

RESOURCES POLICY ADVISORY GROUP

Meeting - 12 January 2012

Present: Mr Wilson (Chairman)
Mr Anthony, Mr Chhokar, Mr Harding, Mr Hollis, Mr Jones and Mr D Smith

Also Present: Mr Busby and Mr Bagge

Apologies for absence: Mr Hardy

34. MINUTES

The Part I minutes of the meeting of the Policy Advisory Group (PAG) held on 31 October 2012 were received.

35. PORTFOLIO BUDGETS 2012/13

The PAG considered a report seeking approval to the draft revenue budget and fees and charges schedule for 2012/13 for the Resources Portfolio. The report outlined the context of the overall financial position facing the Council and confirmed that no bids for growth had been put forward.

Having considered the comments of the PAG, the Portfolio Holder has approved for submission to the Cabinet:

- 1) The 2012/13 revenue budget of £4.110m; and
- 2) The 2012/13 fees and charges.

36. TREASURY MANAGEMENT

The Council's Treasury Management Strategy is a key element to the Financial Strategy and the PAG considered a report attaching the Treasury Management Strategy 2012/13 together with the following appendices:

- Appendix A - Revised Policy Statements and CIPFA Code
- Appendix B - The Annual Investment Strategy
- Appendix C - Interest Rate Forecasts
- Appendix D - Economic Background
- Appendix E - Example of Corporate Bond Accounting Treatment
- Appendix F - The Prudential Indicators
- Appendix G - Minimum Revenue Provision

The report, after explaining the various legal requirements under the Local Government Act 2003 and the Local Government Finance Act 1992, reminded the PAG that the investment interest target for 2011/12 had been set at £900,000 which was likely to be under - achieved by £17,000 by the end of the year.

The report went on to set a target for investment returns for 2012/13 of £800,000 as summarised in a table and discussed in more detail in the Treasury Management Strategy 2012/13. The PAG noted that this target was based upon a level of capital balances for 2011/12 of £20m and that the Council will continue to remain debt-free. The Strategy assumed that the current challenging economic situation would continue through 2012/13.

During the discussion of the Strategy, and in particular the revised counterparty matrix as set out in the table in paragraph 4.6, the PAG, after noting that £8 million would become available during

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2012/13 for reinvestment, supported the proposal to seek a greater diversification of the investment portfolio by increasing the number of counter parties used and also considering investing in corporate bonds, always having regard to the need to balance risk against the rate of return.

The PAG expressed no appetite to return to the situation of the authority using fund managers as this was not felt to cost effective.

After considering the comments of the PAG the Portfolio Holder has **AGREED** to **RECOMMEND** the Cabinet:

1. To adopt the Treasury Management Strategy 2012/13 including:

(i) Approving, subject to the proposal above concerning diversification, the revised counterparty matrix as set out in paragraph 4.6 of the Strategy;

(ii) Approving the following appendices:

- Appendix B -The Annual Investment Strategy
- Appendix F- The Prudential Indicators, including the borrowing limits
- Appendix G - Minimum Revenue Provision to be used in 2012/13.

37. FEES AND CHARGES

The fees and charges policy sets out the current charging practices and the PAG received a report setting out a proposal to revise the policy by adding:

- A new section 5 to make explicit the requirement occasionally to benchmark our fees and charges; and
- A new concession group for full time students

Having considered the comments of the PAG, which supported the proposals, the Portfolio Holder has **AGREED** to **RECOMMEND** the Cabinet and the Council to adopt the revised Fees and Charges Policy.

38. REVISED ASSET MANAGEMENT PLAN

The Council's Asset Management Plan was last reviewed three years ago and the PAG received a report attaching a revised plan incorporating a number of proposed changes.

After considering the comments of the PAG, which supported the proposed changes, the Portfolio Holder has **AGREED** to **RECOMMEND** the Cabinet and the Council to adopt the revised Asset Management Plan.

39. INTERNAL AUDIT CONTRACT

Following the decision of the Policy Advisory Group on 25 January 2011 (subsequently endorsed by the Cabinet on 8 February 2011) to carry out a tender exercise for the award of a new internal audit contract from 1 April 2012 for a period of five years, the PAG considered a report setting out the methodology used to obtain and evaluate the tender together with the results of the tender exercise.

The report explained that tenders had been received from the following five organisations:

- Haines Watts
- RSM Tenon
- TIAA
- Oxford County Council
- Deloitte

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A report in Part II of the agenda provided further details of the tenders received including an analysis of their strengths and weaknesses.

After considering the comments of the PAG and noting the comments of the Audit Committee from its meeting on 15 December 2011 the Portfolio Holder has **AGREED** that the contract for the provision of the Council's Internal Audit Service be awarded to TIAA.

40. EXEMPT INFORMATION

Members noted that the following items contained exempt information which was not available to the press and public.

Part II minutes of the meeting of the Policy Advisory Group held on 31 October 2011.

(Schedule 12A part 1 para (3) - because of information relating to the financial or business affairs of any particular person).

The minutes of the meeting of the PAG held on 31 October 2011 were received.

Sale of Land at Oak End Drive, Iver

(Schedule 12A part 1 para (3) - because of information relating to the financial or business affairs of any particular person).

The PAG considered a report setting out the bids that had been received for this piece of land and agreed to accept one of the bids.

Sale of Land at Farnham Common Car Park

(Schedule 12A part 1 para (3) - because of information relating to the financial or business affairs of any particular person).

The PAG received a report providing an update on the sale of this piece of land. Following consideration of a further report from the Council's Valuers Kempton Carr Croft circulated at the meeting and setting out the four tenders that had been received, the Portfolio Holder agreed, with the support of the PAG, that the matter be deferred pending a further report providing a detailed evaluation of each of the tenders received..

Manor House Access Arrangements

(Schedule 12A part 1 para (3) - because of information relating to the financial or business affairs of any particular person).

The PAG considered a report providing an update on the negotiations that had taken place on proposals to allow access for the church across Stoke Poges Memorial Gardens. The Portfolio Holder agreed to recommend the Cabinet and the Council to agree a number of the proposals.

Internal Audit Contract

(Schedule 12A part 1 para (3) - because of information relating to the financial or business affairs of any particular person).

In connection with Minute 40, the PAG received further detailed information on the tenders received

Claim for Asbestosis

(Schedule 12A part 1 para (3) - because of information relating to the financial or business affairs of any particular person).

The PAG noted a report giving details of a claim against the Council by a former employee for asbestosis.

The meeting terminated at 7.35 pm