

HENLEY-ON-THAMES TOWN COUNCIL MINUTES OF THE FINANCE STRATEGY & MANAGEMENT COMMITTEE HELD ON 14 OCTOBER 2014 AT 7.00 PM, COUNCIL CHAMBER, TOWN HALL, HENLEY-ONTHAMES.  
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**Present:** Councillor S Gawrysiak (vice chair)  
Councillor W Hamilton  
Councillor Mrs E Hodgkin  
Councillor Miss L Hillier  
Councillor D Nimmo-Smith  
Councillor I Reissmann (chair)  
Councillor Miss K Hinton (substituting for Councillor Mrs J Wood)

**In attendance:** Mrs L Jones – HTC Accountant  
Mrs H King – Committee Administrator  
2 members of the public  
1 member of the media

As the Chairman was running late and was yet to arrive at the start of the meeting, the Vice Chair opened proceedings.

50. **APOLOGIES FOR ABSENCE**

Apologies were received from The Mayor, Councillor M Akehurst, The Deputy Mayor, Councillor Mrs J Wood and Councillor Mrs P Phillips. Apologies were also received from Councillor Miss L Hillier for a possible late arrival.

51. **DECLARATIONS OF INTEREST**

Councillor Mrs E Hodgkin – Min 56 iv) – Henley Youth Centre Trustee  
Councillor Miss L Hillier – Min 57 iv) – Outgoing leaseholder, West Street Store

52. **PUBLIC PARTICIPATION SESSION**

*Mr Clive Wilkinson (Chairman Henley Youth Centre)*

Mr Wilkinson confirmed that the second tranche of the annual Council grant was no longer appropriate as the Youth Centre site was to be sold. He thanked the Council for its support over the years which had been invaluable. He confirmed that the services being supplied by the centre was running at a much reduced level. He hoped that the £5k grant, which now would not be paid, would be directed to other youth activities. He also confirmed that the sale proceeds from the site would be directed towards future youth services.

*Councillor I Reissmann joined the meeting at 7.05 and took the chair.*

53. **MINUTES**

The minutes of the meeting of the Finance Strategy and Management Committee held on 2 September 2014 were received, approved and adopted and signed by the Chairman as a true record.

54. **INVESTMENT REPORT & PRESENTATION BY INVESTMENT MANAGERS**

The Chairman suggested, and it was agreed, that the Investment Managers (IMs) should have the opportunity to give their presentations before the meeting considered the Investment Report at Agenda item 5. The Investment Managers, Rupert Baron (Rathbones) and Charles Heaton (Investec) were introduced and invited to the table to give their respective presentations.

Rupert Baron circulated a hard copy of his short report (already included in the Agenda) which gave an overall view of the Council's portfolio make-up and performance. He also circulated copies of a full report for Councillors to keep. Additional copies are kept in the Council office should any Councillors not in attendance wish to refer to the documents. He reinforced that the principal objective of the portfolio was income generation and the 'steer' given by the Council remained the same i.e. exposure to medium risk. He did point out that the drawdown made in September would affect the portfolios ability to produce income. His report also covered the general economic outlook and his thoughts on the future. The portfolio should generate income of around £70k per annum. Any withdrawal would reduce ongoing income by around 3.7% of the value of the withdrawal.

Charles Heaton also circulated a hard copy of the short report already included in the agenda, and a graph showing performance of the portfolio since December 2008 against the WMA Income index and the RPI. He believed that Investec took a more optimistic view of the markets compared to Rathbones. The income generation figure (of over £89k) represents a return of around 3.7%, and the total return is 8.85% for the year to 30<sup>th</sup> September 2014. There was an assumption that global interest rates would remain low. Investec anticipates company earnings growth of around 8-9% pa for the year ahead assuming the geo-political tension does not worsen. There have been some unforeseen falls e.g. Centrica, which is normally considered a stable asset but was affected by 'politically driven' comments regarding price capping.

The Chairman thanked both the IMs for their presentations and comprehensive and informative reports. He then invited Councillors to put forward any questions they may have.

