

Minutes of: CABINET

Date of Meeting: 20 February 2019

Present: Councillor R Shori (in the Chair)
Councillors K S Briggs, J Kelly, E O'Brien, A Quinn, A Simpson and T. Tariq

Also in Attendance Councillor J Daly

Apologies: Councillor T Pickstone

Public attendance: 1 member of the public was in attendance.

CA. DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

CA. PUBLIC QUESTION TIME

No questions were asked under the item.

CA. MINUTES

Delegated decision:

That the minutes of the meeting held on 30th January 2019 be approved as a correct record and signed by the Chair.

CA. 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 2018 to December 2018 and projects the estimated outturn at the end of 2018/19. 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 2018 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. HOUSING REVENUE ACCOUNT 2019-2020

The Cabinet Member for Finance and Housing submitted a report detailing the proposed Housing Revenue Account (HRA) for 2019/20. The report is prepared on the basis of the Government's requirement for a decrease in

dwelling rents of 1% for 2019/20 for General Needs and Sheltered/Extra Care properties. Members are reminded that 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 2019/2020, 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) Approve that the first week of 2019/20 be an additional non-collection week as 2019/20 is a 53 week year.
- (d) Increase Garage rents by 3.4% from the first rent week in April.
- (e) Increase Sheltered Management and Amenity Charges by 3.4% from the first rent week in April.
- (f) Approve that sheltered support charges remain unchanged from the first rent week in April.
- (g) Reduce sheltered heating charges by between 5% to 15% on an individual scheme basis as set out in section 3.4; reduced charges to apply from the first rent week in April.
- (h) Reduce Furnished Tenancy charges by 10% from the first rent week in April.
- (i) Increase pitch fees at the Fernhill Caravan Site by 3.4% from the first rent week in April.

CA. REVENUE BUDGET 2019/2020

The Cabinet Member for Finance and Housing submitted the budget report. The report provides Members with details of the 2019/20 revenue budget and outlines;

- the Local Government Finance Settlement for 2019/20
- Forecast outturn for 2018/19
- The budget strategy for 2019/20 and the approach to balancing the budget in future years

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 Budget report is supported by the following documents;

- Departmental Budget Reports
- Capital Strategy 2019/20 – 2023/24
- Capital Programme 2019/20 – 2021/22
- Dedicated Schools Grant (DSG) 2019/20

Delegated decisions:

1. That Cabinet approves the recommendations set out in the individual Directorate reports and Dedicated Schools Grant.
2. Cabinet notes the Budget Report 2019/20 and requests that the Council consider and determine all matters relating to the Budget, and the level of the Council Tax for 2019/2020, at its meeting on 20th February 2019.
3. Cabinet notes and approves, for onward submission to Council the Capital Programme for 2019/2020 and future years.
4. Cabinet approves, for onward submission to Council, the Capital Strategy for 2019/20 to 2021/22.

Reasons for the decision:

The Council has a legal obligation to pass its budget and Council Tax resolutions by March 2019. The Cabinet have full authority to implement the budget within the budget framework set by Council and they have wide discretion in doing so.

Other options considered and rejected:

To reject the recommendations.

CA. TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2019/20

The Cabinet Member for Finance and Housing submitted the Treasury Management Strategy and Prudential Indicators. The report sets out the suggested Strategy for 2019/2020 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 2019/20 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) 0.75% for the financial year 2019/20, 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:

Cabinet approves, for onward submission to Council, the:

- Prudential Indicators forecast for 3 years
- Treasury Management Strategy for 2019/20
- 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 17.30pm and ended at 17.43pm)