

## **FINANCE & PROPERTY SUB COMMITTEE**

**1 JULY 1998**

Present: Councillors Bettison, Egan, Mrs Hayes, Mrs Pile, Ryan  
and Wade

Substitute Members: Councillors Jones (for Councillor Wheaton)  
Mrs Keene (for Councillor Mrs Hirst)

Apologies had been received from Councillors Mrs Hirst and Wheaton

### **1. Election of Chairman**

**RESOLVED** that Councillor P Bettison be elected Chairman of the Sub Committee for the municipal year 1998/99.

## **COUNCILLOR BETTISON IN THE CHAIR**

### **2. Appointment of Vice Chairman**

**RESOLVED** that Councillor R Wade be appointed Vice Chairman of the Sub Committee for the municipal year 1998/99.

### **3. Minutes**

The minutes of the Sub Committee held on 10 March 1998 were approved as a correct record and signed by the Chairman.

### **4. Quarterly Operations Report (Item 1)**

The Director of Corporate Services introduced the first Quarterly Operations Report which summarised the work of the Corporate Services Department over the last quarter. The report highlighted the main activities of each of the Business Units within Corporate Services, information on personnel and financial resource management and performance against the targets set by the Sub Committee in January 1998 as part of the Service Plan.

Key achievements during the quarter included the completion of the review of the Administration Service; agreement on the future provision of the internal audit service; the successful transition of IT systems and progress towards the introduction of a corporate communication technology strategy; and the key role played by the Legal Section in achieving joint agreements on transition between the six unitary authorities in Berkshire.

**RESOLVED** that the Quarterly Operations Report be noted.

### **5. Review of Administration Services (Item 2)**

The Director of Corporate Services introduced a report on the outcome of the review of the structure of the Administration Business Unit.

The review had identified a number of problems inherent in the existing structure which tended to limit the overall effectiveness of the service. An improved structure was proposed, based upon two separate units dealing with Member and Registration Services, and Facilities Management activities. Both would report directly to the Director of Corporate Services. The functions of the two discrete units and the proposed staffing structures to fulfil those functions, including the impact of the structure on existing posts, were detailed in the report.

**RESOLVED** that

- (i) the proposals for reorganising the Administrative Business Unit outlined in the report be agreed to be implemented from 1 September 1998;
- (ii) the budget for Corporate Administration Services in 1999/2000 be reduced by £71,000 to £1,220,000; and
- (iii) all responsibility for concessionary fares and the mini bus service be transferred to the Planning & Transportation Committee.

**6. Capital Programme 1997/98 - Provisional Outturn (Item 3)**

The Sub Committee received a report on the preliminary outturn position for 1997/98 against the approved capital programme.

The Council had agreed a capital programme of £12.5m on 27 February 1997 for new schemes to be implemented in the financial year 1997/98. In addition approval had been granted to carry forward budgets amounting to £6m, relating to schemes which had previously been agreed by Council prior to 1997/98. The report gave a preliminary outturn position and estimated the level of carry forward into 1998/99. A provisional estimate for year-end capital receipts was also provided, which indicated the possibility for further capital funds to be made available to meet additional requests submitted by service committees.

**RESOLVED**

- (i) that the estimated outturn capital programme expenditure of £29.4m against an approved budget of £41.1m be noted;
- (ii) that the provisional estimated year end available capital receipts of £34.7m be noted; and
- (iii) that the Strategy & Policy Committee be advised that additional capital funding has been identified which can be used to support the request from Education Budget Sub Committee for additional funding to supplement the "Building Better Schools" initiative.

**7. Transition Expenditure - Provisional Outturn 1997/98 and 1998/99 Estimate (Item 4)**

The Sub Committee received a report presenting the provisional outturn position on expenditure against the transition budget for 1997/98, and the estimated requirements for transition expenditure for 1998/99 and the next three years.

**RESOLVED**

- (i) that the estimated outturn transition expenditure for 1997/98 be noted;
- (ii) that the transition budgets for 1998/98 to 2000/01 be approved; and
- (iii) that the Chief Executive be authorised to agree additional expenditure from the transition budget up to the level of the contingency of £250,000.

