

CABINET
1ST MARCH 2005

MINUTE EXTRACT FROM
RESOURCES SCRUTINY COMMITTEE
7TH FEBRUARY 2005

R52. PRUDENTIAL INDICATORS AND TREASURY STRATEGY REPORT 2005/06 –

The Director of Corporate Services submitted a report (previously circulated) together with his report (also previously circulated) which had been considered by Cabinet at its meeting held on 3rd February, 2005, in relation to Prudential Indicators and the Treasury Management Strategy Report 2005/06.

Cabinet had, at its meeting held on 3rd February, 2005, when considering the report, agreed to forward the following proposals to this Scrutiny Committee for views and comments :-

- (a) that the Council adopt the prudential indicators and limits for 2005/06 to 2007/08, as contained within Tables 3 to 10 of the submitted report;
- (b) that the Council approve the Treasury Management Strategy 2005/06 contained within paragraphs 28 to 56 and the treasury prudential indicators contained within Table 12, of the submitted report; and
- (c) that the Investment Strategy 2005/06 contained in the Treasury Management Strategy, and the detailed criteria included in Appendix 2, of the submitted report, specifically the criteria for specified investments and the criteria for non-specified investments, be approved.

Following a question by a Member, the Assistant Director – Financial Services, gave an explanation of table nine in respect of the incremental impact of capital investment decisions on the Band D Council Tax; and answered Members questions in relation to the 15 per cent additional headroom for unexpected movements; the ratio of financing costs to net revenue stream – Non Housing Revenue Account and the Housing Revenue Account and the reasons why this would not have an impact on housing rents; the increase in capital financing requirement and the reasons for that and the expected impact of the capital expenditure decisions on the Council's debt and investment position.

RESOLVED - That Cabinet be advised that the majority view of this Scrutiny Committee is that it supports the proposals of Cabinet and that the minority view is that the predicted level of borrowing is too high.