

## **Review Committee Task and Finish Group – 25 November 2014**

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Minutes of the meeting of the **Review Committee Task and Finish Group** held on **25 November 2014** when there were present:-

Cllr R R Dray

Cllr J R F Mason

### **APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllrs M Hoy and C G Seagers.

### **OFFICERS PRESENT**

M Petley	-	Senior Accountant
P Gowers	-	Overview and Scrutiny Officer
M Power	-	Committee Administrator

### **3 APPOINTMENT OF CHAIRMAN**

Cllr R R Dray was appointed Chairman of the Group for the meeting.

### **4 MINUTES OF THE MEETING HELD ON 15 JULY 2014**

The Minutes of the meeting of 15 July 2014 were agreed as a correct record and signed by the Chairman.

### **5 MID-YEAR TREASURY MANAGEMENT REVIEW**

Members considered the mid-year Treasury Management report of the Head of Finance seeking the Committee's views before it is presented for approval by Full Council on 16 December 2014.

In response to questions, the following was noted:-

- The original capital expenditure estimate for 2014/15 of £3.159 million included the anticipated cost of purchasing Council waste vehicles (approximately £1.6m). The procurement process is now complete; however, payment for the vehicles will be at the time of delivery, and so carried forward to 2015/16. At that stage it will be decided, in consultation with Capita Treasury Services Ltd, whether payment will be funded by borrowing or by using capital receipts from a £1.5 million investment due to mature in August 2015.
- £725,000 shown as the current position is in respect of capital expenditure as at the end of September 2014. A total £1.6 million of capital expenditure is estimated for the end of the current financial year. Any capital budget carried forward to the next financial year will be included in the 2015/16 budget for consideration by Full Council.

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- A paragraph clarifying the capital expenditure table would be included in the report.
- In respect of Capita's interest rate forecast, it is now likely that a rise in the interest base rate from 0.5% to 0.75% will happen in March 2016 rather than in December 2015, as stated in the report.
- The estimate of £1.9 million for capital receipts at the beginning of the year had been reduced to £1.2 million due to a low level of assets sold by the Council during 2014/15. As well as external receipts, there are capital receipts from the capital reserve pot, which is carried forward from 2013/14.
- The Council's investment portfolio yield of 0.69% is reported as higher than comparisons with that of other Councils (with a benchmark figure of 0.5%). It was requested that a benchmarking exercise be undertaken and reported back to the Committee to compare investment performance of other Councils in Essex with that of Rochford District Council. If it is not possible to gather this information for inclusion in the report, a paragraph would be added to the report that there is an intention to provide this information.
- The £48,500 investment return includes neither the annual Capita Treasury Services management fee of £6,000, nor the costs of Council officer time to administer the investments. These would be included in the report to Council.
- The option of the Council investing funds in NS&I would be explored with Capita Treasury Services and reported back to the Committee for information.

### **Resolved**

That the contents of the Treasury Management Mid-Term Review, following inclusion of the Committee's comments as detailed above, be recommended to Full Council. (HLEMS)

The meeting closed at 7.43 pm.

Chairman .....

Date .....

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