

# Minutes

of a meeting of the

## Cabinet

held on Friday 8 February 2013 at 2.00pm

in the Council Chamber, The Abbey House, Abingdon, OX14 3JE



### Open to the public, including the press

#### Present:

Members: Councillors Matthew Barber (Chairman), Roger Cox (Vice-Chair), Yvonne Constance, Mike Murray, Reg Waite and Elaine Ware

Non-participating members: Councillors Tony de Vere, Jerry Patterson and Richard Webber

Officers: Steve Bishop, David Buckle, Steve Culliford, William Jacobs, Andrew Maxted, Ian Price, Miles Thompson and Bob Watson

Number of members of the public: 4

#### **Ca.48 Apologies for absence**

None

#### **Ca.49 Minutes**

**RESOLVED:** To adopt the minutes of the Cabinet meeting held on 7 December 2012 as a correct record and agree that the chairman signs them.

#### **Ca.50 Declarations of interest**

None

#### **Ca.51 Urgent business and chairman's announcements**

None

#### **Ca.52 Statements, petitions, and questions relating to matters affecting the Cabinet**

None

#### **Ca.53 Virements**

Cabinet considered a request for a budget virement.

Vale of White Horse District Council – Cabinet minutes

Friday, 8th February, 2013

**Ca.26**

**RESOLVED:** To approve the virement request as set out in table 1 of the agenda report.

## **Ca.54 New homes bonus**

Cabinet considered the head of finance's report that recommended an interim policy on how to use the new homes bonus, the government's scheme to encourage councils to increase housing growth.

Cabinet recognised that while the council would receive new homes bonus over the coming years, the council did not know how its core funding from government would change. Therefore, Cabinet considered it prudent not to use all the new homes bonus expected over the next six years, only to find that in later years the council might have to re-prioritise some of those funds to support essential services. Cabinet decided to adopt a cautious approach, making some funds available for wider use but setting the bar high for accessing it, and allocating funds to support specified areas of expenditure in a priority order. Cabinet believed that supporting the revenue budget was the highest priority, followed by supporting the capital programme, followed by supporting community schemes via area committee grants. The Cabinet member for finance reported on the percentages to be used to allocate the useable funds across area committees; for 2013/14, these would be Abingdon 19.3 per cent, North East 9.5 per cent, South East 31.4 per cent, and West 39.8 per cent.

**RESOLVED:** to set an interim new homes bonus policy as follows:

- (a) ring fence all funding the council receives through the new homes bonus (excluding affordable housing premium) to support the following priorities (in descending order of priority):
  - (i) achieving a balanced budget (supporting the revenue account)
  - (ii) achieving a balanced budget (supporting the capital programme)
  - (iii) provision of new homes bonus grant to support community schemes to be allocated to areas committees for distribution
- (b) ring fence the affordable housing premium to support the delivery of further affordable housing schemes.

## **Ca.55 Budget 2013/14**

Cabinet considered its draft budget proposals for 2013/14, including the capital programme and medium term financial plan for the next five years.

The report highlighted the changes from the draft budget that Scrutiny Committee considered on 17 January. The Cabinet member for finance reported that the proposed budget froze council tax at its current level for the next two years while protecting services and providing council tax support grant to parish councils. The medium term financial plan showed the use of, and contributions to, reserves over the five-year plan period. The Cabinet member pointed out that Cabinet intended to keep the public conveniences open, and replace automatic facilities at Hales Meadow, Abingdon and Millbrook Square, Grove with traditional built facilities including disabled toilets.

Cabinet agreed that the budget proposals should be recommended to Council on 20 February, and noted that Scrutiny Committee would be reviewing the proposals on 14

February. Cabinet asked the leader to make any necessary amendments to the budget proposals prior to the Council meeting.

**RESOLVED:** To

- (a) recommend Council to:
1. set the revenue budget for 2013/14 as set out in the Medium Term Financial Plan shown at appendix G to the head of finance's report;
  2. approve the capital programme for 2013/14 to 2017/18 as set out in appendix C to the report, together with the capital growth bids set out in appendix D of the report;
  3. set the council's prudential limits as listed in appendix F to the report;
  4. approve the medium term financial plan to 2017/18 as set out in appendix G to the report;
- (b) authorise the head of finance in consultation with the cabinet member for finance to make minor adjustments to the report and the prudential indicators should they prove necessary prior to its submission to the Council on 20 February 2013.

**Ca.56 Treasury management mid-year monitoring report 2012/13**

Cabinet considered the head of finance's report that detailed the council's treasury activities for the first six months of 2012/13 and looking to the rest of the financial year, provided an update on current economic conditions.

