

Title of Report:	Resource Management Working Group
Report to be considered by:	Overview and Scrutiny Management Commission
Date of Meeting:	31 July 2012

Purpose of Report: To provide an update on the work of the Resource Management Working Group.

Recommended Action: To note the information.

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Executive Report

1. Introduction

- 1.1 The Resource Management Working Group (RMWG) last met on 2 July 2012. A summary of the main discussions held are as follows:

Asset Management

- 1.2 The Working Group was briefed on the Council's current Asset Management Plan (AMP) and the process for review of the AMP and its procedures. Information was provided to Members on areas including:

- (1) The costs identified and the level of priority given to required maintenance in schools/other Council buildings and the actual funding allocated. Following this discussion, John Ashworth agreed that a greater level of explanation for the figures provided will be incorporated as part of the next edition of the AMP/Capital Strategy and Programme. It will also be circulated to Working Group Members in advance of this.
- (2) The criteria for retaining, disposing of and acquiring property. Members were advised that this is very much an evolving criteria and while the most appropriate use for a property due for disposal is considered, the current presumption is to sell the property and maximise the capital return for the Council. An 'Asset Challenge' methodology was being introduced whereby the use of/need for a property was discussed with relevant service areas. A disposal list existed and was updated annually. It was confirmed that assets for disposal were identified as potential capital receipts as part of the budget build process.
- (3) Members questioned whether the timescale given for some of the subjects in the action plan had been given enough priority, i.e. Taceham House and the London Road Industrial Estate (LRIE). John Ashworth was of the view that the introduction of the Asset Challenge methodology would help to avoid delays and advised that a report on the redevelopment of Taceham House had been drafted/options were being actively pursued. The complexities of the LRIE meant that this project had taken time.
- (4) It was felt by Members that the existing AMP served more as a list of assets rather than a strategy which was a need. In response, Members were advised that as part of the current year's refresh of the document it was the intention to include a greater deal of direction for the Council's assets.
- (5) A new web based database was soon to be introduced. The new package had been purchased to replace the existing and very basic database with a more sophisticated/modern model that would put the Council in line with other local authorities.

- (6) Members gave consideration to the suggestion from the Overview and Scrutiny Management Commission to consider the examination of the timeline relating to the use and sale of Taceham House. Members were of the view that the report should proceed as planned through to the Executive, a decision could then be taken as to whether the item should be called-in or whether it should be added to the work programme for a future meeting when it could help to create a focussed debate for further asset management discussions.

Establishment Report – Quarter Four 2011/12

- 1.3 Members noted this report.

Provisional Financial Outturn Report: 2011/12 Financial Year

- 1.4 Members were advised that the provisional outturn was a £491k underspend. However, a view was given by a Member that this should have been reported as a much higher figure and the £491k underspend was only achieved by utilising 2011/12 funds in 2012/13. Joseph Holmes reported that the view was taken that it was more appropriate to allocate funding from the 2011/12 financial year to the areas identified in the outturn report in 2012/13 rather than to start the new financial year with a potential deficit. Funding had been allocated to the bad debt provision in 2012/13 from the 2011/12 budget in recognition of the double dip recession.
- 1.5 The Working Group were also informed that the Council is not to take up the capitalisation directive for spreading the costs of statutory redundancy over a longer time frame. Joseph Holmes explained that due to the comparatively small number of statutory redundancies/relatively small amount of money involved together with the borrowing costs that would be incurred from capitalisation, this approach was not taken forward.
- 1.6 The level of funding remaining to be committed in Housing and Performance was queried (£537k). It was confirmed that this related to the Disabled Facilities Grant, much of this money was allocated but due to the nature of the Grant it had not been committed in year. The remaining funds were therefore effectively spent.

2. Next meeting

- 2.1 The meeting scheduled for 7 August 2012 has been cancelled and the following date is 25 September 2012 although this is subject to change. The following items are on the draft agenda:
 - (1) MTFS – item to particularly focus on the impact on the MTFS from the introduction of the Local Government Finance Bill in 2013/14 and beyond as well as the potential impact of Business Rate Reform.
 - (2) Latest budget report.
 - (3) Risk Register.

3. Work Programme

- 3.1 The latest work programme for the Working Group is contained within item 16 of this agenda. An item to consider the impact of Local Authority maintained schools

converting to academy status on the Council's finances has been added to the work programme, date to be confirmed.

Appendices

There are no appendices to this report.