

**MINUTES OF POLICY & RESOURCES COMMITTEE HELD ON**

24 September 2009

7.30pm-8.50pm

**PRESENT**

**COUNCILLORS**

Simon Carter (Chairman)

Manny Doku  
Russell Perrin

Andrew Johnson

Eddie Johnson  
Mark Wilkinson

**APOLOGIES**

Chris Millington

**SUBSTITUTIONS**

Linda Pailing substitute for Chris Millington

35. **DECLARATIONS OF INTEREST**

Councillors Simon Carter, Andrew Johnson and Eddie Johnson declared a personal interest in agenda item 22

36. **MINUTES**

**RESOLVED** that the minutes of the meeting held on 30 July 2009 be agreed as a correct record and signed by the Chairman.

37. **MATTERS ARISING**

None.

38. **WRITTEN QUESTIONS AND PETITIONS**

None.

39. **NON-CONTENTIOUS BUSINESS**

**RESOLVED** that the following items be taken as non-contentious:-

15 Action Taken Under Delegated Powers.

- 17 Working Party Minutes.
- 19 References From Other Committees.
- 24 Town Centre North Progress Report.

40. **COMMITTEE WORK PLAN**

**RESOLVED** that

- (a) the Committee Work Plan be noted and the following amendments made:-
  - Bring forward Quarterly Town Centre North report from February to January 2010.
  - Allocate Sponsorship Officer report to November 2009.
  - Allocate Regeneration and Social Inclusion Strategy to November 2009.
- (b) an updated work plan be circulated to members of this Committee prior to the next meeting.

41. **ANNUAL GOVERNANCE REPORT**

The Committee received the Audit Commission's Annual Governance Report.

Members noted the separately circulated Appendices 2 and 3, which had been updated since the agenda had been published, to take account of the latest comments from the Audit Commission.

The Audit Committee had noted this report at its meeting on 22 September 2009.

**RESOLVED** that the report be noted.

42. **MANAGEMENT LETTER OF REPRESENTATION – FINANCIAL STATEMENT AUDIT**

The Committee received the draft letter of representation, which had also been presented to the Audit Committee on 22 September 2009.

An amended appendix to the letter had been circulated, which took account of the Audit Commission's latest comments regarding unadjusted misstatements in the accounts.

**RESOLVED** that the draft letter of representation attached at Appendix 1, together with the amended Appendix A be acknowledged formally.

43. **AUDITED ANNUAL ACCOUNTS**

The Committee received a report and audited annual accounts for approval, which had been noted by the Audit Committee on 22 September 2009.

Members attention was drawn to the fact that the Statement of Accounts had been amended since first being presented to this Committee on 25 June 2009, to take account of comments received from the Audit Commission as they continued their audit.

**RESOLVED** that the audited Statement of Accounts 2008/09 at Appendix 2 of the report be approved ie the accounts are authorised for issue.

44. **MEDIUM TERM FINANCIAL STRATEGY UPDATE**

The Committee received a report which updated the general fund Medium Term Financial Strategy which had been approved by Council in February 2009.

**RESOLVED** that the report be noted.

45. **TREASURY MANAGEMENT STRATEGY STATEMENT 2009/10 – MID YEAR REVIEW**

The Committee received a report on a review of the strategy which had been approved by Council on 19 February 2009.

Members complimented the author of the report for his clear presentation of the complex information it explained.

**RESOLVED** that

(a) it be recommended to Council that the following modifications be made to the Treasury Management Strategy for the remainder of 2009/10:-

(i) a new credit rating measure be adopted that considers institutions' Credit Default Swap (CDS) status, where that measure is available (see paragraph 45ii);

- (ii) that regard be taken of Moody's credit ratings in the Council's lending list, whilst the primary credit ratings will remain Fitch's ratings (see paragraph 45iii);
- (iii) that the three nationalised/part-nationalised banks be added to the Council's lending list in accordance with the parameters proposed in paragraph 63 of this report;
- (iv) that minor modifications be made to the treasury management practices, as set out in appendices 4a and 4b to this report;
- (v) that investments in money market funds be restricted to those that meet the following criteria:
  - 1) a credit rating of AAA
  - 2) a volatility rating of MR1+

These being Moody's ratings – the equivalent ratings by Fitch are AAA and V1+ (see paragraph 54).

- (b) the following be noted:-
  - (i) the improvements made to the Council's treasury management procedures (paragraphs 7 to 9);
  - (ii) the potential need for new external borrowing with effect from 2009/10 onwards (see paragraph 27-31) – with the growing likelihood that the Council will need to take out new external borrowing, the Strategic Director will continue to monitor the interest rate market and adopt a pragmatic approach to changing circumstances;
  - (iii) that a temporary reduction in maximum investment periods has been applied, as outlined in paragraph 45i) of this report, with provision to reinstate the original limits (approved by members in February 2009) in the event that SECTOR provides such recommendation;
  - (iv) the introduction of new money market funds and the approach taken, as set out in paragraphs 50-57.