A Member enquired whether Rathbones would continue with their cautious approach and were there any opportunities with the decrease in the German stock market to acquire stocks at a lower value. Rupert confirmed that Rathbones would remain cautious but would be looking at both the German and Dutch market (which had experienced difficulties in its farming sector) to see if there were any realistic gains to be made.

Another member wondered whether it would be advisable to increase the level of risk being taken by the IMs as the economy improves. It was confirmed that the risk level was set by the HTC policy and not determined by the IMs.

However, the general perception of risk had fallen but the Council's portfolio still remained within the low/medium category. The IMs still believed there was sufficient latitude within their remit to increase the risk if appropriate. It was also pointed out that Europe remained the major trading partner and its economic growth was not improving as quickly so the UK should not be looked at in isolation.

On the question of the best timing for drawdown, the IMs said there was not a guaranteed best time to sell. All drawdown would have an impact on the potential for income generation but in general the period January to March historically appeared to be the best, this flattened off in the summer with the autumn months being the worst before the market started to pick up at the end of the year. However, this was at best a generalisation and no guarantees could ever be given.

It was noted that the French economy was not performing well and the question was raised as to the level of the Council's exposure. It was confirmed that it was only very slight and restricted to companies with global interests.

The IMs reports had referred to the WMA (Wealth Management Association) index which had replaced the APCIMS Index and the IMs were asked what the difference was. It was confirmed that it was merely a change of title.

The Council's strategy document advised a 70/30 percentage investment split between equities and non-equities. The 70% by definition has the higher risk. Overall, councillors were happy with this arrangement as the overall guidance specifies that the risk should be 'medium'. It was not felt the strategy needed to be anymore prescriptive.

There being no more questions, the Chairman thanked the two IMs for their work on behalf on the Council and confirmed the Committee would look forward to seeing them both next year for their annual presentations.

The meeting next considered the Annual Treasury Management Strategy for 2015-16. There were no comments on the document. Consequently,

**It was RESOLVED TO RECOMMEND that**

- **the Annual Treasury Management Strategy for 2015-16 be recommended for approval;**
- **a figure of £160k for investment income in the budget for 2015/16 be approved, given that there will be some withdrawal of funds assuming approval of a capex budget not exceeding £250k.**

55. **PROGRESS REPORT**

Councillors received and considered the Progress Report and made the following comments:

### Wi-Fi

It was felt essential that the Barn had wi-fi capability. The current tenant had been asked if their facility could be used but it is not acceptable. The matter will be reviewed when the current lease expires and either a new lease is negotiated or Council decides on an alternative use.

### Estate Inspections

The Chairman again reminded the meeting of the importance of the inspections and asked that they were completed as soon as possible.

### Planned Maintenance – 60+ Club

A report had been produced by Richard Hodgkin which had highlighted the fact that the roof lights and the outside walls were a priority. It was noted that external painting had taken place but the woodwork had not been painted. The Accountant confirmed that the work on the roof lights should start shortly as various quotes had been received. It was suggested the work should carry a three year (minimum) warranty/guarantee to avoid future problems. The Accountant was asked to liaise with the Chair of the Town & Community Committee so she is aware of developments/quotes/contracts etc. and also ensure that progress is reported back to the appropriate non-Council members.

### Henley Town Football Club (HTFC)

The Chairman confirmed that talks had been held between HTFC and AFC Henley and positive progress is being made. At the conclusion of the process, the council could expect HTFC to submit a further grant application.

*Councillor Miss L Hillier joined the meeting at 7.55pm*

## 56. **FINANCE**

### i) Management Accounts

The meeting reviewed the Dashboard and Management Accounts.

**It was RESOLVED that the reports be received and noted.**

### ii) Investment Performance

As the investments had been reviewed in some detail during the Investment Managers presentations, there were no further comments.

**It was RESOLVED that the update be received and noted.**

### iii) List of payments

The listing was reviewed and noted.

