Lewes District Council

Cabinet

Minutes of a meeting of the **Cabinet** held in the **Ditchling Room, Southover House, Southover Road, Lewes** on **Monday, 8 February 2016** at 2.30pm

Present:

Councillor A Smith (Chair)

Councillors P Franklin, B Giles, T Jones, R Maskell, E Merry and T Nicholson

In Attendance:

Councillor M Chartier (Chair of the Audit and Standards Committee)
Councillor P Gardiner (Chair of the Scrutiny Committee)
Councillor S Osborne (Leader of the Liberal Democrat Group)

Ms D Tideswell and Ms D Twitchen (Tenants' Representatives)

Minutes

Action

56 Minutes

The Minutes of the meeting held on 7 January 2016 were approved as a correct record and signed by the Chair.

57 The Council Plan 2016 - 2020

The Cabinet considered Report No 22/16 which related to the draft Council Plan 2016 to 2020, a copy of which was set out at Appendix A thereto.

Following the Council election in May 2015, the Council had an opportunity to refocus on its vision, ambitions and priorities for the District over the next four years.

The Plan was a key corporate document which set out the Council's commitments to its residents and businesses and outlined a programme of important strategic projects and outcomes for the District. It drew upon a range of statistical data, as well as the views of key stakeholders, in order to inform and help shape the policy priorities for the Council.

The Plan aimed to encapsulate the continuing ambitious aspirations of the Council, the draft version of which continued the strong existing commitment to improving services for customers and communities, achieving more by working together with key partners and delivering efficient, customer focussed services. It was set against the challenging financial backdrop which required the Council to make the best possible use of its resources.

The draft Plan had been prepared having regard to the following:

- The Council's existing programme of transformation projects, community initiatives and policy commitments;
- The Residents' Survey 2015 which was conducted during the summer 2015; and
- The financial and policy drivers that were likely to impact the Council in the short to medium term.

It was divided into three sections namely;

- Customers – which focused on improved customer service and how the Council worked to make its communities more resilient, healthy and engaged;
- Place – which focused on growth and prosperity, how the Council delivered sustainable new housing and infrastructure, and how it kept the District clean and green; and
- Value for Money – following the recent Council decision to adopt a strategy for the development of shared services, the section focused on how the Council would deliver its savings, in part by the integration of the staff and services of Lewes and Eastbourne Councils.

Details relating to the consultation and engagement processes that had been undertaken in respect of the draft Plan were set out in paragraphs 13 to 17 of the Report whilst Appendix B thereto provided a list of the key partner organisations which had been invited to give feedback. Paragraphs 18 and 19 of the Report set out details relating to the adoption and delivery of the Plan.

Recommended:

57.1 That, following consideration of: DBSD (to note)

The draft Council Plan for 2016 – 2020, as set out at Appendix A to Report No 22/16;

The feedback from consultation with partner organisations and other stakeholders that commenced on 21 December 2015 and finished on 8 February 2016; and

Any recommendations arising from the Scrutiny Committee's consideration of the Report on 14 January 2016,

a final version of the draft Council Plan be prepared for consideration at the forthcoming Meeting of the Council on 25 February 2016 and that, subsequently, it be adopted.

Reasons for the Decision:

To enable the Council to set out its strategic vision, objectives and priority projects for the next four years and provide a firm basis for forward planning and performance management.

58 Voluntary Sector Support

The Cabinet considered Report No 23/16 which provided details of the performance of those voluntary organisations that were funded by the Council in 2015/16 under a service level agreement and confirmed arrangements for 2016/17.

The Council recognised the significant contributions that the community and voluntary sector played in delivering services to its residents. Partnership working was a key priority for the Council and it was committed to working with voluntary and community organisations through the giving of community grants which helped to support a thriving voluntary sector in the District. Furthermore, the provision of funding to such groups could also provide a cost effective way of delivering the Council's objectives.

Historically, the Council had provided funding to a small number of voluntary and community organisations on a recurring basis namely: the Citizen's Advice Bureau (CAB), 3VA, Action in Rural Sussex (AiRS) and Sompriti. 3VA and AiRS had been funded because of the core role that they played in enabling and supporting other parts of the community and voluntary sector whilst the CAB and Sompriti had been funded in light of the unique advisory role that they provided to those experiencing hardship or disadvantage.

