

Present: The Mayor, Councillor S Gawrysiak
The Deputy Mayor, Councillor M Akehurst
Councillor W Hamilton
Councillor Mrs E Hodgkin (Vice chair)
Councillor D Nimmo-Smith
Councillor Mrs P Phillips
Councillor I Reissmann (Chair)

In attendance: Mr M W Kennedy – Town Clerk
Mrs L Jones – HTC Accountant
Mrs H King – Committee Administrator
1 member of the press

51. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillors Miss L Hillier and Mrs J Wood.

52. **DECLARATIONS OF INTEREST**

Councillor Mrs E Hodgkin – Min 59 – pecuniary interest – employee of Henley Youth Centre.

53. **PUBLIC PARTICIPATION SESSION**

No members of the public were in attendance.

54. **MINUTES**

The minutes of the meeting of the Finance Strategy and Management (FS&M) Committee held on 10 September 2013 were received, approved and adopted and signed by the Chairman as a true record.

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

The Chairman welcomed Rupert Baron (Rathbones) and Charles Heaton (Investec) to the meeting and invited each to give a 10 minute presentation. Both Investment Managers had produced a short report covering their respective performance and perceived future economic factors which had already been incorporated into the agenda. Both IMs also brought with them and circulated copies of full investment reports at the meeting.

Accountant's note: The Accountant will include copies of both full reports to those Councillors not attending the meeting in their next weekly mailing.

Following the presentation, a 20 minute Q&A session took place covering the following areas:

- It was confirmed that the income provided from the share portfolio comprised dividends and interest. It was noted that Investec produced slightly more income and capital uplift than Rathbones over the same period.
- A Member wondered if there would be an adverse effect on the stock market if the general election delivered an unexpected result. It was explained that the markets operated on a global level and whatever the outcome of the election was not likely to have a significant effect on share value. The Federal and Central Banks would always try and 'keep the show on the road' regardless of individual countries' localised issues.
- A question was raised about the wisdom of continuing to invest in utility companies with the possibility of them being subject to a windfall tax. The IMs advised that utilities are often likened to fixed interest stocks but with potential political involvement, it was agreed future investment in this area needed critical examination.
- The IMs felt that the main area of concern was the bond market. This was especially so for Rathbones as their exposure was higher than Investecs and as such may need re-examination.
- As HTC held investments in Investco Perpetual, a Member wondered if the departure of their key Fund Manager would have an adverse effect on their share price. The IMs felt that that this would not have any long term impact (considering the support structure was still in place) and that they would be holding tight for the foreseeable future.
- As the Council did not have an ethical investment policy, the IMs were asked whether it was possible to manage effectively the Council's portfolio if a number of ethical constraints were added. The IMs confirmed that was not unusual practice but could not give an indication of how returns may be affected until the details of any possible constraints were advised. However, Rathbones Greenbank (a subsidiary company) specialised in ethical and sustainable investments and Rupert Baron undertook to provide the Chairman with relevant details. It was agreed that the subject be debated again once the information had been received.
- The IMs also confirmed that a drawdown of £200k was likely to reduce income by around £6k per year. Rupert Baron stressed that too much emphasis on income generation could cause constraints when deciding which investments to buy.
- The Chairman raised the issue, which the committee were going to consider later, of the different ways in which the two IMs remitted income. Both agreed that change would be fairly straightforward but were happy to continue the current practice.

- The Chairman told the IMs that the short reports produced by both were extremely helpful for informing the discussion by enabling the accountant to produce a document comparing the two IMs clearly, but requested that, next year, the long reports are submitted at least a week in advance of the meeting to give Councillors more time to absorb all the detail. He also asked that returns on investments are split by capital and income in future.

The Chairman thanked both the IMs for their time, presentations and reports and looked forward to seeing them next year.

The Investment summary produced by the HTC Accountant was considered. It was explained that Rathbones and Investec remitted the income in slightly different ways. Investec would remit income earned at the end of each month whereas Rathbones remitted a set amount of £21,250 each quarter irrespective of income earned. If the income was less than expected, then Rathbones may need to sell shares. It had been recommended that Rathbones adopt the same procedure as Investec so that income was remitted in the same way. After lengthy discussion, it was agreed to maintain the status quo.

It was RESOLVED to RECOMMEND that Councillors

- **note the documents attached to the agenda report;**
- **approve the 2014-15 Annual Treasury Management Strategy;**
- **approve an income figure of £170k for inclusion in the 2014-15 budget;**
- **approve that Rathbones continue to remit an amount of £21,250 per quarter as before.**

56. **PROGRESS REPORT**

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

Bell St & Northfield End – Parking & Highways Issues

Councillor D Nimmo-Smith gave a verbal update on the issues. OCC had concluded its parking survey and the conclusion so far could involve:

- converting the parking bay on Kings Walk to be for permit holders only
- the echelon parking outside 15-19 Northfield End to be public parking
- formalising arrangements outside 94-102 Bell Street to become parking for permit holders
- finding some additional space on the remainder of Bell Street for Pay & Display
- converting the Pay & Display in Badgemore Lane to residents parking.

