

**BUDGET AND
PERFORMANCE PANEL**

6.10 P.M.

14TH FEBRUARY 2024

PRESENT:- Councillors Ross Hunter (Chair), Martin Bottoms, Keith Budden, Chris Hanna, Sally Maddocks, Sophie Maddocks, Sue Penney and James Sommerville

Also in Attendance:-

Councillor Tim Hamilton-Cox, Cabinet Member with particular responsibility for Finance and Resources

Apologies for Absence:-

Councillor Hamish Mills

Officers in attendance:-

Paul Thompson
Stephen Metcalfe

Chief Officer - Resources and Section 151 Officer
Principal Democratic Support Officer

28 APPOINTMENT OF VICE-CHAIR

It was proposed by Councillor Keith Budden, seconded by Councillor Martin Bottoms and unanimously agreed:-

“That Councillor Sally Maddocks be appointed Vice-Chair of the Budget and Performance Panel for the remainder of the Municipal Year.”

Resolved:-

That Councillor Sally Maddocks be appointed Vice-Chair of the Budget and Performance Panel for the remainder of the Municipal Year.

29 MINUTES

The minutes of the meeting held on 31st January 2024 were approved as a correct record.

30 ITEMS OF URGENT BUSINESS AUTHORISED BY THE CHAIR

The Chair advised that there were no items of urgent business.

31 DECLARATION OF INTERESTS

No declarations were made at this point.

32 CAPITAL PROGRAMME 2023/24 - 2032/33 - CAPITAL STRATEGY (INVESTING IN THE FUTURE)

The Panel received a report from the Chief Finance Officer. The report presented Cabinet's final budget proposals in order that the Council can approve a General Fund Capital Programme for 2023/24 to 2028/29 and a Capital Strategy 2024/25 as required by regulation.

The options, options analysis, including risk assessment and officer preferred option reported to Cabinet were set out in the report as follows:

Cabinet may put forward alternative proposals or amendments to the proposed Strategy ahead of consideration by Budget & Performance Panel. For capital, Council may adjust its capital investment and financing proposals taking account of spending commitments and priorities, but its proposals for 2024/25 must balance.

Depending on the nature of any alternative proposals put forward, Officers may need time to assess the risks and implications. This is to ensure that relevant considerations are taken into account, to support informed and lawful decision-making.

The officer preferred option was for Cabinet to consider the Capital Programme and Strategy as attached to the report and refer it to Budget and Performance Panel for review.

The report addressed the actions required to complete the budget setting process for its Capital Programme and Capital Strategy. If Cabinet, or Budget Council changed its Capital Programme from that which was proposed in the report then this would require a change in the prudential indicators which are part of the Treasury Management Strategy.

Councillor Tim Hamilton-Cox, Cabinet Member with responsibility for Finance and Resources and the Chief Finance Officer answered questions from Members of the Panel.

Resolved:-

That the report be noted.

33 TREASURY MANAGEMENT STRATEGY

The Panel received a report from the Chief Finance Officer. The report had been presented to Cabinet to consider the draft Treasury Management Strategy and associated documents for 2024/25 and to provide an opportunity for consideration and comment ahead of formal presentation to the Panel for consideration and comment.

The options, options analysis, including risk assessment and officer preferred option provided to Cabinet, were set out in the report as follows:

The report informed that Cabinet may put forward alternative proposals or amendments to the proposed Strategy ahead of consideration by Budget and Performance Panel, but these would have to be considered in light of legislative, professional, and economic factors, and importantly, any alternative views regarding the Council's risk appetite. As such no further options analysis was available currently.

Furthermore, the Strategy must fit with other aspects of Cabinet's budget proposals, such as deposit interest estimates and underlying prudential borrowing assumptions, feeding into Prudential and Treasury Management Indicators. There are no options available regarding other components of the overall framework.

The officer preferred option was for Cabinet to consider the framework as attached to the report and refer it to Budget and Performance Panel for review.

The report addressed the actions required to complete the budget setting process for Treasury Management, and for updating the Council's associated financial strategy. This was based on the Council continuing to have a comparatively low risk appetite regarding the security and liquidity of investments particularly, but recognising that some flexibility should help improve returns, whilst still effectively mitigating risk. It was stressed that in terms of treasury activity, there was no risk-free approach. It was felt, however, that the measures set out in the report provided a fit for purpose framework within which to work, pending any update during the course of next year.

If Cabinet, or Budget Council changes its Capital Programme from that which was proposed in this report then this would require a change in the prudential indicators which are part of the Treasury Management Strategy.

Councillor Tim Hamilton-Cox, Cabinet Member with responsibility for Finance and Resources and the Chief Finance Officer answered questions from Members of the Panel.

Resolved: -

That the report be noted.

34 WORK PROGRAMME

The Panel was asked to consider its Work Programme. Members were informed that at the next meeting on 14th March 2024 the following items were scheduled:

- Quarter 3, Delivering Our Priorities;
- Risk Management.

Resolved: -

That the oral update regarding the Work Programme be noted.

Chair

(The meeting ended at 7.28pm)

**Any queries regarding these Minutes, please contact
Stephen Metcalfe, Democratic Support - email sjmetcalfe@lancaster.gov.uk**