In February 2015, the Council had agreed a three year Service Level Agreement (SLA) for each of the above four key organisations in order to provide them with certainty for that period. Having the security of a three year SLA with the Council could also assist voluntary organisations in the leverage of further funding from other sources. The SLA also provided a mechanism for the Council to closely monitor the organisations' performance and delivery.

During 2015/16 a fifth SLA had been negotiated which was with the East Sussex Credit Union that had received funding in the past through the Council's Housing Revenue Account (HRA). In order to bring about greater consistency in the funding and monitoring of voluntary organisations, the SLA had been agreed, initially for a period of one year, from September 2015 to August 2016.

Regular quarterly monitoring meetings had been held with those organisations which received larger awards whilst the lower level SLAs were subject to annual monitoring. Further details relating to the organisations' performance in 2015/16 were set out in paragraphs 15 to 33 of the Report.

The Report proposed that core funding for the CAB, 3VA, AiRS and Sompriti be granted in 2016/17 at the same level as it had been for 2015/16. However, there were two additional payments which Cabinet was asked to consider for 2016/17.

The first proposed additional payment was in respect of CAB - Money Advice. In previous years HRA funds had been used to make a separate payment to the CAB for 14 hours a week of money advice for the Council's housing tenants who were experiencing rent or council tax arrears. The grant had assisted those who were experiencing debt problems to manage their repayments and, at the same time, helped to reduce the Council's court/eviction costs. The Report therefore proposed that £13,465 continued to be paid to the CAB for such purpose, but that it be built into the SLA for future years.

The second proposed additional payment was in respect of 3VA - Dementia Friends. A major strand of the Council's equalities work over the past and coming year was the Dementia Friends project which aimed to make the District a more friendly and understanding place for people who were living with dementia and their carers, further details of which were set out in paragraph 37 of the Report.

In order to support the Council in its multi-agency approach to promoting the Dementia Friends approach with local communities, £3.5k had been allocated to 3VA in the current year to assist with community development and training activities. The Report proposed that a further £3.5k be allocated in 2016/17, for one year only, to conclude the two year project.

Details relating to the funding proposed for 2016/17 were set out in the table at paragraph 39 of the Report.

The Scrutiny Committee had considered the Report at its meeting on 14 January 2016 and had not made any recommendations to Cabinet in respect thereof.

Resolved:

58.1 That it be noted that, following the Scrutiny Committee's consideration of the Report at its meeting on 14 January 2016, it had not made any recommendations to Cabinet in respect thereof;

58.2 That the allocation of funding to relevant voluntary organisations for 2016/17, as set out in paragraph 39 of Report No 23/16, be agreed in line with the Service Level Agreements agreed in 2015; DBSD

58.3 That an additional sum of £13,465 from the Housing Revenue Account be added to the annual payment to the Lewes District Citizens Advice Bureau for the provision of money advice to Council tenants and that it form part of the Service Level Agreement with that organisation in future years; and DBSD

58.4 That the additional allocation of £3,500 to 3VA for one year only (2016/17) to support the Dementia Friends project, be agreed. DBSD

Reason for the Decisions:

The Council has historically provided support to a number of strategic voluntary sector organisations that provide a range of direct services to its residents, which was in line with its priorities. In 2015/16 this arrangement was formalised by the negotiation of Service Level Agreements with these key organisations.

59 General Fund Revenue Budget 2016/2017

The Cabinet considered Report No 24/16 which set out details relating to the 2016/2017 General Fund Revenue Budget.

Section 25 of the Local Government Act 2003 contained the statutory duty on the Chief Finance Officer to report to the authority on the robustness of the estimates it made when setting the Council Tax and on the adequacy of its proposed financial reserves.

The Chartered Institute of Public Finance and Accountancy had issued updated guidance in July 2014 (The Local Authority Advisory Panel Bulletin no. 99) in relation to reserves and balances which had been taken into account in the Report.

The Council's reserves and balances needed to cover all significant identified risks and operational service needs. As part of the annual budget and closing of accounts processes, the Council reviewed and approved the position on its reserves which was a mandatory requirement for all councils.

Savings could be achieved by reducing the annual level of contributions to reserves, but reserves were essential to ensure the financial sustainability of services. The earmarked reserves were not used to fund the recurring base budget or to fund initiatives that would add to the recurring base budget. A statement of the Council's Main Reserves projected through to 31 March 2017 was shown at Appendix D to the Report.

The Council Tax Collection Fund Balance and the Non Domestic Rates Collection Fund Balance were key components of the Council Tax setting process. A principle of the Medium Term Financial Strategy (MTFS) was to achieve a zero balance (or as close as was possible) each year. A review of the likely Collection Fund position was to be made at 31 March 2016 which would include a review of the provision for doubtful debts.