It was recognised that the safety issues around the area outside Sydney House still needed to be addressed as did the parking request by Rupert House School. As far as the Georgian paving was concerned, it was confirmed that the relevant parking spaces would be moved back so the paving could be restored.

It was agreed that when the OCC report had been seen, an item should be put on the FS&M agenda so the matter could be debated.

57. **FINANCE**

i) **Management Accounts**

The Town Clerk gave an update on the situation with the lift at the Town Hall. He explained that there had been some additional quotes for the work and the eventual cost was likely to be substantially less than the £18k first predicted. However, there would be a 2-3 week waiting time for the parts to arrive and a further week for installation. It was agreed that disabled visitors should be notified of the lack of lift facilities before events at the Town Hall.

It was noted that the parking income for the year to date was high but that level may not be repeated next year as this item was extremely weather dependent.

It was RESOLVED that the report be received and noted.

ii) **Investment Performance**

The Investment performance had already been reviewed in detail during the Investment Managers presentations. Therefore,

It was RESOLVED that the update be received and noted.

iii) **List of payments**

There were no material comments on the payment listings.

It was RESOLVED that the report be received and noted.

58. **LEGAL FEES 2013-14**

The size of the budget was discussed and whether it was large enough to cope with the unpredictable nature of legal fees. It was agreed that proposed level was sufficient and if more was required, the Contingency Fund could be utilised.

It was RESOLVED to RECOMMEND that

- **Councillors note the breakdown of costs for 2013-14 so far and**
- **a figure of £15k for legal fees is included in the 2014-15 budget.**

59. **2014-15 DRAFT FS&M BUDGET & CAPEX**

A couple of explanatory comments were made:

- the reported cost of the server (£20k) actually covered the upgrade to whole IT Infrastructure,
- the £0 budget for the Neighbourhood Plan reflected that there was no additional requirement for funds next year – the full provision in 2013-14 should be sufficient for both years,
- the capital expenditure of £250k was only a recommended limit.

It was **RESOLVED** to **RECOMMEND** the approval of the draft 2014-15 capital expenditure and budget figures (subject to additional amendments made by Full Council).

Councillor Mrs E Hodgkin abstained from the vote due to her pecuniary interest (Youth Centre).

60. **FINANCE PLANNING & SCRUTINY (FPS) GROUP**

The FPS Group had considered the subject of the office IT requirement and it was agreed that the IT Working Group should be re-constituted to deal with the subject.

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

- the notes of the FPS meeting on 7 October 2013 be noted.
- The IT Working Group be re-constituted with the following members:
 - Councillor M Akehurst
 - Councillor S Gawrysiak
 - Councillor Mrs E Hodgkin
 - Councillor D Nimmo-Smith
 - Councillor I Reissmann

Terms of Reference: to provide advice and recommendations on all aspects of the Council's IT requirements. (Reports to Finance Strategy & Management.)

It was agreed that the Group need to meet as soon as possible to discuss the quotes and proposals provided to the HTC Accountant.

Action: HTC Accountant.

61. **'TALKING OXFORDSHIRE'**

The letter from Oxfordshire County Council was noted although it was considered to be unfortunate that there was not a public meeting venue closer to Henley.

It was **RESOLVED** that the information from Oxfordshire County Council be noted.

62. **CHRISTMAS ARRANGEMENTS 2013**

The Chairman explained that it was customary (and had been for a great number of years) to make a small contribution towards the staff's teambuilding/Christmas festivities as well as closing the Town Hall for the period between Christmas and the New Year. There was no further discussion on the subject.

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

the Town Hall is closed from Wednesday 25th December 2013 through to Wednesday 1 January 2014 inclusive, and that three 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 27, 30 and 31 December 2013 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 festivities as a token of the Council's thanks and appreciation for their work throughout the past year.

63. **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 were considered to be confidential.

MINUTES OF THE CONFIDENTIAL SESSION OF THE MEETING OF THE FINANCE STRATEGY & MANAGEMENT COMMITTEE HELD ON 22 OCTOBER 2013.

64. **CONFIDENTIAL**

i) **LEGAL UPDATE**

The Town Clerk gave an update on all the current cases.

ii) **DEANFIELD ROAD**

It was agreed that the Council may look favourably on a request to sell its small parcel of land.

It was RESOLVED that the affected residents be contacted to see if they would be interested in buying the respective areas of land behind their houses. It should be made clear that this may be the only opportunity to purchase the land.

iii) **RIVER & ROWING MUSEUM (RRM)**

The meeting reviewed the letter the River & Rowing Museum's solicitor had sent to The Rt Hon Eric Pickles MP. The Town Clerk advised that an officer from Dept for Communities and Local Government (DCLG) has spoken to him to discuss the case and he was able to provide the Council's view. DCLG will be responding to the solicitor's letter and confirmed it will be copied to the Council.

It was agreed the letter be noted and no further action was required.

The meeting closed at 9.35pm.

Chairman
23.10.13