

## CHILTERN DISTRICT COUNCIL

### MINUTES of the Meeting of the RESOURCES OVERVIEW COMMITTEE held on 20 JANUARY 2015

**PRESENT:** Councillor J L Gladwin - Chairman

Councillors: A K Bacon  
S P Berry  
D G Meacock  
D W Phillips  
J S Ryman  
C J Wertheim

**APOLOGIES FOR ABSENCE** were received from Councillors A D Garnett, A J Garth, D Spate, C H Spruytenburg, M Vivis and A P Williams

**ALSO IN ATTENDANCE:** Councillors Mrs I A Darby and M Stannard

#### 12 MINUTES

The Minutes of the meeting held on 2 December 2014, copies of which had been previously circulated, were approved and signed by the Vice-Chairman of the Committee.

#### 13 DECLARATIONS OF INTEREST

Councillor J Ryman and Councillor J L Gladwin were Members of the Support Services Policy Advisory Group.

#### 14 FORWARD PLAN

Members reviewed the Work Programme and considered potential topics to review from the 28 Day Notice Forward Plan. There was a request that the Committee consider a report on Additional Parking Capacity. Parking issues had been raised in Amersham and Prestwood. A report would be taken to Members, but it was noted that matters of parking strategy and needs would fall under the Services Overview Committee's remit.

There was a request for an update on the Duty to Co-operate with Aylesbury Vale District Council, and were informed that this would tend to be via the Sustainable Development PAG or the Services Overview. It was noted that this was critically important, and it was hoped that a considerable amount of work had already been carried out. An Affordable Housing update was also requested.

Members also asked to be kept informed of any developments regarding SERCO.

## RESOLVED

**That the Work Programme of the Committee be noted with additional reports being made available if applicable as discussed.**

### 15 BUDGET 2015/16

Members were asked to comment on a report that would be considered by Cabinet at the meeting on 10 February 2015. The report contained the proposed revenue budget for 2015/16, which was based on two options; either a Council Tax freeze or a 1.9% increase in Council Tax. The report asked the Cabinet to recommend the level of Council Tax to Full Council on 25 February 2015.

The Resources Overview Committee considered the expenditure side of the budget in December. It was noted that the only material change to figures since that date was the Housing Administration Subsidy Grant. The difference in the budget between the 0% increase and 1.9% increase was the amount that would be put into the reserves. The report made the point that the budget needed to be considered taking into account the medium term forecast and not just looking at 2015/16. The monetary difference between a 1.9% increase and a 0% increase was noted to be £59,000 in 2015/16 but the recurring additional council tax income would be approximately £140,000 per annum.

One Councillor queried why no other option was modelled, and suggested that the Cabinet should consider a 1% increase. It was noted that the difference between any modelled options would only impact on the amount of money placed in the Council's reserves, and the effect on expenditure would be minor. It was necessary to look at the medium term, and to build up the income that the Council could control, as Government grants may decrease. Members were advised that the cost of a referendum, which would have to be held should the Council raise Council Tax by 2% or more, would fall into three elements; firstly the cost of the referendum itself, but then the cost of re-billing the District, and the cash flow costs if payment of council tax is delayed.

Members were asked to consider the capital contribution going forwards for Refuse Vehicles. The purchase of these was funded from capital, and funds were earmarked in the budget to build up the capital sum so that the Council would be able to replace the vehicles out of capital. Members of the Resources Overview Committee stated that they were happy for this to be included in the budget.

It was questioned whether the Council was able to make a profit on parking charges, and were advised that Councils were allowed to make a surplus from parking activities, but not only for the purpose of supporting the council tax. Councils had to be mindful of competition, and therefore had to ensure their parking charges were broadly in line with private companies and did not distort the local parking economy. If the Council increased the number of spaces available and there was demand for additional spaces, the Council would benefit.

Members stated that the Cabinet should consider whether enough money had been allocated to the HS2 reserve. It was noted that there would be costs involved after May, as the Council's petition would be up in front of the HS2 Committee after the Parliamentary recess. It would be important to ensure that adequate funding was available to complete the work the Council has embarked upon.

One Member raised concerns that residents would view the proposal of a 1.9% increase cynically, as this would be just below the threshold for a referendum. Members of the Committee voted on whether they supported a 1.9% increase in Council Tax. Of the Members of the Committee present, five supported a 1.9% increase, and two did not. They suggested that the Cabinet consider a Council Tax freeze and also that additional options should be considered, not just the 0% and 1.9% increase options.

**RESOLVED:**

**That the recommendations in the Cabinet Report be endorsed by the Resources Overview Committee, and**

**That the comments of the Resources Overview Committee be considered by Cabinet.**

**16 CAPITAL PROGRAMME 2015/16 TO 2018/19**

The Committee were asked to consider and comment on a report outlining the proposed Capital Programme for 2015/16 which would be considered at the Cabinet meeting on 10 February 2015. The Capital Programme was reviewed as part of the Council's budget process. When the programme was considered in 2014, the Cabinet identified the issue of the financing of the programme in the medium term; 2015/16 to 2018/19.

The report sets out the current committed approved programme. The report outlined the current commitments and it was noted that the current capital resources would be exhausted during 2017/18. The Capital Programme would be reviewed annually as part of the budget programme. Additional resources would need to be made available to allow for new scheme that would arise. The report does not build in major developments that the Council may be faced with in the future, and this point needed to be recognised, i.e. that future demands may be higher than indicated.

The report listed projects, such as the Amersham Multi Storey Car Park as the major sources of capital expenditure over the coming year. It would be useful for the Cabinet to identify any projects that could generate future revenue income or capital receipts. Councillors asked how much money had been received and spent from affordable housing contributions. It was noted that £740,000 had been allocated to date. The £1.5million indicated in the report had been received by the Council.

The Committee stated that it was necessary that the Cabinet look at the medium term Capital Programme and further ahead, and stated that the

Council should consider the potential for new expenditure demands arising over those referred to in the report.

**RESOLVED:**

**That the comments of the Resources Overview Committee be considered by the Cabinet**

*Note: Councillor Wertheim left the meeting at 7.30pm.*

**17 TREASURY MANAGEMENT REPORT - OCTOBER TO DECEMBER 2014**

The Committee agreed to consider this item with Minute Number 18.

**18 TREASURY MANAGEMENT STRATEGY 2015/16**

The Committee were asked to consider and comment on the proposed Treasury Management Strategy for 2015/16. Councillors noted that there the Council achieved a low rate of return on current investments. The low interest environment was unlikely to remain. The Council was achieving rates of 2% on monies invested for one year, and rates of approximately 0.3% on monies that the Council would need to access. Councillors were advised that it would be difficult for the Council to achieve a substantially higher level of return, and that this funding stream was not considered to be key in terms of overall financing strategy.

Councillors stated that it was necessary to maximise return and reduce risk. It was noted that the Council could not invest money over a long period of time, as pension funds could, as it may need to be accessed in a matter of months. It was noted that pension funds also spend significant money on advisors, and it would be expensive for the Council to do the same. The Committee suggested that the Council look at investing a proportion of the money in short, fixed terms bonds with an 18 month to two year scope.

**RESOLVED:**

**That the comments of the Resources Overview Committee be considered by Cabinet when discussing the Treasury Management Strategy.**

**The meeting ended at 7.53 pm**