

**FORMAL RESPONSE OR CONSULTATION REQUESTS FROM THE CABINET  
AND/OR SELECT COMMITTEES FOLLOWING MATTERS REFERRED BY THE  
COMMITTEE**

(a) Financial Prospects and Budget Strategy 2012/13 and Beyond (Response from Cabinet – 8 December 2011)

The Cabinet had regard to the comments of the Performance and Governance Committee on the major financial pressures the Council was likely to face over the next four years, together with the proposed strategy for setting a balanced and sustainable budget for 2012/13 and beyond. In light of the challenging financial position facing all authorities a year ago the Council had brought its budget setting process for 2011/12 forward by two months and produced a 10-year budget together with a four-year savings plan. This provided the Council with a stable basis for future years and addressed the reduction in Government funding as well as reducing its reliance on reserves and provided a strong framework for the Council to use in budget setting. The Committee's views had also been taken into consideration in the preparation of the draft budget report for 2012/13 considered at minute 53 below.

Resolved; That the comments of the Performance and Governance Committee on 15 November 2011 on the Financial Prospects and Budget Strategy 2012/13 be noted.

(b) Performance Monitoring (Response from Cabinet – 8 December 2011)

The Cabinet had regard to the comments of the Performance and Governance Committee on Council performance as reported in the quarterly Performance Monitoring Report. The Committee had asked for its particular concerns relating to budgeting for the higher price of diesel and the increasing workload in Housing Benefits to be drawn to the Cabinet's attention and these had been addressed in the preparation of the draft budget report for 2012/13 considered at minute 53 below.

Resolved: That the Performance and Governance Committee's concerns regarding the impact of the increasing cost of diesel on Council budgets and the increasing workload in Housing Benefits be noted.

(c) Investment Strategy Update (Response from Cabinet – 8 December 2011)

The Cabinet also had regard to the comments of the Performance and Governance Committee on the Council's Investment Strategy arising from recent developments in the financial markets and the down-rating of the credit status of some institutions which were current counter-parties for Council investments. In view of the reduced number of institutions which met the

**Item No. 3**

required credit criteria in the Investment Strategy the Committee had suggested that in addition to moving funds from these institutions to more secure investments the Council should also consider placing funds with the semi-nationalised banks. The Cabinet noted the prevailing investment conditions and limited opportunities to achieve good returns on investments and that priority was being given to ensuring the security of the Council's funds. It was noted that the Finance Advisory Group was continuing to monitor the approach to investments.

Resolved: That the views of the Performance and Governance Committee be noted.