

EXTRACT of the MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on WEDNESDAY, 9 JANUARY 2019

Present: Councillor M Specht (Chairman)

Councillors R Ashman, T Eynon, J Geary (Substitute for Councillor N Clarke), G Hoult, P Purver, V Richichi, A C Saffell, S Sheahan and N Smith

In Attendance: Councillors R Adams, J Clarke, R Johnson and J Legrys

Portfolio Holders: Councillors R Blunt and N J Rushton

Officers: Mr J Arnold, Mrs T Bingham, Mr M Fiander, Mr G Jones, Mrs B Smith, Mrs R Wallace and Miss A Wright

38. TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20 AND PRUDENTIAL INDICATORS 2019/20 TO 2021/22

The Head of Finance presented the report to Members.

In response to a question from Councillor S Sheahan, the Portfolio Holder explained that the additional steps implemented for investments and Local Authority lending was introduced to avoid any reputational embarrassment. The Head of Finance stated that she had previously given assurances to Members regarding inter local authority borrowing and that any such investments were safe. However, the issue was around the timing of claiming money back in the event that an invested local authority encountered financial difficulties and it was important to safeguard our finances.

Councillor T Eynon raised concerns regarding the decision to not automatically set aside the budgeted HRA surpluses for the repayment of loans due in 2037. She asked for assurance that this would not leave the future generation in a difficult financial situation. The Portfolio Holder assured Members that the Council was prudent and it was the intent to pay off the loans due in 2022. However, having more flexibility post 2022 would allow the Council to consider investing in new supply and/or stock improvement to improve and widen the asset base and realise future income streams. Councillor T Eynon asked what strategies were in place to deal with any required improvements to the housing stock at the time the loan repayments were due from 2037. The Portfolio Holder explained that money from rent payments were put aside into planned programmes for any maintenance work required to the housing stock. The Strategic Director of Housing and Customer Services confirmed the arrangements; stating that annuity loans would continue to be repaid, that of the £77m self-financing loans taken out in 2012, a considerable chunk (£33m) would be paid off by 2032 and the option to refinance would always be available. He very much doubted that most local authorities would be in such a good financial position.

It was moved by Councillor V Richichi, seconded by Councillor R Ashman and

RESOLVED THAT:

Comments made by the Policy Development Group meeting be provided to Council when considering the Treasury Management Strategy Statement 2019/20, Treasury Management Indicators – Revised 2018/19 and 2019/20 to 2021/22, and the Annual Minimum Revenue Provision Statement.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.15 pm