

**A MEETING OF THE POLICY AND ORGANISATION BOARD
WAS HELD ON 16 SEPTEMBER 2009**

The Mayor (Councillor Mrs Searle) (ex-officio); Councillors Burgess (P), Carter (P), Chegwyn (P), Cully (P), Gill (P), Hicks (P), Hook (Chairman) (P), Langdon (P), Philpott (P) and Wright (P).

23. APOLOGIES

An apology for inability to attend the meeting was received on behalf of the Mayor.

24. DECLARATIONS OF INTEREST

There were no declarations of interest.

**25. MINUTES OF THE MEETINGS OF THE BOARD HELD ON 24 JUNE AND
22 JULY 2009**

RESOLVED: That the Minutes of the Board meetings held on 24 June and 22 July 2009 be approved and signed by the Chairman as true and correct records.

26. DEPUTATIONS

There were no deputations.

27. PUBLIC QUESTIONS

There were no public questions.

PART I

28. AMENDMENTS TO THE CONSTITUTION

Consideration was given to a joint report of the Borough Solicitor and Borough Treasurer (a copy of which is attached in the Minute Book as Appendix A), which sought approval of amendments to the Constitution to enable effective delegation of Community Partnership and Community Safety responsibilities.

RECOMMENDED: That:

- a) the delegations to officers set out in Appendix 1 of the joint report of the Borough Solicitor and Borough Treasurer be approved; and
- b) the Borough Solicitor be authorised to make all necessary amendments to the Constitution to give effect to the above.

29. TREASURY MANAGEMENT ANNUAL REVIEW 2008/09, PROGRESS REPORT 2009/10 AND PRUDENTIAL INDICATORS

Consideration was given to a report of the Borough Treasurer (a copy of which is attached in the Minute Book as Appendix B), which advised Members that the annual treasury report was a requirement of the Council's reporting procedures and covered the treasury activity for 2008/09 together with a review of 2009/10 to date. The report also covered the actual Prudential Indicators for 2008/09 in accordance with the requirements of the Prudential Code.

It was agreed that the following words should be removed from the fourth bullet point of the proposed updated Investment Strategy 2009/10 – 2010/11:

“(part of the Council’s bankers respectively)”

An updated investment strategy for 2009/10 – 2011/12, as set out below, was presented to Members at paragraph 3.3 of the report for approval:

- In order to limit interest rate exposure all investments are to be fixed rate transactions
- No Investments to exceed 364 days
- New investments to be placed with
 - › The top three building societies (currently Nationwide, Coventry and Yorkshire)
 - › The Council's bank
 - › The major British banks and their wholly owned subsidiaries (Royal Bank of Scotland, HSBC, Lloyds/HBOS, Barclays and Co-op)
- Short term surplus funds are to be invested in money market funds or deposit accounts as operated by the Royal Bank of Scotland and the Bank of Scotland. These offer immediate deposit and withdrawal facilities but still at advantageous rates of interest.
- A £3m limit applies with any single group other than the Council's bank
- The main principles governing the Council's investment criteria are the security (as advised by the Council's broker) and liquidity of its investments, although the yield or return on the investment will be a consideration, subject to adequate security and liquidity.

RECOMMENDED: That:

- a) the report of the Borough Treasurer be noted and the 2008/09 prudential indicators be approved; and
- b) the updated investment strategy at paragraph 3.3 of the report of the Borough Treasurer be approved.

30. BUDGET STRATEGY 2010 - 2011

Consideration was given to a report of the Borough Treasurer (a copy of which is attached in the Minute Book as Appendix C), which considered the strategy for the preparation of the General Fund budget for the next financial year in the light of the Medium Term Financial Strategy approved by the Board in March 2009.

Members raised concerns regarding the future of discretionary services provided by the Council and were advised that, should any changes in provision be proposed, they would be brought to the relevant Board for consideration.

Members were advised that the approach to service delivery would need to be flexible depending on legislation and skills that could be retained in-house. Government finance for next year remained uncertain.

RECOMMENDED: That the following budget strategy principles for 2010-2011, as set out in sections 2 and 3 of the Borough Treasurer's report, be approved:

- a) budget preparation will incorporate, as far as possible, requirements resulting from Council priorities identified in Capital Strategies, the Community Strategy and the Corporate Plan;
- b) budget preparation will initially be in accordance with previous policy i.e. "zero-based" wherever possible and new bids will be minimised. Maintenance proposals will be in accordance with Asset Management Plan requirements;
- c) capital projects within the Capital Programme will be considered in terms of priority and affordability;
- d) fees & charges will therefore generally increase in line with previous practice and within any statutory parameters;
- e) as the Council has already externalised many areas of work, efficiency opportunities will be sought through the review of contract terms and specifications, either in partnership with existing contractors or when contracts fall due for renewal;
- f) future service reviews will attempt to assess the value for money achieved in delivering individual services (mainly through benchmarking) and seek to identify improvements;
- g) the Council will continue to seek opportunities to deliver services more efficiently through outsourcing, partnership and joint working;
- h) the Council will seek to identify areas of council business where savings can be made and additional income generated. In some cases it may be recommended that discretionary services are no longer provided or that a radically different approach to service delivery is adopted. Essential and statutory services will be protected as far as possible;

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- i) it is now appropriate that the balance of the grants available for revenue funding is credited to revenue accounts as received. Uncommitted surpluses will then be gathered in to the revenue financing reserve, primarily for use on spend-to-save initiatives to reduce future tax requirements; and
- j) the Council will continue to monitor progress in achieving efficiencies through established budgetary control processes.

Under Standing Order 6.10 (Minority Order), two Members requested that the matter be referred to full Council.

PART II

31. APPROVAL OF STATEMENT OF ACCOUNTS

Members were advised that no issues had been raised at the Standards and Governance Committee meeting on 10 September which would have required a report to be submitted to the Policy and Organisation Board on this matter and consequently this item was withdrawn.

32. SALE OF LAND ADJACENT TO 59, HANBIDGE CRESCENT, GOSPORT

Consideration was given to a cross reference from the Community and Environment Board meeting on 7 September 2009 related to the proposed sale of land adjacent to 59, Hanbidge Crescent, Gosport.

RESOLVED: That the sale of the freehold interest of the land adjacent to 59, Hanbidge Crescent, Gosport for the consideration of £2800 be approved.

The meeting ended at 6.14 p.m.

CHAIRMAN