

Resources Working Party

held at Ryedale House, Malton
on Tuesday 14 August 2007

Present

Councillors Wainwright (in the Chair), Mrs Cowling, Keal, Knaggs and Legard.

In attendance

T Anderson, Mrs L Carter, Mrs M Jackson, J Rudd and Miss J Waggott

Minutes

RWP.24 Apology for Absence

An apology for absence was received from Councillor Aslett.

RWP.25 Minutes

The minutes of a meeting of the Working Party held on 12 July 2007 were submitted (previously circulated).

Resolved

That the minutes of a meeting of the Resources Working Party held on 12 July 2007 as submitted be endorsed.

RWP.26 Urgent Business

The Chairman reported that there were no items that he considered should be dealt with at the meeting as a matter of urgency by virtue of Section 100B(4)(b) of the Local Government Act 1972.

RWP.27 Declarations of Interest

No declarations of interest were received.

RWP.28 Capital Programme - Monitoring Report

The Director of Policy circulated a revised Capital Programme Monitoring Report 2007-2011: Work-stream Schedule as profiled in August 2007.

The report was prepared on a monthly basis and enabled Members to track progress on the various schemes within the programme. The Director of Policy drew members' attention to the changes that had been made since presentation of the previous monitoring report.

As a result of the decision made at the last meeting of the Policy & Resources Committee the Thornton Road Business Park and Managed Workspace Units were now on hold.

New schemes relating to Castle Gardens and a Replacement Fuel Tank at the Depot had been added.

A Member reported that it would be useful to have the actual and predicted level of spend included in the report. The Director of Policy reported that a financial statement was to be submitted to the next meeting of the Working Party.

In addition, reference was made to Home Repair Grants, which had a budget for 2007/2008 of £145,000 of which £22,000 had been committed. It was also suggested that in terms of energy efficiency the most effective approach that this Council could adopt was to reduce carbon by improving the existing housing stock. It was suggested that the Housing Services Manager and the Environment & Energy Efficiency Officer be invited to the next meeting of the Working Party to provide further information.

With reference to the proposed provision of a Central Ryedale Sports Facility, Councillor Knaggs reported that Hambleton District Council were to provide facilities at Easingwold at an estimated cost of £1m. It was suggested that information was sought on the approach adopted by other Councils with regard to the provision of sports facilities.

Resolved

That the Housing Services Manager and the Environment & Energy Conservation Officer be invited to the next meeting of the Working Party to report on Home Repair Grants and Energy Efficiency improvements to the existing housing stock.

RWP.29 Major Schemes - Progress Report

The Forward Plans and Economic Development Manager reported on the current position with regard to the Enterprise Centre.

A full business plan had been submitted to Yorkshire Forward in accordance with the revised deadline. The business plan sought funding of £1.6m, a combination of the initial allocation of £950,000 plus the £650,000 previously allocated to the Thornton Road project. The plan also identified a commitment from the Council of £1m, the amount approved in the Capital Programme for the 'Malton Business Scheme'.

Northminster Properties had applied for planning permission. Discussions were ongoing between Development Control and the applicant and it was anticipated that the application would shortly go out for consultation.

Atkins had recommended the establishment of an Operating Company to manage the Enterprise Centre, with the Council as one of the key shareholders.

There would be a requirement for the Council to provide revenue funding to support the Centre in the initial years of operation. The level of funding required would depend on the outcome of discussions with other key partners and the level of their funding commitment. Further information on the revenue implications was to be reported to the next meeting of the Working Party.

There were two main options for meeting the funding gap - each involving a different procurement route:

- Private Sector Funding - which would require procurement of a Joint Venture partner to invest in and construct the Centre
- European funding from the new ERDF programme - which would require only procurement of a contractor to build the centre.

Yorkshire Forward had offered the support of their Property Team, as well as £20,000 towards the appointment of a procurement expert from their Panel to manage selection and appointment of a Joint Venture partner. However, Yorkshire Forward had made it clear that this support would only be available for procurement of a private sector partner to a Joint Venture and would not be available if the Council opted to seek European funding.

The Chief Executive recommended that the Council adopt a twin-track approach with regard to the acquisition of funding. Members endorsed this approach.

