





## Declarations of Interest

Any Member attending the meeting is reminded of the requirement to declare if he/she has a personal interest in any item of business, as defined in the Code of Conduct. If that interest is a prejudicial interest as defined in the Code the Member should also withdraw from the meeting.

## **A G E N D A**

- |   | (Pages)          |
|---|------------------|
| <b>1. Apologies for Absence</b>   |                  |
| <b>2. Minutes</b>   |                  |
| To receive the Part 1 minutes of the meetings of the Policy Advisory Group held on 11 December 2014 and 28 January 2015.  | <b>(1 - 4)</b>   |
| <i>A. REPORTS LIKELY TO LEAD TO PORTFOLIO HOLDER DECISION / RECOMMENDATION</i>  |                  |
| <b>3. Wyatts Covert Woodland - Proposed Transfer to Colne Valley CIC</b>  |                  |
| To consider report of the Director of Services.   | <b>(5 - 8)</b>   |
| <i>Appendix A</i>   | <b>(9 - 10)</b>  |
| <i>B. REPORTS FOR INFORMATION / DISCUSSION</i>  |                  |
| <b>4. Investment Performance - Quarter Ending December 2014</b>   |                  |
| To consider report of the Director of Resources.  | <b>(11 - 14)</b> |
| <b>5. Any other business</b>  |                  |
| To consider any other business the Chairman decides is urgent.  |                  |
| <b>6. Exempt Information</b>  |                  |
| “That under Section 100(A)(4) of the Local Government Act 1972 following item of business is not for publication to the press or public on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act.” |                  |
| <b>7. Minutes</b>   |                  |
| To receive the Part II minutes of the Resources Policy Advisory Group held on 11 December 2014.   | <b>(15 - 16)</b> |
| <b>8. Application for Discretionary Relief</b>  |                  |
| To consider report of the Director of Resources.  | <b>(17 - 20)</b> |
| <i>Appendix 1</i>   | <b>(21 - 30)</b> |
| <i>Appendix 2</i>   | <b>(31 - 40)</b> |
| <i>Appendix 3</i>   | <b>(41 - 54)</b> |
| <i>Appendix 4</i>   | <b>(55 - 68)</b> |

9. **Stoke Park Farm**

To consider report of the Director of Services.

**(To Follow)**

The next meeting of the PAG is due to take place on 4 June 2015.

**RESOURCES POLICY ADVISORY GROUP****Meeting - 28 January 2015****20. TREASURY MANAGEMENT STRATEGY 2015/2016**

Members of the PAG were invited to comment, via email, on a report which recommended to Council via Cabinet the adoption of the Treasury Management Strategy & Annual Investment Strategy for 2015/2016 and comments were received from Councillors Anthony, Chhokar and Kelly.

The following were attached to the report:

- Treasury Management Strategy Document 2015/16
- Appendix A - Annual Investment Strategy
- Appendix B - Economic Background
- Appendix C - Prudential Code and Indicators Statement
- Appendix D - Minimum Reserve Provision

The report, after explaining the various legal requirements under the Local Government Act 2003 and the Local Government Finance Act 1992, advised the PAG that the budget set for investment interest for 2014/15 of £550,000 was likely to be under-achieved by at least £100,000 by the end of the year.

The report went on to set a target for investment returns for 2015/16 of £400,000, This target was based upon a core level of balances of £14m for 2015/16, the latest forecasts for interest rates and the assumption that the Council wished to remain debt free.

In commenting on the report a member sought clarification on a number of issues relating to reserves and investment returns.

The member also expressed regret that the Council had not progressed the proposal he had made a year ago to broaden the range of investments beyond deposits, bonds and Certificate of Deposits and invest in farm land and/or commercial property thus achieving a higher rate of return and preventing an erosion of the Council's assets,.

Having considered the comments of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that the Treasury Management Strategy for 2015/16 be submitted to Council for approval to include:

1. approving the Appendices to the Strategy covering:
  - the Annual Investment Strategy
  - Prudential Indicators, including the borrowing limits
  - Minimum Revenue Provision
2. confirming that the authority will continue to remain debt free.

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## RESOURCES POLICY ADVISORY GROUP

### Meeting - 11 December 2014

Present: Mr D Smith, Mr Anthony, Mr Harding and Mr Kelly

Apologies for absence: Mr Chhokar

#### 15. MINUTES

The minutes of the meeting of the Policy Advisory Group (PAG) held on 11 September 2014 were received.