**It was RESOLVED that the report be received and noted.**

iv) Youth Centre grant

There was considerable debate as to where the £5k that was no longer to be paid to the Youth Centre should be destined. The general feeling was that it should be put towards a youth orientated initiative. However, there was an opinion that to ring-fence the monies when there was no clear strategy was not the best way forward. It was noted that the Henley Educational Trust had made a donation towards NOMAD's drug abuse project and NOMAD should be encouraged to apply for these additional funds to cover their shortfall. There was also the view that there is substantially more investment in youth as opposed to elderly services and as such this additional money should be available to all sectors. It was finally agreed that the £5k should be absorbed back into the grants fund.

**It was RESOLVED to RECOMMEND that Councillors note that the balancing £5k grant to the Henley Youth Centre for 2014-15 will not be requested, with balance being reassigned to the grants budget.**

v) Legal & professional fees

A Member enquired why the fee for employing Keith Douglas was so high, in 2013/14. It was explained that this was only incurred once every 5 years and covered the comprehensive report on all the Council's assets from which the planned maintenance programme was constructed.

**It was RESOLVED to RECOMMEND that the breakdown for 2014-15 so far was noted and that a figure of £15k was included for the 2015-16 budget.**

57. **DRAFT 2015-16 BUDGET**

i) Planned Maintenance

Councillors briefly reviewed and noted the projects being undertaken in 2014/15 according to the schedule presented.

The schedule also indicated projects 'on the table' for 2015/16 that total £79.7k which is more than the £75k annual program will allow, and this leaves no allowance for unknowns. Further projects totalling £33.4k had been identified which the Accountant suggested be included 'below the line' in the accounts pending discussion. The total draft value for 2015/16 is therefore currently £113.1k. To ascertain where savings can be made, all the main projects were discussed on an individual basis as follows:

a) Paved area around the Pavilion

There was a discussion as to whether the broken paving slabs represented a Health & Safety risk or was just an aesthetic issue. The slabs cracked quite regularly and Parks Service staff normally undertook maintenance on them over the winter. It was agreed that the Parks Service should continue to carry out sufficient repairs to keep it safe until quotes could be obtained for replacing all the paved area with block pavings to a standard which would provide greater longevity. The expenditure of £5k was therefore removed from the 2015/16 planned maintenance budget.

- b) 60+ Club  
It was agreed that the Council had a responsibility to maintain the building which had been deteriorating over a number of years. It was felt that the new Council should look at the long term future of the building and consider what options were available. This in no way affected the Council's commitment to the service provided which it wished to continue but merely related to the building. It was accepted that further work (in addition to that included in 2014/15) was required and the budget figure of £10k is to remain.
- c) Cemetery  
There was discussion as to whether the poor state of the wall represented a Health & Safety risk. It was thought not and therefore not a priority. It was felt that the cemetery paths were a more pressing need. It was agreed to remove the £10k figure from the 2015/16 planned maintenance budget. The Recreation & Amenities Committee (R&A) will be taking a holistic view as to how the cemetery can be brought up to standard and be preparing a report in due course.  
*Action: R&A Committee Administrator*
- d) Jubilee park – fencing around the Astroturf  
It was agreed that the outcome of the Neighbourhood Plan was needed before any decisions could be made about the Jubilee Park area as this would impact on the location of the changing rooms as well as fencing required on the site. As such, the suggested £25k estimated cost would be removed from the budget.
- e) River dredging (Marsh Lock)  
It was felt that the £15k figure should be removed as this activity should fall to the Environment Agency (EA). The Town Council was effectively taking care of the river by informing the EA of works required. The gravel pile that had appeared in the river had resulted from alterations to the weir, and would recur if removed. The accumulation of gravel was not considered dangerous or its removal urgent. However, on a similar theme, the Town & Community Committee should investigate the possibility of dredging the New Street slipway.  
*Action: T&C Committee Administrator*
- f) West Street Stores  
A figure of £13k has been included in the budget towards roof tiling and timber treatment and sealing to address the damp problems. A member reported (for information) that the Store was not only damp but was dusty and suffered from falling debris from the roof timbers. It was not really fit even for storage purposes. The building itself would require a large financial investment before it was to be considered fit for leasing. There had been the thought that it could be incorporated into the Old Fire Station Gallery but no final decisions had been made. It was felt that £5k should be allocated to making the building weather-tight only, and that further consideration would be given at a later date to the future of the building and the subsequent expenditure required. The figure in the budget should therefore be reduced from £13k to £5k.

