

Review Committee – 5 February 2019

Minutes of the meeting of the **Review Committee** held on **5 February 2019** when there were present:-

Chairman: Cllr J C Burton
Vice-Chairman: Cllr D J Sperring

Cllr Mrs J R Gooding
Cllr J D Griffin
Cllr B T Hazlewood
Cllr M Hoy
Cllr M J Lucas-Gill

Cllr Mrs J E McPherson
Cllr Mrs L Shaw
Cllr P J Shaw
Cllr C M Stanley

VISITING MEMBER

Cllr S P Smith

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs N J Hookway, Mrs C M Mason, J R F Mason and Mrs C A Pavelin.

OFFICERS PRESENT

N Lucas - Section 151 Officer
P Gowers - Overview and Scrutiny Officer
M Power - Democratic Services Officer

17 MINUTES

The Minutes of the meeting held on 8 January 2019 be agreed as a correct record and signed by the Chairman.

18 CAPITAL AND TREASURY MANAGEMENT STRATEGY 2019/20

The Committee considered the report of the Section 151 Officer, which set out the Council's Capital and Treasury Management Strategy for 2019/20.

The Section 151 Officer advised that there was an error in the table on page 6.6 of the officer report, detailing the Council's Capital Financing Requirement. She provided the Committee with a revised version of the table, which would be reflected in the Capital and Treasury Management Strategy report to be submitted to Full Council on 19 February 2019 for consideration.

The Section 151 Officer pointed out that the capital grants of £500,000 for 2019/20 related to the estimated Disabled Facilities Grants for improvements on homes. The table illustrates that the capital financing requirement remains

unchanged each financial year, which means that expenditure can be financed from reserves and there is no need for Council borrowing.

In response to questions, the following was noted:-

- Information was not available to make a forecast of potential Section 106 income in future years. The main source of the Section 106 income in 2018/19 had been the receipt of income from the sale of historic right to buy housing stock which was ad hoc in nature and therefore couldn't be projected with certainty.
- The forecast for capital grants each year of £500,000 is significantly less than that received in 2018/19. This is due to the Council holding Air Quality Improvement grant money of approximately £1.2 million in respect of work done with Basildon District and Essex County Councils.
- The figures on page 6.8, paragraph 6.5 of the officer report would be checked and amended if necessary, in the report to Council.
- Capital expenditure shown for 2020/21 and 2021/22 is projected to be higher than in previous and subsequent years because it has the expenditure on the Council's asset strategy programme built in. The projections were based on the Outline Business Case, approved by the Investment Board and going to Council on 19 February 2019, which projected that the bulk of investment in the asset programme would be in these two years.
- The impact of Brexit on the Council's Treasury Management strategy had been discussed with Link Services, the Council's Treasury Management advisors. They had advised that currently there is no specific action that the Council could take as the impact on financial markets and the overall level of investment returns following Brexit could not be predicted with any certainty. A watching brief would be kept as developments on Brexit emerged. All the Council's investments were with organisations with strong credit rating.

Resolved

- (1) That the Capital and Treasury Management Strategy Statement, including the investment instruments, indicators, limits and delegations contained within the report, be noted.
- (2) That the Capital Expenditure Forecasts be noted.

- (3) That the Operational and Authorised Limits for external debt, as laid down in the report, be noted.
- (4) That the contents of the report be **Recommended to Council**, with amendments made as discussed and agreed by the Committee.

19 KEY DECISIONS DOCUMENT

The Committee considered the Key Decisions Document and noted its contents.

20 WORK PLAN

The Committee considered its Work Plan and discussed the contents.

The meeting closed at 8.11 pm.

Chairman

Date

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