Arising from the minutes-

Minute 14 – Bath Road Depot

A sum of money had been allocated to cover the costs of pre-letting works. It was requested that the Head of Environment to circulate how much money of that money had been spent to date.

#### 16. PORTFOLIO BUDGETS 2015/16

The PAG considered a report seeking approval for the draft revenue budget and fees and charges schedule for 2015/16 for the Resources Portfolio.

The report outlined the context of the overall financial position facing the Council and confirmed that in light of the uncertain external funding position for the Council, the Cabinet has decided that that there would be no discretionary growth allowed in the draft budgets.

The PAG were advised of the main risks areas to the 2015/16 budget for the Portfolio as set out in paragraph 6.7 of the report.

The PAG requested that a breakdown of Business Support - Third Party Payments on page 30 of the report be shown in future. The budget shown for Bath Road Depo was also questioned regarding whether it reflected recent decisions of the Portfolio Holder.

The PAG advised the Portfolio Holder to approve the 2015/16 revenue budget of £4,345,000 and the 2015/16 fees and charges for submission to Cabinet.

Having considered the advice of the PAG, the Portfolio Holder has **APPROVED** for submission to the Cabinet:

- 1) The 2015/16 revenue budget of £4,345,000
- 2) The 2015/16 fees and charges

#### 17. PLANT MAINTENANCE CONTRACT TENDER

The PAG received a report on the joint plant maintenance contract tender.

The report explained the procurement process which was to be carried out jointly with Chiltern District Council for a joint plant maintenance contract.

**Resources Policy Advisory Group - 11 December 2014**

The contract would be for an initial period of 4 years with two possible extensions, at the Councils' discretion, each of 2 years, making an overall potential of 8 years.

The PAG were advised that separate specifications were being prepared for each council based on their particular requirements but with common terms and conditions of contract.

An Evaluation Panel will evaluate the tenders and propose which supplier should be granted the contract. The evaluation list will be brought back to the PAG for noting.

Having considered the comments of the PAG the Portfolio Holder has **AGREED** to **RECOMMEND** to Cabinet to delegate authority to the Head of Environment and the Director of Services, in consultation with the Portfolio Holder for Resources, following the evaluation stage, to which supplier the contract be awarded.

**18. EXEMPT INFORMATION**

"That under Section 100(A)(4) of the Local Government Act 1972 the following item of business is not for publication to the press or public on the grounds that it involves the likely disclosure of exempt information as defined in Part 1 of Schedule 12A to the Act."

**19. STATION ROAD CAR PARK**

(para 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information))

The PAG received a report on Station Road car park in Gerrards Cross.

The report had already been subject to consideration by the Environment PAG held on 3 December 2014 who had endorsed the recommendation set out in the report.

RESOLVED that the contents of the report be noted; and

Having considered the comments of the PAG, the Portfolio Holder has **AGREED** to **RECOMMEND** to Cabinet that

(a) The licence for the pedestrian access to Tesco be continued for a further rolling annual period and

(b) To delegate authority to the Director of Services, in consultation with the Portfolio Holder for Resources, to make any minor amendments to the licence.

The meeting terminated at 6.58 pm



- 3.4 Discussions with the CIC have indicated that the woodland could better serve the community if it were in the ownership and management of the CIC which
- has a good understanding of local needs
  - has access to funding unavailable to the Council which would be used to further improve the site
  - would be in a better position to maintain the long term use of the site through its network of local volunteer groups such as the Friends of the Colne Valley Park

#### 4. Discussion

- 4.1 The Colne Valley Park CIC is a social enterprise operating to maintain and enhance the landscape of the Colne Valley Regional Park.
- 4.2 The CIC is currently negotiating with Bucks County Council to take on the adjacent Northmoor Hill Wood. Heads of terms have been agreed and Bucks CC legal team are drawing up an agreement.
- 4.3 It would make sense if these two woodlands, which are continuous on the ground and first recorded on a 1590 map as 'Wyat Wood', are managed as one site by the CIC for the benefit of the landscape, wildlife and the local community (e.g. informal recreation, school visits, habitat enhancement.)
- 4.4 There are three options:
- 1) Do Nothing.
  - 2) Freehold transfer to the CIC
  - 3) Leasehold transfer (99 years)

The CIC has requested an endowment of £8,400\* (the equivalent of £85/year) plus a one-off contribution of approx. £5-7k, which would allow fence repairs to be undertaken to improve the appearance, maintain the integrity of the boundary & existing access points and improve health and safety (e.g. remove exposed barbed wire, support leaning posts, remove trees and vegetation damaging the fence.)