The report had been considered by the Audit and Governance Committee, noting that the council's treasury management activities had operated within the agreed parameters set out in the 2012/13 treasury management strategy.

Cabinet welcomed the report.

**RESOLVED:** To recommend Council to note that Cabinet is satisfied that the council's treasury activities are being carried out in accordance with the treasury management strategy and policy.

**Ca.57 Treasury management strategy 2013/14**

Cabinet considered the head of finance's report that presented the draft treasury management strategy for 2013/14. The report set out the expected treasury operations for the period, comprising four elements required by legislation:

- The prudential indicators required by the Chartered Institute of Public Finance and Accountancy (CIPFA) Prudential Code for Capital Finance in Local Authorities
- The treasury management strategy in accordance with the CIPFA Code of Practice on Treasury Management. This set out how the council's treasury service would support capital investment decisions, and how treasury management would operate day to day. It set out the limitations on treasury management activity through prudential indicators, within which the council's treasury function must operate
- The annual investment strategy, which set out the council's criteria for selecting counterparties and limiting exposure to the risk of loss on its investments. This strategy was in accordance with the Department for Communities and Local Government's investment guidance and formed part of the treasury management strategy

- A statutory duty to approve a minimum revenue provision policy for 2013/14

The officers recommended changes to the treasury management strategy for 2013/14 to:

- (a) Raise the limit that could be invested in UK government-backed institutions to £15 million
- (b) Extend the investment period with the council's own 'house bank', the Co-operative Bank plc, to three months duration and to set a limit of £5 million
- (c) Provide the facility to invest £3 million in a pooled property fund
- (d) Add a limit of £5 million for the investment in corporate bonds with a minimum AA- credit rating or equivalent
- (e) Add a limit of £3 million for investment in equities via a pooled fund
- (f) Provide a limit of £15 million for investment in managed bond funds
- (g) Change the counterparty limits and maturity periods for investments with building societies as set out in table 5 of appendix A to the report

The Audit and Governance Committee had considered this report also. Cabinet noted that some of its committee members had expressed concerns at the proposal to invest in (c) to (f) above, worrying that the council would be taking unnecessary risks with taxpayers' money. However, the majority of committee members believed that the proposed strategy would allow the officers flexibility to place surplus funds, spread risk across a broader range of investment options, and achieve greater returns. Cabinet noted these comments.

Cabinet supported the proposed strategy but agreed to keep its effectiveness under review, particularly relating to property investments.

**RESOLVED:** To recommend Council to

- (a) approve the treasury management strategy 2013/14 as set out in Appendix A to the head of finance's report, subject to Cabinet keeping the strategy under review;
- (b) approve the prudential indicators and limits for 2013/14 to 2015/16 as set out in table 2, appendix A to the report;
- (c) approve the annual investment strategy 2013/14 set out in appendix A to the report and the lending criteria detailed in table 5.

## **Ca.58 Local Plan part 1**

Cabinet considered the head of planning's report that updated on progress with the local plan.

The Cabinet member with responsibility for the local plan reported that Part 1 of the Local Plan 2029 would soon be available for public consultation. Part 1 looked at strategic sites and policies, to guide investment and development decisions across the district for the fifteen-year plan period. The consultation document was based on housing figures for the district set by the South East Plan. However, the Cabinet member reported that the council, along with other councils in Oxfordshire, would be carrying out a county-wide assessment of housing need to update the local plan at a later date. Further information might become available during the consultation period. A later version of the local plan part 1 document might come forward later in the year.

The report set out how the consultation would be carried out and highlighted the main elements of the part 1 document. Consultation would commence within the published timescale and would continue beyond the period required, to 9 May. There would be roadshows, static exhibitions, and an internet-based email forum.

Cabinet supported the proposals, subject to amending the text to ensure that Valley Park was stated as being in Harwell, not 'west of Didcot'.

**RESOLVED:** To

- (a) note progress on the preparation of the Local Plan 2029 Part 1; and
- (b) support the proposal for the Cabinet member for planning policy to finalise the details of the Local Plan 2029 Part 1 document and supporting material for publication for public consultation and to agree the commencement of that consultation.

**Ca.59 Drayton neighbourhood plan - area designation**

Cabinet considered the head of planning's report that sought approval to designate Drayton parish as the neighbourhood area for the production of Drayton neighbourhood plan. Cabinet supported the proposal and looked forward to this neighbourhood plan.

**RESOLVED:** To designate the parish of Drayton (as shown in appendix 1 to the head of planning's report) as the neighbourhood plan area for the production of the Drayton Neighbourhood Plan, under section 61G of the Town and Country Planning Act 1990.

**Exempt information under section 100A(4) of the Local Government Act 1972**

None

The meeting closed at 2.20 pm