the statements by the Interim Executive Director of Resources & Regulation on the robustness of budget assumptions and on the minimum level of balances;
12. Determine the level of the Council Tax / Social Care Precept for 2018/19.

### **CA.409 TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2018/19**

The Cabinet Member for Finance and Housing submitted the Treasury Management Strategy and Prudential Indicators. The report sets out the suggested strategy for 2018/19 in respect of the following aspects of the Treasury Management function. It 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 2018/19 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 (say) 0.50% for the financial year 2018/19, 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:**

It is recommended that Cabinet approves, for onward submission to Council, the:

- Prudential Indicators forecast for 3 years
- Treasury Management Strategy for 2018/19
- Schemes of Delegation and Responsibility attached at Appendices 2 and 6

**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 5.43 pm)**