Members may consider that a combined amount of £10 - £15k may be appropriate.

\*The CIC has requested £16,800 from Bucks CC for 2 woodlands; therefore £8,400 is requested from SBDC for Wyatts Covert. The CIC is able to secure external funding (typically £8-10 for every £1 invested) but requires the endowment and fence contribution because external funders will not cover costs of repair, responsive management or ongoing costs such as insurance.

The endowment would cover items such as ongoing improvements to boundary treatment, paths, woodland management, enhanced biodiversity and help to introduce additional community features such as safer access for school visits.

- 4.5 As Wyatts Covert is open space land for the purposes of section 123 (2) of the Local Government Act 1972 it will be necessary to advertise the proposed disposal to the CIC in the local press for 2 consecutive weeks and to consider any objections received before deciding whether to proceed with the disposal.
- 4.6 Should South Bucks transfer responsibility of the site management to the CIC this will reduce the burden on the Council relating to
- Health & safety
  - Liability

5 March 2014

**Wyatts Covert woodland transfer**

- Responsive management (such as removal of fallen trees)
- Free up officer time

This is in addition to the environmental and community benefits that the Colne Valley Park will be able to bring to this site for the benefit of local residents.

- 4.7 A leasehold transfer would enable SBDC to maintain some control over the land while a freehold transfer would enable the CIC to develop a long term management strategy for the site and continue discussions with HS2 Limited (the CIC is requesting money from HS2 for ongoing management of woodlands in the Colne Valley affected by the line, and if these woods were in the CIC's freehold ownership it would help the CIC in its negotiations.)
- 4.8 There is an elected member of SBDC on the CIC Board who would provide oversight.
- 4.9 Members are asked to consider the proposed land transfer and advise whether work on the proposals should be continued.

**5. Resource and Wider Policy Implications.**

- 5.1 The work required to progress the matters above will require officer time.
- 5.2 Capital funding of circa £15k would be added to the capital programme for a one off contribution to enable the CIC to improve the site for enhanced public use.
- 5.3 There is a risk that if the SBDC owned part of the woods is not transferred to the CIC, the Northmoor Hill Woods transfer from BCC goes ahead separately and those woods are improved for the use of the community leaving the SBDC owned part of the woods in a comparatively substandard state, reflecting badly on the Council.
- 5.4 There is a risk that should the land remain in the Council's ownership there will be further fragmentation of the site due to the limited funds available for management, and due to the separate ownership of the two woodlands.

**6. Recommendations.**

- 6.1 The advice of the PAG is sought on whether the Portfolio Holder should be asked to recommend to Cabinet the following:
1. the transfer of the land to the CIC, as a freehold transfer or a Leasehold transfer for 99 years.
  2. the endowment to the CIC and the proposed amount.
  3. authority be delegated to the Head of Environment to advertise the proposed disposal in the local press in accordance with section 123 of the Local Government Act 1972.
  4. if no objections are received in response to the advertisement the Head of Environment in consultation with the Resources Portfolio Holder, be authorised to proceed with the disposal and agree any minor details.

5. If objections are received in response to the advertisement the matter be reported back to the PAG for further consideration

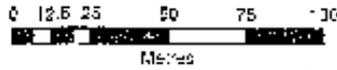
<b>Officer Contact:</b>	Chris Marchant 01895 837360 <a href="mailto:chris.marchant@southbucks.gov.uk">chris.marchant@southbucks.gov.uk</a>
<b>Background Papers:</b>	Previous correspondence on this matter.

Appendix A Site plan of the woods.



