

Minutes

of a meeting of the

Cabinet

held on Friday 3 February 2017 at 9.30 am

in the Meeting Room 1, 135 Eastern Avenue, Milton Park, Milton, OX14 4SB



Open to the public, including the press

Present:

Members: Councillors Matthew Barber (Chairman), Roger Cox (Vice-Chairman), Eric Batts, Charlotte Dickson, Mike Murray, Robert Sharp and Elaine Ware

Officers: Ben Coleman, Steven Corrigan, Steve Culliford, Andrew Down, David Hill and William Jacobs, plus Rhona Bellis (Capita Accountancy)

Also present: Councillors Yvonne Constance, Debby Hallett and Sandy Lovatt

Number of members of the public: Nil

Ca.77 Apologies for absence

None

Ca.78 Minutes

RESOLVED: to adopt the Cabinet minutes from the meeting held on 2 December 2016 as a correct record and agree that the chairman signs them as such.

Ca.79 Declaration of disclosable pecuniary interest

None

Ca.80 Urgent business and chairman's announcements

Cabinet noted that the Joint Scrutiny Committee had discussed the corporate services contract at its meeting on 30 January 2017. It had asked that the following questions were put to Cabinet:

1. How are we monitoring the impact on retained staff of the 5 Council's partnership?
2. What is the plan if one of the contractors was to fail as company?

The leader asked officers to add these to the agenda for the next formal Cabinet meeting.

Ca.81 Public participation

Councillor Debby Hallett addressed Cabinet as follows:

1. Could Cabinet consider amending the property investment strategy to avoid investing in properties in the Vale?
2. How does the corporate plan influence the budget preparation?
3. Could Cabinet ask officers to improve the operation of the public entrance doors and doors to the meeting room?
4. Why has Cabinet rejected the budget suggestions of community grants to help children's centres and an upgrade of air quality monitoring kit?
5. With elections only a few weeks away, what is to be done about our returning officer? Has Cabinet read Sir Eric Pickles' report on Electoral Fraud and his recommendations? Particularly R47 about the returning officer and electoral registration officer?

The chairman responded:

1. He was content to consider this suggestion later in the meeting (minute Ca.83 refers).
2. Consideration of the corporate plan priorities was a major element of the budget preparation. There was still more work to do in the preparation of the corporate delivery plan.
3. He asked officers to improve the access doors' operation.
4. These matters would be part of the budget debate at the Council meeting on 15 February 2017. The council's resources were finite and there were not enough funds to support the children's centres; this was not the district council's responsibility. As for air quality monitoring equipment, officers had informed him that an upgrade was unnecessary.
5. David Hill was the council's current appointed returning officer, although this role may be separated from the chief executive in the future. He would review recommendation 47.

Ca.82 Treasury management mid-year monitoring 2016/17

Cabinet considered the head of finance's statutory mid-year monitoring report on the council's treasury management function. The report provided details of the treasury activities during the period 1 April to 30 September 2016, together with an assessment of economic conditions looking forward to the remainder of the financial year.

Cabinet noted that a breach of the counterparty limits had occurred; temporary authorisation had been sought and obtained to overcome this.

The report estimated that the interest received from cash investments would be above budget forecast at the end of the financial year. This meant the council's cash balances would be higher than anticipated. There had been no need for the council to borrow funds during the first six months of the financial year and no borrowing was forecast for the remainder of the year also.

The Joint Audit and Governance Committee had also considered the report and was satisfied that the treasury management activities had been carried out in accordance with the treasury management strategy and policy. Cabinet concurred.

RECOMMENDED: to Council to approve the head of finance's treasury management mid-year monitoring report to Cabinet on 3 February 2017.

Ca.83 Treasury management and investment strategy 2017/18 to 2019/20

Cabinet considered the statutory report of the head of finance, which recommended adoption of the treasury management and investment strategy 2017/18 to 2019/20. The council was required to adopt a strategy each year. The strategy set out how the treasury service operated and how it would support the council's capital investment decisions. It also set limitations on treasury management activity governed by the prudential indicators. The strategy proposed the following changes:

Table 2 - Prudential Indicators

- To change the limits on fixed interest rates to 100 per cent from £40 million.
- To raise the limits on variable interest rates to £50 million from £30 million.
- To raise the upper limit for principal sums invested for longer than 364 days to £40 million from £30 million.