**8. Treasury Management - Annual Report 1997/98 (Item 5)**

The Sub Committee received the annual report of the Borough Finance Officer on the performance achieved through the Council's investment strategy. The report summarised performance on the Council's investments during the last year and proposed an investment strategy for the year ahead.

Members were particularly pleased that the rate of return generated by internally managed investments had exceeded the rate achieved by the Council's Fund Managers.

**RESOLVED**

- (i) that the annual report be noted;
- (ii) that the general principles of the proposed investment strategy for 1998/99 be agreed; and
- (iii) that the maximum amount invested long term (i.e. for a period of 1 to 5 years) be limited to 60% of the total sums invested.

**9. Personal Accident Insurance for Council Members (Item 6)**

The Sub Committee was advised that the Council currently provided personal accident insurance for Councillors. The benefits payable were periodically increased to take account of inflation. However the current level of cover had not kept pace with industry standards and it was proposed to link the level of insurance cover to a specific senior manager's salary grade.

**RESOLVED** that the personal accident insurance cover for Councillors be based on a senior manager's salary linked to the top of grade D (SCP54) and should be recalculated annually.

**10. Assisted Car Purchase Scheme (Item 7)**

The Sub Committee considered a report on the Council's assisted car purchase scheme which allowed essential car users and casual car users (who complete in

excess of 300 miles per annum) to apply for a car loan at a fixed rate of interest for the life of the loan.

The National Negotiating Body had until recently, determined the interest rate applied to car loans each year. However, the loans were no longer included in the national agreement and each local authority was required to determine its own rate of interest. To reduce administration and the need for annual decisions by the Sub Committee it was recommended that the interest should be determined annually by the Borough Finance Officer at the base rate on the previous 1 March plus 1.2% to cover administration and provision for any losses.

The proposal would be reported for information to the Local Joint Committee at its next meeting.

**RESOLVED** that the interest rate on car loans be set annually as the base rate on the previous 1 March plus 1.2% to cover administration and a provision for any losses.

11. **Sale of School Land & Buildings (Item 8)**

The Sub Committee received a report from the Director of Education proposing the adoption of a policy on capital receipts in respect of school land and buildings.

Berkshire County Council had introduced a policy of sharing some of the proceeds from capital receipts with schools as an incentive to schools to bring forward unused or under used premises for disposal. As part of the process of reviewing Berkshire policies and amending them to meet the circumstances of the Borough, the Sub Committee was asked to consider adopting this policy for use in appropriate circumstances.

**RESOLVED** that the policy outlined in paragraph 4.3 be approved, which links disposal of unused and under used premises or land to a scheme to benefit the school concerned.

12. **Energy Purchase Contracts (Item 9)**

The Sub Committee considered a report on the arrangements for inviting tenders for the annual contracts for the provision of gas and electricity to the Council's larger sites. Tenders were shortly to be invited for energy purchase contracts for those buildings using more than 100 KW of electricity or 2,500 therms of gas annually.

**RESOLVED** that the Borough Surveyor be authorised, in consultation with the Chairman, to accept the lowest tenders for the supply of gas and electricity, respectively.

13. **Building Cleaning Contracts (Item 10)**

*In accordance with Standing Order 25 Councillor Egan declared a non pecuniary interest in this item and was invited to remain and participate in the meeting.*

The Sub Committee was advised that a number of building cleaning contracts, which had either been let by the Borough Council or inherited from Berkshire County Council, were due to expire during the summer/autumn 1998. Authority was sought to extend and re-tender these contracts.

The anticipated programme for the re-tendering was set out in the report. There were likely to be various options within each contract, which would reflect quality and standards, as well as price, which would need to be balanced against budget availability. It was proposed therefore that a special Sub Committee be established to enable Members to evaluate the tenders received.

#### **RESOLVED**

- (i) That authority be given to the extension of existing cleaning contracts up until 31 March 1999;
- (ii) That the Borough Surveyor, in consultation with the Chairman, be authorised to agree the lists of tenderers for each proposed cleaning contract;

**RECOMMENDED** to Strategy & Policy Committee that a special Sub Committee be established consisting of five Members, with authority to evaluate the tenders received for building cleaning and to accept the most cost effective tenders for these services.