46. **FEDERATION OF SMALL BUSINESS – SMALL BUSINESS ENGAGEMENT ACCORD**

The Committee received a report proposing that the Council signs the Small Business Accord (an initiative to help local authorities improve their engagement with their local business communities).

**RESOLVED** that

- (a) approval be given for the Council to sign up to the Federation of Small Businesses' 'Small Business Engagement Accord';
- (b) authority be delegated to the Chief Executive to implement the principles of the Accord;
- (c) a report on the implementation of the Accord be presented to a future meeting of this Committee.

47. **BUSINESS CASES FOR GAS CENTRAL HEATING SYSTEM RENEWALS AND REWIRING OF HOUSING PROPERTIES – PROJECT NO. K09/11BC**

The Committee received a report which sought Members' approval for various contracts under the business case methodology.

**RESOLVED** that a contract be awarded to Kier Harlow Ltd for gas central heating system and boiler renewals and electrical rewiring and upgrades to a value not exceeding £2,017,278 'subject to contract'. This award to be made in accordance with the Business Case Methodology set out in the Kier Harlow Ltd Services Agreement.

48. **STANDING ORDERS RELATING TO CONTRACTS - ACTION TAKEN UNDER DELEGATED POWERS**

The Committee received a report on the action taken under delegated powers in respect of Standing Orders Relating to Contracts for the period 3 March 2009 to 26 August 2009.

**RESOLVED** that the action taken be noted.

49. **DEBT WRITE-OFFS**

The Committee received a report requesting the write off of irrecoverable debts.

**RESOLVED** that

- (a) irrecoverable Council Tax amounting to £46,671.71 be written off;
- (b) irrecoverable non-domestic rates amounting to £83,042.98 be written off and un-refundable credit balances amounting to £33,384.68 be written off, giving a net balance of £49,658.30;
- (c) irrecoverable sundry debts amounting to £6,251.70 be written off;
- (d) irrecoverable housing benefit overpayments amounting to £25,589 be written off.

50. **WORKING PARTY MINUTES**

- (a) Budget & Performance Monitoring Working Party

**RESOLVED** that the minutes of the meeting held on 26 August 2009 and 16 September 2009 be noted.

- (b) Safety Committee

**RESOLVED** that the minutes of the meeting held on 8 September 2009 be noted.

- (c) Theatre Development Working Group

**RESOLVED** that the minutes of the meeting held on 9 September 2009 be noted.

51. **REFERENCES FROM OTHER COMMITTEES**

- (a) Housing Committee  
10 September 2009

- (i) Former Tenant Write-Offs

The above Committee recommended to the Policy and Resources Committee that it writes off £19,136.62 of former tenants' rent arrears.

**RESOLVED** that the above recommendation be agreed.

(ii) Leaseholder Write-Offs

The above Committee recommended to the Policy and Resources Committee that it writes off £5,006.56 of former leaseholders' service charge arrears.

**RESOLVED** that the above recommendations be agreed.

52. **ASSET MANAGEMENT PLAN**

This item was brought forward into the open session of the meeting, with only Appendix B remaining confidential (See Minute 55).

The Committee received a report proposing approval of the Asset Management Plan, which set out how the Council would manage its assets to support delivery of its corporate priorities.

**RESOLVED** that

- (a) the Asset Management Plan (at appendix A and confidential appendix B) be adopted;
- (b) authority be delegated to the Assistant Chief Executive (Growth & Regeneration) to implement the Asset Management Plan, in line with the policies contained therein;
- (c) authority be delegated to the Head of Community & Customer Services, in consultation with the Chairman and Vice-Chairman of this Committee and the Chairman of the Grants Panel, to authorise grant in support of rent paid to the Council up to the value of £5,000 per organisation per year; and that a report be submitted annually to the Grants Panel setting out the detail of grants authorised under this delegation.

53. **MATTERS OF URGENT BUSINESS**

None.

54. **EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED** that the press and public be excluded from the meeting during consideration of the following agenda items on the grounds that they involve the likely disclosure of exempt information as specified under Paragraph 3 of Part One of Schedule 12A of the Local Government Act 1972, if and so long as in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

55. **ASSET MANAGEMENT PLAN**

This report was taken in open session (see minute 52). A number of questions on the confidential Appendix B were asked in closed session.

56. **PROGRAMME OF DEVELOPMENT (POD) PROJECTS – FUNDING REDUCTION**

Following the Department for Communities and Local Government's proposal to reduce the capital allocation by £3m (CLG), the Committee received a report on possible revised funding allocations for the third round of Growth Area Funding (GAF 3).

**RESOLVED** that

- (a) the Leader of the Council be requested to write to the Department for Communities and Local Government on behalf of the London-Harlow-Stansted Partnership objecting to the proposed cuts;
- (b) the revised project funding allocations as detailed in Appendix 2 (to be implemented only if the proposed cuts are implemented) be ratified.

57. **TOWN CENTRE NORTH – PROGRESS REPORT**

The Committee received a progress report on the Town Centre North project.

**RESOLVED** that the report be noted.

CHAIRMAN OF THE COMMITTEE