g) First Chapel

A figure of £10.4k had been included in the budget. It was confirmed that the structure of the building was the responsibility of the Town Council. However, advice from the Conservation Officer was that the building should remain untouched, though the Council's surveyor had recommended considerable works regarding damp issues. There did not seem to be any timescales for the opening of the George Orwell Museum within the building and it was felt that the R&A Committee should take this point up with the relevant Trustees. It was felt that the Council should only spend sufficient funds to make the building water-tight unless any critical improvements were needed. It was recommended that this item be removed from the budget for 2015/16.

*Action: R&A Committee Administrator*

h) Bath Site parking

Considering that the rent for the parking spaces had been substantially increased in recent years, the meeting recommended that the site should be improved by the addition of steps, railings for disembarking from the river, movement sensitive lighting, and improvement to the surface. The budget figure of £10k is to remain in.

The above adjustments reduce specific planned maintenance down from the total of £113.1k to £39.7k. This allows for £35.3k for unknown expenditure or other projects that may be agreed during the budget setting process, and still to be within the £75k cap agreed on at the start of the five year planned maintenance program, in 2014/15.

Following extensive discussions

**It was RESOLVED to RECOMMEND that**

- **the planned maintenance projects being undertaken for 2014-15 be noted as amended above.**
- **a figure of £75k is included in the 2015-16 budget for planned maintenance (which will include an element of 'allowance for unknowns')**
- **the schedule of planned maintenance projects be updated to reflect the above recommended adjustments.**

ii) Financial Support for the River & Rowing Museum (RRM)

The meeting reviewed the letter submitted by Ludo Keston (Chief Executive of the RRM) which had requested £10k to help fund an ongoing programme of children's activities. It was recognised that the Museum was an asset to the Town and was supportive of both the Henley Wildlife Group and Henley in Bloom. The Museum does not pay any rent (other than a red rose) on the land where the Museum was built, however, rent of £6.3k was charged on the car park. The meeting felt that the RRM's request should be supported although it felt that the Museum could provide something in return for the residents of the town e.g. free admission for children.

**It was RESOLVED to RECOMMEND that the RRM is granted £10k towards their specified programme on the condition that (after further discussion/negotiation) the RRM are willing to consider something for Henley residents in return.**

iii) FS&M Income & Expenditure

The Accountant confirmed that the level of grant distributed by SODC (to compensate for the tax base changes) was likely to be reduced by 10% in 2015-16 but the exact amount would not be known until later in the year. One of the biggest factors that could affect the budget was the Neighbourhood Plan and in particular the fate of 357 Reading Road. However, in reality it was unlikely that a sale would materialise before the end of the 2015-16 financial year.

**It was RESOLVED to RECOMMEND that approval is given to those items detailed in the Accountant's report.**

iv) Overall Budget figures

The Accountant explained that the summary sheet indicates a draft deficit figure of £124.9k but that following the earlier discussions at this meeting on the planned maintenance program the three items below the line (totalling £33.4k) will be absorbed into the £75k planned maintenance figure. This means that the starting point is a deficit of £91.5k. The deficit set for 2014/15 was £38.6k. The difference between the budgets for 2014/15 and 2015/16 is therefore £52.9k to the detriment of the Council and a schedule attached to the report showed how this has come about.

The 2015/16 deficit figure will be reduced further by £5.9k in the next round following a recent indication that the Barn tenants would like to remain in situ. It had been assumed that their rent would cease in September 2015. This would reduce the deficit to £85.6k all else remaining equal.