There was an estimated credit balance of £1,090,010 on the Council Tax Collection Fund which could be utilised in the 2016/2017 budget. The table in paragraph 11.2 of the Report related to the Council Tax Collection Fund and set out details of how the surplus would be redistributed to preceptors. However, it was reported at the meeting that the figures set out in respect of East Sussex County Council and Lewes District Council had been inadvertently transposed. Therefore the figures for those Councils should have read “East Sussex County Council £771,000” and “Lewes District Council £172,400”.

The statutory Non Domestic Rating Return (NNDR1) had been due to be submitted before the deadline of 31 January 2016. The retained rates income for 2016/2017 had been estimated at £3.180m. A debit balance of £1,599,400 was estimated on the Business Rates Collection Fund at 31 March 2016 as a result of the provision needed in respect of business rates valuation appeals. The balance would be charged against the 2016/2017 budget as set out in paragraph 11.3 of the Report.

The Chief Finance Officer was the Council’s principal financial advisor and had statutory responsibilities in relation to the administration of the Council’s financial affairs under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988. The budget proposals that were set out in the Report had been prepared in accordance with the Council’s policy framework and had been reviewed by Corporate Directors, Heads of Service, Lead Councillors and the Scrutiny Committee. Paragraph 14 of the Report set out the statutory report of the Chief Finance Officer (Director of Corporate Services).

The General Fund Budget Summary for 2016/17 was shown at Appendix B to the Report together with the movement between 2015/2016 and 2016/2017. Paragraph 5.1(e) of the Report referred to the Business Rates retained by the Council under the retention arrangements that had been introduced by the Government from 1 April 2013. The amount shown was net of a tariff which was payable to the Government and a levy in respect of growth in business rates income. All such levies were payable into the East Sussex Business Rates Pool and were redistributed back to pool members for which the Council’s share was estimated at £0.300m in 2016/2017.

Delivering the Deficit Reduction Plan remained a national priority. In December 2015, The Chancellor of the Exchequer had given the annual Autumn Statement to Parliament in which measures announced included:

- The current £1,000 business rates discount to retailers would come to an end; and
- Department for Communities and Local Government (DCLG) would receive approximately 30% less funding over the period to 2020.

The provisional Local Government Finance Settlement for 2016/2020 had confirmed that the central government core grant to run local services nationally would fall by around 15% which, in respect of the Council, amounted to 15.4%. Such reduction included the assumptions over the New Homes Bonus (NHB) which was reflected within each council’s overall figures as well as each council’s ability to grow its tax base and raise council tax by 2%. Added to the effects of inflation, the overall reduction was over 30% and the grant reduction programme had been front-loaded.

Many councils were rebalancing budgets to reflect the reduction in core funding in respect of which many of them were using 100% of NHB to support ongoing expenditure. Report No 24/16 recommended that a small percentage namely, 4%, of the 2016/2017 NHB, be used by the Council in support of services.

The Government had announced that authorities could elect for a 4 year grant settlement. In return for relative funding certainty the Council would have to publish a 4 year efficiency plan with authority for changes being limited to Full Council. Whilst details were not yet available, advisers were suggesting that the MTFS and subsequent delivery of savings would suffice in that respect. Appendix H to the Report set out the Society of District Council Treasurers response to the Government Finance Settlement consultation.

Paragraph 4 and Appendix B to the Report set out details relating to the Council's council tax requirement for 2016/2017 in respect of which calculation for the average band D tax each year was outlined in paragraph 4.1 which, in the current year, amounted to £189.61. The aggregate Council Tax Requirement comprised two elements the majority of which was General Expenses for which, in the current year, the band D requirement was £172.11. The remainder namely, £17.50, was attributed to Special Expenses.

The Council's commitment to passing on reductions made by devolving responsibility for the upkeep of open spaces to Parishes meant that 2016/2017 General Expenses Band D tax would be recommended at £175.41 which represented a 1.9% increase and the Special Expenses element would reduce to £15.20. The aggregate for 2016/2017 in the sum of £190.61 was a 0.5% increase against the aggregate of £189.61 in the current year.

The Scrutiny Committee had considered a Report relating to the Finance Update – Including 2016/17 Budget Overview and Tax Base Setting at its meeting on 14 January 2016 and had not made any recommendations to Cabinet in respect thereof.

