

Minutes of the Audit and Accounts Committee meeting held on Monday, 28 January 2019 in Committee Rooms 1 & 2 - Deanes, Basingstoke and Deane Borough Council at 2.00 pm

Members of the Audit and Accounts Committee in attendance: Councillor D Sherlock (Chair), Councillor O Cubitt, Councillor G Falconer (Vice-Chair), Councillor P Harvey, Councillor D Potter, Councillor V Rowland, Councillor K Taylor and Councillor J Westbrook

128/18 Apologies for absence and substitutions

Councillor Gardiner was replaced by Councillor D Putty.

The Vice-Chair Councillor Sherlock chaired the meeting in the absence of the Chair Councillor Gardiner.

Councillor Falconer was appointed as Vice-Chair for this meeting only.

129/18 Declarations of interest

There were no declarations of interest.

130/18 Urgent matters

There were no urgent matters.

131/18 Minutes of the meeting held on 10 December

The Committee stated that they had not received the confidential briefing note in relation to the Invest to Grow Fund and affordable housing schemes. The Interim Executive Director of Finance and Resources confirmed that he would ensure that the requested information was circulated to the committee before the next meeting.

The minutes of the meeting held on the 10 December 2018 were confirmed by the committee as a correct record and signed by the Chair.

132/18 Property Investment Strategy - Draft Annual Property Plan 2019-20

The Asset Manager introduced the report which presented the Property Investment Strategy – Annual Property Plan 2019-20 that would be considered by Cabinet at its meeting on the 5 February 2019.

The Committee welcomed that investments were being made across the Boroughs business parks and not just restricted to Basing View.

The Committee did not support 5.1.1 of the report which recommended that the investment allocation be increased by 5 million and felt that if an opportunity did arise then the urgency procedures should be followed instead.

The Committee felt strongly that the Council should be investing in residential investment opportunities regardless of the fact that it often came with a lower yield as they felt that it was a worthwhile opportunity for the Borough Council.

The Committee expressed their concern that the portfolio continued to be heavily exposed to one section (Commercial) and wished that the fund be diversified.

A copy of the Winkworth report in relation to residential market was requested.

Resolved: The Committee

- 1) Notes the content of the report.
- 2) Requests that Cabinet considers its views.

133/18 **Invest to Grow Business Plan - 2019/20**

The Interim Executive Director of Finance and Resources introduced the report which presented the Draft Invest to Grow Business Plan for 2019/20 that would be considered by the Cabinet at its meeting on 5 February 2019.

The Committee questioned the fee structure for CBRE who managed the fund and whether it was a flat fee or adjusted according to performance.

The Interim Executive Director of Finance and Resources confirmed that information in regard to the fee arrangements and contract arrangements would be circulated to the Committee.

The Committee made reference to 7.4 of the report in relation to the housing scheme which would deliver 140 homes and requested further detail on the matter.

The Committee also requested that the minutes of the Internal Invest to Grow finance meetings be circulated so that they would be able to understand the process in more detail.

Resolved: The Committee

- 1) Notes the content of the report.
- 2) Requests that Cabinet considers its views.

134/18 **Treasury Management Strategy 2019/20**

The Accountancy Manager introduced the report which presented the Draft Treasury Management Strategy 2019/20 that would be considered by Cabinet at its meeting on the 5 February 2019.

Resolved: The Committee

- 1) Notes the content of the report

135/18 **Capital Strategy and Investment Strategy (Non-Treasury) for 2019/20**

The Accountancy Manager introduced the report which presented the Draft Capital Strategy and Investment Strategy (Non-Treasury) 2019/20 that would be considered by Cabinet at its meeting on the 5 February 2019.

The Committee questioned whether any work had been undertaken with any of the Councils partners in relation to Brexit contingency plans and their exposure to certain at risk areas.

The Committee made reference to the waste contract and the loan of 5 million to Serco for the purchase of vehicles and requested detailed information in relation to the agreement.

Questions were raised and the Committee sought clarification in relation to the Manydown development and infrastructure costs. The Interim Executive Director agreed to circulate information which would include indicative values including asset value, land and uplift value.

Resolved: The Committee

- 1) Notes the content of the report

136/18 **Viewing of Social Networking Sites and RIPA Inspection Update**

The Chair introduced the report which provided the Committee with a summary of the viewing of individuals' social networking sites in an investigatory capacity for the period 1 November to 31 December 2018.

Resolved: The Committee

- 1) Notes the content of the report

137/18 **Audit and Accounts work programme**

The Chair introduced the work programme which gave a brief overview of the items that would be included on the agenda for the upcoming meetings.

Councillor Potter requested that it be recorded that he was unhappy that he was unable able to see the interim statement until the conclusion of the investigation.

He also felt that it was unacceptable that the Chief Executive had circulated the letter from the ICO to all Council Members when some members had not been elected at the time of the initial email from which the claim had been made.

The statement made by the Leader of the Council at the December Council meeting was not the way that the matter should have been dealt with. He also felt that there was no reason as to why the report had not been produced in time for the meeting and had been delayed until March.

The Chair responded that officers had advised that the report had been delayed so

that there was enough time for a more thorough and detailed report to be produced.

The Committee requested that the Cabinet Member for Finance Service Delivery and Improvement be invited to the next meeting to help provide further background to reports.

The meeting ended at 3.56 pm.

Chairman