#### **14. Non-Secure Leases and Licences to Occupy Corporate Operational Property (Item 11)**

The Sub Committee received a report advising that as a unitary authority the Council now owned and managed a significant corporate operational property portfolio. In order to achieve improvements in service delivery through joint working, or maximise use of this accommodation, authority was sought for the Borough Surveyor to enter into appropriate non-secure leases or licences, dependent upon individual circumstances, with other organisations or agencies.

**RESOLVED** that the Borough Surveyor be given delegated authority to grant short term contracted out leases or licences for outside agencies to occupy space within the Council's corporate operational property where the relevant Director is satisfied that benefits will accrue in service delivery.

#### **15. Items for Information**

The Sub Committee received and noted the following items for information:

- Item 12 Urgent Action - Public Safety Site Clearance - Garages 106 to 110  
Victoria Road, Owlsmoor
- Item 13 Urgent Action - Provision of Archives - Yeomanry House

#### **16. Exclusion of Public and Press**

**RESOLVED** that pursuant to Section 100A of the Local Government Act 1972, members of the public and press be excluded from the meeting for the consideration of Items 14 to 17 which involved the likely disclosure of exempt information under the following category of Schedule 12A of that Act:

- (1) Information relating to individual employees (Annexe D to Item 2)
- (7) Information relating to the financial affairs of a particular person (Item 14)
- (8) Information on contract price for the sale or acquisition of property (Items 15, 16 and 17)

**17 Business Rates - Discretionary Rate Relieve (Item 14)**

The Sub Committee considered a report on applications for relief on business rates from a business in a designated rural area; and from a charitable body.

**RESOLVED:**

- (i) that 50% discretionary rural rate relieve be granted to Cranbourne Stores until 31 March 2000; and
- (ii) that 20% discretionary charitable relieve be granted to the YMCA until 31 March 1999.

**18 Longshot Lane - Lease Renewals (Item 15)**

The Sub Committee was advised that the Council held a 125 year head lease of part of the Longshot Lane estate. The majority of the units on the estate were currently subject to lease renewals, this being to either existing or new tenants. The Head rent review was also due and was under negotiation.

Based on current market rents, a number of proposed lettings on the estates, particularly for the larger units and open storage areas, were at higher rentals than current delegations allowed to be dealt with by officers. Delegations generally were under review and a report was to be submitted to a future meeting of Strategy and Policy Committee. In the meantime, this report sought delegated authority to deal with these new leases, rent reviews and lease renewals, and to complete the head rent review.

**RESOLVED**

- (i) That the Borough Surveyor be given delegated authority to deal with new leases, rent reviews, lease renewals and licences for the Council's commercial property where the proposed rent does not exceed £25,000 per annum; and
- (ii) That the Borough Surveyor, in consultation with the Chairman be given delegated authority to complete the head rent review at Longshot Lane.

**19. Disposal of Land at South Hill Road (Item 16)**

The Sub Committee received a report on the potential disposal of land at South Hill Road. East Berkshire NHS Trust owned an area of land, which extended to some 12 hectares and was currently occupied by Church Hill House Hospital. The Council

owned an adjacent strip of land of approximately 1.3 hectares along South Hill Road, this being land transferred to the Council by Bracknell Development Corporation.

The report outlined proposals for the joint marketing and disposal of the whole site and recommended the approval of provisional agreed terms for the sale.

**RESOLVED:**

- (i) That the Borough Council dispose of its landholding at South Hill Road on the basis set out in the report; and
- (ii) That the Borough Surveyor, in consultation with the Chairman, be authorised to agree any amendments to the terms in order to achieve best consideration.

20. **Land Adjacent to 9 Cambridge Road - Disposal of House Plot (Item 17)**

The Sub Committee considered a report on the potential disposal of land in Cambridge Road, Owlsmoor. The land had outline planning consent for one detached dwelling. The report proposed that the site be sold to Cheshire Foundation Housing Association to build a special needs housing unit.

The Housing Sub Committee on 4 March 1998 had received a report outlining the social housing benefits of this scheme.

**RESOLVED** that authority be granted to the Borough Surveyor to dispose of land adjacent to 9 Cambridge Road to Cheshire Foundation Housing Association on the terms set out in paragraph 4.5 of the report.

The meeting commenced at 7.30pm and concluded at 8.40pm.

**CHAIRMAN**