Resolved:

59.1 That the contributions to reserves and use of reserves, as set out in Appendix D to Report No 24/16, be reviewed; DCS

59.2 That, following the Scrutiny Committee's consideration of a Report relating to the Finance Update – Including 2016/17 Budget Overview and Tax Base Setting at its meeting on 14 January 2016, it be noted that it had not made any recommendations to Cabinet in respect of the issues set out in Report No 24/16;

59.3 That the Council Tax and Business Rates Collection Fund balances to be returned in 2016/2017, be noted, subject to the amendment of the sums in the table set out in paragraph 11.2 of the Report relating to the Council Tax Collection Fund to read "East Sussex County Council £771,000" and "Lewes District Council £172,400";

59.4 That the statutory report of the Designated Chief Finance Officer, as required by section 25(1) of the Local Government Act 2003 and as set out in paragraph 14 of Report No 24/16, be considered; DCS

59.5 That completion of the statutory Non Domestic Rates Return (NNDR1) with retained rating income of £3,070,000 carried out in consultation with the Portfolio Holder, be noted;

59.6 That the response of the Society of District Council Treasurers (SDCT) to the Government Consultation on the Finance Settlement, as set out in Appendix H to Report No 24/16, be noted; and

59.7 That a balanced budget, without the use of reserves for recurring expenditure, acknowledging the use of £58,900 of New Homes Bonus (£1.592m total) for services, be agreed. DCS

It was further

Recommended:

59.8 That the Council be minded to accept the Government's proposal in respect of a four-year settlement, as outlined in paragraph 1.7 of the Report, subject to further detail and that the final decision be delegated to the Chief Finance Officer in consultation with the Cabinet Member (ie Portfolio Holder) for Finance, and that all members of the Cabinet, the Leader and Deputy Leader of the Liberal Democrat group, the Chair of the Audit and Standards Committee and the Chair of the Scrutiny Committee be advised when that final decision has been taken; DCS (to note)

59.9 That an aggregate Council Tax requirement of £6,823,300 (a Council Tax increase of 0.5% for the aggregate Lewes District Council Council Tax Requirement) comprising: DCS (to note)

a. A General Expenses Council Tax requirement of £6,279,340

b. A Special Expenses Council Tax Requirement of £543,960,

be agreed; and

59.10 That following publication of the Final 2016/2017 Local Government Finance Settlement, the Director of Corporate Services be authorised to make the necessary adjustments to maintain the general expenses council tax requirement at the above level and to report any adjustments to the next Cabinet meeting. DCS (to note)

Reasons for the Decisions:

Cabinet is required to approve the budget in accordance with the Council's Constitution. This budget Report sets out the level of General Fund revenue resources needed to support the Council's priorities and services.

The Council has a statutory duty to determine its Council Tax Requirement and level of Council Tax for the coming year. Cabinet makes a recommendation to Council on this matter having taken account of the Director of Corporate Service's statutory report on the adequacy of reserves and balances.

60 Housing Revenue Account Budget 2016/2017

The Cabinet considered Report No 25/16 which related to the Housing Revenue Account (HRA) Budget 2016/2017.

The national HRA self-financing system allowed all income generated to be kept locally and made available to fund the maintenance and management of the housing stock, service debt and acquire and provide additional Social Housing.

Part 4 of the Housing and Planning Bill 2015 proposed:

- To give councils a duty to consider selling high-value homes and require them to make payments to central government calculated on the assumption that such homes would be sold as they became vacant;

- To require councils, along with housing associations, to charge market or near-market rents to tenants with household incomes that were above £30,000 a year (£40,000 in London); and

- To require councils to issue 2 to 5 year fixed term tenancies to nearly all new tenants.

Such measures were expected to be introduced from 1 April 2017 for which the proposals were at an early stage. It was not yet possible to evaluate the financial impact on the HRA with any certainty. The measures were likely to increase costs and reduce income, which would put further pressure on the Housing Business Plan.

The budgets had been prepared on the basis of the national HRA Accounting Code of Practice, with management, maintenance and debt financing costs offset by income from rents, service charges and other contributions.

The HRA Budget 2016/2017 reflected the organisational change that was taking place within the Council, the Government’s proposed new policy on dwelling rents and the new priorities for capital and maintenance works. It did not include a contribution to finance the capital programme, and showed a total estimated balance in hand at year end in the sum of £2,458,112.