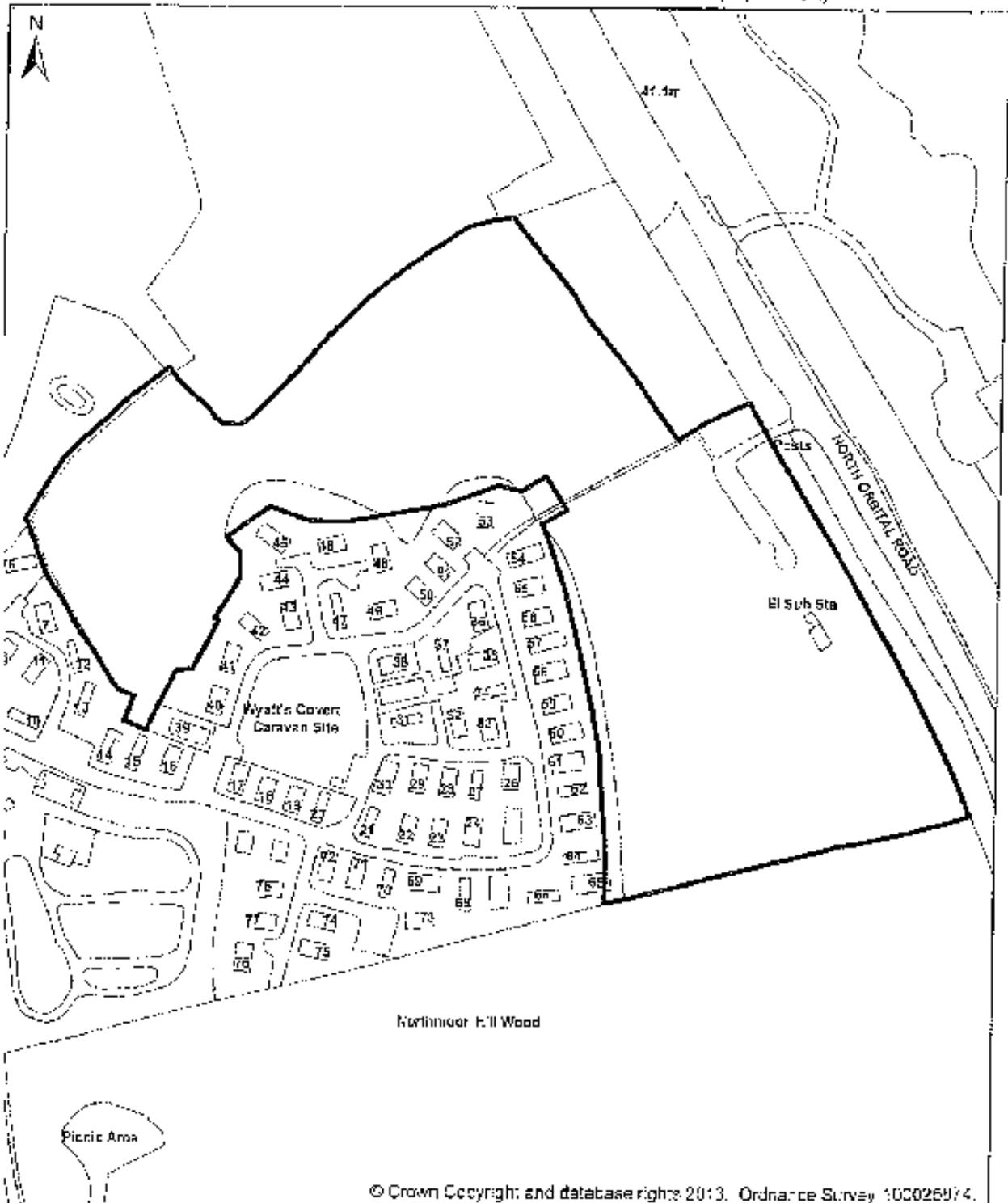
**South Bucks**  
District Council

**PROPERTY REF: DE1**  
Northmoor Hill Woods, North Orbital Road  
Denham  
Issue Date: January 2003  
Area of Asset Shown: 4.126532 ha  
41265.31973 m<sup>2</sup>



Scale = 1:2000

The extent and position of the asset is shown for indicative purposes only



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<b>SUBJECT:</b>	<b>Investment Performance Quarter Ending 31 December 2014</b>
<b>REPORT OF:</b>	<b>Officer Management Team - Director of Resources</b> <b>Prepared by - Principal Accountant</b>

## 1. Purpose of Report

- 1.1 To inform Members of the investment returns for the quarter ending 31 December 2014.

## 2. Links to Council Policies & Plans

- 2.1 The Council's Treasury Management function is a key element to the Financial Strategy, which in turn feeds into Aim 1 of the Joint Business Plan: delivering cost effective, customer focused services.

## 3. Background

- 3.1 The Council's Treasury Management Strategy 2014/15 set an estimated return on investment income for the year of £550,000 which was to be generated from a combination of Fixed and short term cash deposits, returns on the Stoke Poges Memorial Gardens Fund and from the possible investment of some of the Council's investment portfolio into corporate bonds.
- 3.2 Capital Asset Services Treasury is engaged by the Council as its Treasury Management consultants providing advice on investment, performance and regulations where necessary.
- 3.3 The Council has adopted the CIPFA code of practice on Treasury Management, which includes the creation of a Treasury Management Policy Statement setting out the policies and objectives of the Council's treasury management activities.

