

## RESOURCES POLICY ADVISORY GROUP

### Meeting - 12 December 2013

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

Also Present: Mr Bagge

Apologies for absence: Mr Chhokar, Mr Hardy, Mr Hollis and Mr Jones

#### 34. MINUTES

The minutes of the meetings of the Policy Advisory Group (PAG) held on 5 September and 12 September 2013 were received.

#### 35. PORTFOLIO HOLDER BUDGETS 2014/15

The PAG considered a report seeking approval for the draft revenue budget and fees and charges schedule for 2014/15 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 Cabinet, at its meeting on 19 November 2013, proposed a number of saving measures with the objective of reducing the forecast funding gap for the next two years. The proposals relevant to the Resources Portfolio were set out in Part II of the agenda.

The PAG were advised of the main risks areas to the 2014/2015 budget for the Portfolio as set out in paragraph 6.7 of the report.

In the discussion which followed, clarification was provided on some of the changes which had been made to the 2014/2015 budget compared to current year's approved budget, as set out in detail in page 3 of the budget booklet.

The PAG advised the Portfolio Holder to approve the 2014/15 revenue budget of £3,986,000 and the 2014/15 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 2014/15 revenue budget of £3,986,000
- 2) The 2014/15 fees and charges

#### 36. JOINT PROCUREMENT STRATEGY

The PAG received a report which asked the PAG to advise the Portfolio Holder on whether to recommend to Cabinet that the Joint CDC/ SBDC Strategy, as set out in appendix 1, be approved.

The PAG were advised of the need for a Joint Procurement Strategy in order to help achieve operational effectiveness in the context of joint service delivery.

It was noted that the vast majority of elements of the existing individual authority procurement strategies have been encapsulated in the harmonised version. The main difference being that CDC currently had a sustainable timber policy, whereas SBDC did not. However the PAG were advised that CDC members have already agreed that the new joint policy would not need to have a sustainable timber policy.

The PAG were in support of the Joint Procurement Strategy and advised the Portfolio Holder to recommend it to Cabinet for approval.

Having considered the advice of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that the Joint CDC / SBDC Procurement Strategy be approved.

**37. BELLS HILL, STOKE POGES**

*Cllr Bagge declared an interest in the item as a Stoke Poges Parish Councillor.*

The PAG received a report which asked the PAG to advise the Portfolio Holder on whether to recommend to Cabinet the transfer of management of land at Bells Hill in Stoke Poges to Stoke Poges Parish Council.

The PAG were advised that the Parish Council has expressed an interest in taking over the maintenance of the amenity space. It was proposed that once the District Council's responsibility for the maintenance commences (officers were aiming to achieve this by the end of the financial year), the responsibility for the maintenance of the amenity space should be transferred to the Parish Council under a lease agreement.

The PAG supported the proposals provided that legal safeguards be put in place to ensure that the money being passed to the Parish Council would be used solely for the purpose of maintaining the land.

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

1. the responsibility for the maintenance of the amenity space be undertaken by Stoke Poges Parish Council.
2. the commuted sum of £70,000 be passed to the Parish Council for the maintenance of the land.
3. authority be delegated to the Head of Environment in consultation with the Head of Legal Services and the Resources Portfolio Holder to agree the exact legal mechanisms to ensure amongst other things that the money being passed to the Parish Council is used solely for the purpose of maintaining the land.

**38. TREASURY MANAGEMENT STRATEGY 2014/2015**

The PAG received a report which asked Members to advise the Portfolio Holder on whether to recommend the adoption of the Treasury Management Strategy & Annual Investment Strategy for 2014/2015.

The following were attached to the report:

- Treasury Management Strategy Document 2014/15
- Appendix A - Treasury Management Policy Statement
- Appendix B - Annual Investment Strategy 2014/15
- Appendix C - Interest Rate Forecasts
- Appendix D - Economic Background
- Appendix E - Prudential Code and Indicators Statement
- Appendix F - 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 for investment interest was set at £775,000 for 2013/14 and was likely to be under-achieved by £75,000 by the end of the year.