**It was RESOLVED to RECOMMEND that the overall draft budget figures be noted, subject to the aforementioned adjustments, and carried forward for further review in the next cycle of meetings.**

v) Capex

The list of capex projects supplied by the Accountant (and based on the wish lists of the Standing Committees) amounted to £340k. It had previously been agreed that the desired level of capital expenditure should be around £250k. In an attempt to reduce the overall total, the following projects were:

Removed:

£20K Improvements to recreational facilities.

There is already a reserve of £40k that should be applied before more money is added

- £20k Alterations to Henley Information Centre  
A full proposal justifying any cost and presenting a business case would be required first.
- £5k Alterations to main office  
Again, justification would be required, and it may fit better within planned maintenance.
- £20k Floodlights at Jubilee Park  
Pending review of the whole of Jubilee Park, as for fencing discussed earlier.

Amended:

£50k reduced to £25k - Pavilion overhaul which will now be done over 2 years.  
£10k reduced to £4k – replacement of notice boards

Added:

It was also noted that an additional sum of £12k will need to be included to cover fencing at Makins Recreation Area around the Brunner Hall and car park.

It was requested that the new equipment for the Council Chamber should include a hearing loop, to be quantified in due course.

The net effect of the above reduced the value of the capex wish list by £84k, to £256k, which is almost within the cap of £250k.

**It was RESOLVED to RECOMMEND that the capex list provided by the Accountant (and as amended by the above) is noted and approved for further consideration in the next cycle of meetings.**

The Chairman thanked the Accountant for her hard work and the excellent quality of the numerous reports she had produced.

58. **THE OPENNESS OF LOCAL GOVERNMENT BODIES REGULATIONS 2014 – DELEGATED DECISIONS**

The meeting reviewed the paper produced by the Town Clerk concerning recording of delegated decisions. It was noted that only decisions over £5k needed to be recorded. Consequently,

**It was RESOLVED to RECOMMEND that Councillors note the requirements needed to comply with Regulation 7(2) of The Openness of Local Government Bodies Regulations 2014, determines the level of expenditure which would materially affect the council's position at £5,000, a figure which is in line with the Council's financial regulations, and approves the recording arrangements on the delegated decisions form for reporting to committee and publication on the council's website.**

59. **CHRISTMAS ARRANGEMENTS 2014**

There was a comment regarding the appropriateness of using public funds to subsidise a festive teambuilding event for Council staff. However, it was recognised that the amount requested spread amongst all the staff represented only a small amount. It was felt that staff had worked extremely hard this year bringing in a number of major projects and as such, the contribution was justified. One member asked if the contribution could be spent locally and confirmation was given that this was the intention.

It was **RESOLVED** to **RECOMMEND** that

- the Town Hall is closed from Thursday 25 December 2014 through to Sunday 4 January 2015 inclusive, and that four days are granted to staff as additional, discretionary, non-contractual leave, subject to any cover arrangements required by the Town Clerk.
- staff required to provide cover during the normal working hours of 29 - 31 December 2014 and 2 January 2015 i.e. Park Services and Parking Wardens be granted time off in lieu on a straight one for one basis.
- the Council considers making a contribution of £500 (+ VAT if applicable) towards the staff Christmas team building event as a token of the Council's thanks and appreciation for their work throughout the past year.

60. **EXCLUSION OF THE PUBLIC AND THE PRESS**

It was moved by the Chairman and **RESOLVED**

that the public and the press be excluded from the remainder of the meeting in accordance with the Public Bodies (Admission to Meetings) Act 1960 as matters which were about to be discussed would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted.

**MINUTES OF THE CONFIDENTIAL SESSION OF THE MEETING OF THE FINANCE STRATEGY & MANAGEMENT COMMITTEE HELD ON 14 OCTOBER 2014.**

61. **CONFIDENTIAL**

**i) LEGAL UPDATE**

In answer to a question concerning Deanfield Road, it was confirmed that no date had yet been agreed to meet with the householders concerned.

**It was RESOLVED that the Legal Update be noted.**

The meeting closed at 9.55pm.

Chairman  
15.10.14