Note that the Section 151 officer has already agreed that the limit on fixed interest rates can be increased from £40 million to £43 million in 2016/17. This followed a breach of the existing limit during December 2016.

Appendix A - Minimum revenue provision

- To approve the change in the minimum revenue provision policy that states that the council will use the "asset life method" to calculate minimum revenue provision as a provision for repayment of borrowing if applicable.

Annex 2 - Liquidity

- To simplify the performance measurement in terms of investment liquidity in Annex 2 paragraphs 3 and 4 to focus on maintaining minimum levels of working capital in short term vehicles.

Cabinet supported the changes, believing that they would allow the council to fund future spending in the most financially advantageous way. The Joint Audit and Governance Committee had come to the same conclusion. However, Cabinet considered that paragraph 4.1 of the property investment policy should be amended to clarify where the council's property investments could be located. Cabinet considered that new property acquisitions for investment purposes should not normally be located in the Vale of White Horse district. Cabinet asked the head of finance to draft appropriate wording to reflect this and include the change in the strategy being submitted to Council for approval.

RECOMMENDED: to Council to

- (a) approve the treasury management strategy 2017/18 set out in appendix A to the head of finance's report to Cabinet on 3 February 2017, subject to amending paragraph 4.1 of the property investment policy to clarify where the council's property investments could be located;
- (b) approve the prudential indicators and limits for 2017/18 to 2019/20 as set out in table 2, appendix A to the head of finance's report to Cabinet on 3 February 2017; and

- (c) approve the annual investment strategy 2017/18 set out in appendix A (paragraphs 24 to 63) and the lending criteria detailed in table 5 to the head of finance's report.

RESOLVED: to

- (d) authorise the head of finance, following consultation with the Cabinet member for finance, to clarify the wording of paragraph 4.1 of the property investment strategy.

Ca.84 Car park fees and charges

Cabinet considered the report of the head of HR, IT and technical services. This reviewed the council's car park fees and charges for 2017/18. Following an assessment of the car park usage and the car park income and expenditure, the report presented options:

1. To increase all fees
2. Increase the price of permits
3. To maintain the current fees

Cabinet considered that there was no need to increase fees and charges at this time. However as a separate exercise, Cabinet asked officers to review the Christmas parking arrangements for 2017.

RESOLVED: to maintain the current car park fees and charges, as shown in appendix 1 to the head of HR, IT and technical services' report to Cabinet on 3 February 2017.

Ca.85 Revenue budget 2017/18 and capital programme to 2020/21

Cabinet considered the head of finance's report. This brought together all relevant information to allow Cabinet to recommend to Council a revenue budget for 2017/18 and a capital programme for 2017/18 to 2021/22. The Medium Term Financial Plan was included, which provided details of the forward budget model for the next five years. The report also recommended the prudential indicators to be set by the Council in accordance with 'the Prudential Code', introduced as part of the Local Government Act 2003.

The budget preparation had brought a number of challenges around new homes bonus and the new operating environment but Cabinet thanked the officers for their work. The budget included a £5 increase in council tax per Band D property, in line with government expectation. This would allow the council to be more prudent in the medium term financial plan. Cabinet noted that this would be the first council tax increase it had recommended in the past six years.

RECOMMENDED: to Council to

- (a) set the revenue budget for 2017/18 as set out in appendix A.1 to the head of finance's report to Cabinet on 3 February 2017;
- (b) approve the capital programme for 2017/18 to 2021/22 as set out in appendix D.1 to the head of finance's report, together with the capital growth bids set out in appendix D.2 of the head of finance's report;
- (c) set the council's prudential limits as listed in appendix E to the head of finance's report; and

- (d) approve the medium term financial plan to 2021/22 as set out in appendix F.1 to the head of finance's report.

RESOLVED: to

- (e) agree that the head of finance, following consultation with the cabinet member for finance, may make minor adjustments to this report and the prudential indicators should they prove necessary following the publication of the final local government settlement and prior to its submission to Council on 15 February 2017.

Ca.86 Corporate services

This item was withdrawn from the agenda.

The meeting closed at 9.55 am