## 4. Investment Performance - Quarter to 31 December 2014

- 4.1 **In House Investments** - Officers invest cash flow surpluses with approved counter parties. Decisions on investing in callable and fixed deposits are taken by Officers in the light of advice from the Council's treasury consultants and brokers acting in the local authority money market, combined with general intelligence available from money market briefings made available to the authority. Members approved a new matrix for in house investments as part of the Treasury Management Strategy 2014/15 as follows.

	Duration	Maximum Amount	Fitch Rating	Comment
UK Institutions	Up to 5 years	£5m	A- or better	
	Up to 3 years	£5m	BBB+ or better	
Non UK Institution	Up to 3 years	£2m	A- or better	Sovereignty rating AA or better
Corporate Bonds/Bond Funds	Up to 5 years	£5m	A- or better	

- 4.2 A summary of the Council's holdings of fixed deposits with a maturity of over one year at 31 December 2014 is shown below:

UK Institutions	Fitch Credit Rating	Principal £	Interest Rate	Invested	Matures	Notes
Royal Bank of Scotland	A					
Fixed Deposit		5,000,000	1.13%	08/02/12	08/02/17	(1)
Lloyds Bank	A					
Fixed Deposit		1,000,000	3 Month Libor, Floor 2.85%, Cap 5.85%	11/05/10	12/05/15	
Fixed Deposit		1,000,000	3 Month Libor, Floor 3.07%, Cap 5.00%	19/05/10	19/05/15	
Barclays	A					
Fixed Deposit		1,000,000	3 Month Libor, Floor 3.05%, Cap 5.00%	24/05/10	24/05/15	
Close Brothers	A					
Fixed Deposit		1,000,000	1.70%	22/08/14	22/02/16	
Fixed Deposit		1,000,000	1.30%	13/10/14	13/10/15	
Fixed Deposit		1,000,000	1.70%	05/09/14	07/03/16	
<b>Total Deposits</b>		<b>11,000,000</b>				

(1) Was running at 4.25% in years 1&2 with RBS having the option to switch to 3 month LIBOR<sup>1</sup> in years 3,4 & 5. Rte of 1.13% negotiated by officers.

- 4.3 In addition the Council held the following investments of short term cash with duration of under one year at the end of the quarter:

	Fitch	Amount £	Interest Rate	Notes
NatWest Bank	A	9,315,000	0.30%	Instant Access
NatWest Bank	A	1,000,000	0.60%	95 Day Notice Account
Bank of Scotland	A	1,000,000	0.70%	25/07/14 to 25/01/15
Bank of Scotland	A	1,000,000	0.57%	23/10/14 to 23/01/15
Barclays Bank	A	1,000,000	0.67%	23/07/14 to 23/02/15
Nationwide Building Society	A	1,000,000	0.64%	25/07/14 to 26/01/15
<b>Total</b>		<b>14,315,000</b>		

- 4.4 The following corporate bonds were held on behalf of Stoke Poges Memorial Gardens, valued at the end of the quarter:

Bond held	Valuation £	Coupon Interest Rate	Maturity date
UK Gilt	131,684	8.00%	07/12/15
UK Treasury	122,712	8.75%	25/08/17
Asif II	190,636	6.38%	05/10/20
UK Treasury	192,395	8.00%	07/06/21
Alantia SPA	175,656	6.25%	09/06/22
National Grid	257,565	5.88%	02/02/24
UK Treasury	65,599	6.00%	07/12/28
<b>Total</b>	<b>1,136,247</b>		

## 5. Investment Policy and Procedures

<sup>1</sup> LIBOR - London Inter Bank Offered Rate

5.1 It is not normally expected that the Treasury Management Policy and Procedures will need to be revised very often and any changes have therefore been delegated to the Chief Finance Officer. The procedure document is currently being updated to reflect staffing changes following the implementation of the new Finance Team.

## 6. Resources, Risk & Other Implications

6.1 The budget for interest earned on investments for the year is £550,000. The current estimate is that interest from investments will be £380,000 for the year. The budget for 2014/15 had an assumption built in that there would be opportunities later in the year based upon the market building in future interest rate rises, however this has not transpired.

## 7. Summary

7.1 The PAG is requested to note the investment performance for the quarter to 31 December 2014.

<b>Officer Contact:</b>	Helen O'Keeffe - 01494 732781 hokeeffe @chiltern.gov.uk
<b>Background Papers:</b>	None

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