A provision had been made for movements in the pay bill in line with the expected national settlement. Salary budgets also allowed for contractual salary increments, employers pension contributions, organisation change and a 2% vacancy rate.

The budgeted employer’s pension contribution rate for 2016/2017 was the same as that which had been proposed by the actuary following the three yearly review of the East Sussex Pension Fund that had been finalised in December 2013.

Inflation had been provided to cover known price changes, such as utility and contractual commitments. Additionally, the noted items that were set out in paragraphs 3.5 to 3.7 of the Report had been provided in the budget.

It was essential that the long-term Housing Business Plan was updated with current information on the condition of the housing stock in order to allow for expenditure on future major repairs and replacements to be synchronised with available resources. A provision of £457,000 for a stock condition survey and associated administration had been included within the 2015/2016 supervision and management budget. The results of the survey would be used to inform a full update of the 30-year Plan which would also reflect the impact of the Government reforms which were explained in the Report.

Recommended:

60.1 That the Housing Revenue Account budgets for 2016/17, as set out in Appendix 1 to Report No 25/16, be approved; DSD (to note)

60.2 That a reduction in dwelling rents of 1% be approved and be effective from 4 April 2016, as detailed in paragraph 9 of the Report; DSD (to note)

60.3 That a reduction of 1% in Affordable Rents be approved and be effective from 4 April 2016, as detailed in paragraph 10 of the Report; DSD (to note)

60.4 That an average garage rent increase of 1.4% be approved and be effective from 4 April 2016, as detailed in paragraph 11 of the Report, which is in line with the Business Plan and current Council policy on garage rentals; DSD (to note)

60.5 That an increase of 0.9% in Private Sector Leased Property rents be approved and be effective from 4 April 2016, as detailed in paragraph 12 of the Report; DSD (to note)

60.6 That revised Service Charges be implemented and be effective from 4 April 2016, as detailed in paragraphs 13 to 18 of the Report; and DSD (to note)

60.7 That the 30-year Housing Business Plan be refreshed in 2016/2017. DSD (to note)

Reason for the Decisions:

To enable the Council to fulfill its legal obligations to produce a balanced Housing Revenue Account for 2016/2017.

61 The Capital Programme 2015/2016 to 2018/2019

The Cabinet considered Report No 26/16 which related to the revised 2015/2016 Capital Programme, the 2016/2017 Capital Programme, the outline Capital Programme 2017/2018 to 2018/2019 and the associated Prudential Indicators.

As part of the annual budget cycle, the Cabinet considered what level of capital support to allocate to its policy programme. It also considered the medium term position in relation to likely capital needs and available resources.

Part 1 of the Local Government Act 2003 had introduced a framework for local authority capital expenditure and financing namely, the 'Prudential Capital Finance System'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which defined that System, required local authorities to follow the 'Prudential Code for Capital Finance in Local Authorities' (the Prudential Code) when taking their decisions. The Code required authorities to set a number of 'Prudential Indicators' before the beginning of each financial year. Further details relating to the Prudential Capital Finance System were set out in paragraph 3 of the Report.

The approved Capital Programme for 2015/2016 was set out in lines 1 to 96 of Appendix 1 to the Report which had a total value of £25.353m which included the full cost of implementing new capital schemes although some of the expenditure would fall into 2016/2017 and, potentially, later years.

Details relating to a projection of the resources which would be available at 1 April 2016 to fund capital expenditure were set out in the table in paragraph 5.3.1 of the Report.

The Prudential Code required local authorities to plan their capital expenditure programme for at least three years ahead for which the most detailed information was available for the first year with the programme for years 2 and 3 being liable to variation.

The recommended Capital Programme for 2016/2017 to 2018/2019 was set out in Appendix 2 to the Report however, the items shown for 2017/2018 and 2018/2019 were provisional.

Paragraph 5.4.5 of the Report provided details in respect of the General Fund Capital Programme for which the Non-Housing Programme, as set out at lines 24 to 32 of Appendix 2 to the Report, had a proposed value in 2016/2017 of £3.196m.

<u>Recommended</u>:

61.1 That the revised 2015/2016 Capital Programme of £25.353m at Appendix 1 to Report No 26/16, be approved; DCS (to note)

61.2 That the 2016/2017 Capital Programme of £9.171m at Appendix 2 to the Report, be approved; DCS (to note)

61.3 That the outline Capital Programme 2016/2017 to 2017/2018 of £35.369m at Appendix 2 to the Report, be approved; and DCS (to note)

61.4 That the Prudential Indicators in respect of the Capital Programme, as detailed in paragraph 6 of the Report, be approved and adopted for DCS (to

2016/2017. note)

Reasons for the Decisions:

As part of the annual budget cycle, the Cabinet considers what level of capital support to allocate to its policy programme. It also considers the medium term position in relation to likely capital needs and available resources. The Council's Constitution requires Cabinet to make a recommendation to Council on the level of the Capital Programme budget.