In addition the Chief Executive reported that the philosophy behind the Council's decision to put the Thornton Road Scheme on hold had been explained to a member of the Pickering Town Team. In addition, the Chief Executive was to attend a meeting of the Group to report on the situation.

RWP.30 **Revenue Budget Strategy**

The Director of Policy gave a presentation on the Council's Revenue Strategy, which outlined the context, pressures and the proposed strategy.

The Council had agreed an ambitious capital programme, which would have significant revenue and capital consequences over the next few years. External changes were anticipated through the Comprehensive Spending Review (CSR), the announcement was anticipated in October 2007. Careful financial planning was needed and it was suggested that the nature, scope and range of services delivered had to fundamentally change and operational costs reduced in order to maintain a balanced budget.

Pressures on the Council came from the cost of borrowing, operational costs of completed major capital projects, external pressures resulting from changes to Revenue Support Grants, Gershon II, revised concessionary fares scheme, review of LAGBI, high inflation and other growth items.

After four years the accumulated target figure was estimated at between £700k to £1.2m.

The Director of Policy reported that there were three proposed strands to the Strategy, details of which were outlined in the presentation:

- Income generating initiatives
- Good Housekeeping/structural change
- Service reductions - re-visit corporate priorities following the Simalto public consultation exercise.

The draft Simalto grid, comprising 14 service areas, was circulated at the meeting for Members' consideration.

Resolved

That the report be noted.

RWP.31 **Revenue Budget Monitoring**

The Chief Financial Officer submitted for information a report (previously circulated), which updated Members on any major variations to the Council's revenue budget for the current financial year.

The revenue budget report (EMIS) was submitted to the Corporate Management Team on a monthly basis and had previously been forwarded to Group Leaders on a quarterly basis. The financial information provided in the report centred on the main areas of expenditure and financial risk in the Council's activities and was presented on a subjective basis rather than by service headings.

All service unit managers were provided with regular reports showing comparisons of actual income and expenditure with the profiled budget under the same service headings used to compile the budget book.

The Chief Financial Officer reported that in order to achieve a balanced budget for 2007/2008 a savings target of £90k had been included. The Council was on target to achieve the savings, largely due to the continuation of the policy to have a three-month moratorium before most vacant posts were filled, the rationalisation of central services and the benefits review.

As would be expected for the first quarter of the financial year there were very few overspends in the Council's revenue account to report at this stage. In most circumstances any overspend was as a result of unplanned activity e.g. response to flooding.

The overall financial position was relatively healthy with income levels in general higher than estimated in the first quarter, particularly in relation to investment income.

The report included a summary of potential revenue budget movements 2007-08 (Annex A of the report) and a summary in graph form of the EMIS information for the period ending 30 June 2007 (Annex B of the report). Members' views were sought on the preferred presentation. Members expressed a preference for the information to be presented as outlined in Annex A of the report subject to the inclusion of details relating to savings and timing differences.

Resolved

That the report be noted and that future information be presented as outlined in Annex A subject to the inclusion of details of savings and timing differences.

RWP.32 Project Management

The Chief Executive reminded Members that in accordance with previous decisions made by Members, Tribal had been employed to assist in the internal and external appointment processes with regard to the Senior Management Restructure. The Chief Executive reported for information that Tribal had been made aware of the Council's decision relating to the appointment of a Project Manager and this was to be borne in mind by Tribal during the recruitment process.

RWP.33 Treasury Management Annual Review 2006/07 and Monitoring Report 2007/08

The Chief Financial Officer submitted a report (previously circulated) the purpose of which was to report on the treasury management activities for 2006/07 and to update Members on current investments.

The report outlined the following:

- Annual Review of 2006/07 Investments
- 2007/08 Current Investments

It was reported that due to the higher than expected level of balances available for investment and the increase in interest rates, interest receipts for the last financial year were significantly higher than estimated. The investment strategy and the market changes had provided the Council with extra resources to finance its capital programme.

Since the commencement of the current financial year interest rates had continued to increase beyond the level predicted. The latest Bank Rate forecast from the Council's treasury advisors for the remainder of this year indicated that there could be a further increase of 0.25% to a peak of 6.0%. Based on this assessment the return on the Council's investments should compare favourably with the estimated investment income included in the 2007/08 budget.

Resolved

That the report be noted.