The report went on to set a target for investment returns for 2014/15 of £550,000, a reduction of £225,000 compared to last year's. This target was based upon an average level of cash balances of £27.5m, the latest forecasts for interest rates and the assumption that the Council wished to remain debt free.

The report also set out the proposal to undertake a joint tender exercise for banking services with Chiltern DC in 2014, the details of the procurement exercise being delegated to the Director of

## Resources Policy Advisory Group - 12 December 2013

Resources to approve in consultation with the Portfolio Holder. The PAG were advised that having a single banking provider for the two Councils would offer an efficiency benefit if the two Councils agree in 2014 to have a shared finance team.

In the discussion which followed, a concern was raised that the decision making process for approving an investment could be too lengthy, possibly resulting in the Council not being able to exploit good investment opportunities. The PAG therefore requested that a report be presented to the next meeting on possible solutions to this issue, including the creation of a framework for investment under which the Director of Resources would have delegated authority, in consultation with the Portfolio Holder, to make urgent decisions on investments.

In response to a query, the PAG were advised that there were no plans at this time to implement a Joint Investment Strategy with Chiltern District Council.

The PAG after noting the advantages and disadvantages in investing in agricultural land, was advised that any suggestions of future investments made would always be given consideration, having regard to the Council's Investment Strategy.

The PAG advised the Portfolio Holder to recommend to Cabinet that the Treasury Management Strategy be submitted to Council for approval. Furthermore, the PAG supported the proposal to undertake a joint tender exercise for banking services with Chiltern DC in 2014, the details of the procurement exercise being delegated to the Director of Resources to approve in consultation with the Portfolio Holder.

Having considered the advice of the PAG, the Portfolio Holder **AGREED** to **RECOMMEND** to Cabinet that the Treasury Management Strategy for 2014/15 be submitted to Council for approval to include:

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

The Portfolio Holder also **AGREED** to **RECOMMEND** to Cabinet that the authority undertakes a joint tender exercise for banking services with Chiltern District Council in 2014, the details of the procurement exercise being delegated to the Director of Resources to approve in consultation with the Portfolio Holder.

### 39. INVESTMENT PERFORMANCE - QUARTER ENDING 30 SEPTEMBER 2013

The PAG received a report which informed Members of the investment returns for the quarter ending 30th September 2013.

The report set out:

- The new matrix for in house investments approved as part of the Council's Treasury Management Strategy 2013/14
- A summary of the Council's holdings of fixed deposits
- Investments of short term cash with duration of under on year at the end of the quarter.

With regards to the short term cash investments, it was noted that there was a high level of short term cash investments at the current time due to cashflow being held to fund future possible investments in corporate bonds and to fund major capital projects in the next few months including the Dropmore Road Depot development and the new waste scheme.

**RESOLVED** that the report be noted.

40. ANY OTHER BUSINESS

None.

41. EXEMPT INFORMATION

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

Minutes

(Schedule 12A Part 1 Para (3) - because of information relating to the financial and business affairs of any particular individual)

The Part II minutes of the meetings of the Policy Advisory Group (PAG) held on 5 September and 12 September 2013 were received.

Arising from minute 32 of the meeting held on 12 September 2013, the Portfolio Holder, having considered the advice of the PAG, recommended to the Director of Services that he exercises his authority previously delegated to him by the Cabinet on 19 November 2013 and agrees the terms and conditions for the new lease as set out in the Part II minutes.

Portfolio Holder Budgets 2014/15

(Schedule 12A Part 1 Para (3) because of information relating to the financial and business affairs of any particular individual)

In connection with minute 35 , following the comments of the PAG, the Portfolio Holder approved for submission to the Cabinet the proposed fees and charges for 2014/15 for the Resources Portfolio.

Application for Hardship Relief

(Schedule 12A Part 1 Para (3) because of information relating to the financial and business affairs of any particular individual)

An application was considered by the PAG and a recommendation was made to Cabinet.

Dropmore Road Depot Update Report

(Schedule 12A Part 1 Para (3) because of information relating to the financial and business affairs of any particular individual)

The update was noted.

The meeting terminated at 7.30 pm