Part 1 of the Local Government Act 2003 introduced a framework for local authority capital expenditure and financing, the 'Prudential Capital Finance System'. The Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, which define this system, requires local authorities to follow the 'Prudential Code for Capital Finance in Local Authorities' (the Prudential Code) when taking their decisions. The Prudential Code requires authorities to set a number of 'Prudential Indicators' before the beginning of each financial year.

62 Annual Treasury Management Strategy Statement and Investment Strategy 2016/2017 to 2018/2019

The Cabinet considered Report No 27/16 which set out the proposed Treasury and Investment Strategies for 2016/2017 to 2018/2019. It also sought the determination of the 2016/2017 authorised borrowing limit; the Council's 2016/2017 Investment Strategy; and the method of calculating the Council's Minimum Revenue Provision.

The draft Strategy Statement was to be found at Appendix 1 to the Report which set out the background to the Council's treasury management activity in terms of the wider economy and the Council's own current and projected financial position. It detailed the approach which would be taken to borrowing and the investment of cash balances. It explained the risks which were inherent in treasury management and how they were to be mitigated.

The content of the draft Strategy Statement followed the requirements of the Chartered Institute of Public Finance and Accountancy's revised Code of Practice which had been published in November 2011, and had been prepared with the general support of Arlingclose, the Council's Treasury advisers.

The Audit and Standards Committee had considered the draft Strategy Statement at its meeting on 25 January 2016 in line with the Code of Practice's recommendation that the annual Treasury Strategy should be subject to scrutiny. However, that Committee's review had not encompassed the Prudential Indicators as some of them were still subject to final calculation pending the finalisation of the draft Capital Programme.

The draft Strategy Statement that had been presented to the Audit and Standards Committee contained values which included capital expenditure, use of reserves, and capital financing requirement, which were best estimates at the time that its Report had been prepared and which might be revised when draft budget papers were finalised for consideration by Cabinet. However, any such revisions had been expected to be immaterial, with no bearing on the Strategy which was proposed. The Committee had not recommended that any changes be made to the Annual Treasury Management Strategy Statement and Investment Strategy 2016/2017 to 2018/2019.

Recommended:

62.1 That the Treasury Management Strategy Statement and Investment Strategy 2016/2017 to 2018/2019, as set out in Appendix 1 to Report No 27/16, be adopted; DCS (to note)

62.2 That the Council's 'Prudential Indicators' for the year be those set out in Appendix B of the Strategy document; DCS (to note)

62.3 That the Council's level of affordable borrowing, determined in accordance with the Local Government Act 2003, be subject to the following limits: DCS (to note)

	2016/2017	2017/2018	2018/2019
Authorised limit for external debt	£76.5m	£76.5m	£76.5m

62.4 That the Council's approach to allocating debt and associated costs between the Housing Revenue Account and General Fund be as set out in Section 9 of the Strategy Statement; and DCS (to note)

62.5 That the Council's Minimum Revenue Provision be calculated as set out in Section 13 of the Strategy Statement. DCS (to note)

Reasons for the Decisions:

The Council has adopted the Chartered Institute of Public Finance and Accountancy's Code of Practice on Treasury Management. In accordance with the Code of Practice, the Cabinet recommends to Council an Annual Treasury Strategy Statement before the start of each financial year. This includes an Investment Strategy for the year ahead (which Government guidance notes should be adopted by full Council) as well as 'Prudential Indicators' which are required to be set in order to comply with the 'Prudential Code for Capital Finance in Local Authorities' (The Prudential Code). The majority of these indicators are an essential element of an integrated treasury management strategy.

The Local Authorities (Capital Finance and Accounting)(England)(Amendment) Regulations 2008 place a duty on local authorities to make a prudent provision for debt redemption. Guidance has been issued by the Secretary of State on determining 'Minimum Revenue Provision'.

Section 3 of the Local Government Act 2003 requires the Council to determine and keep under review how much money it can afford to borrow. This is known as the 'affordable borrowing limit'.

The meeting ended at 3.06pm.

A Smith
Chair