



PERFORMANCE AND GOVERNANCE

13 November 2012 at 7.00 pm
CONFERENCE ROOM - COUNCIL OFFICE

SUPPLEMENTARY AGENDA

Membership:

Chairman: Cllr. Fittock Vice-Chairman: Cllr. Walshe

Cllrs: Mrs. Bayley, Clark, Mrs. Cook, Davison, Dickins, Firth, Gaywood, Grint, London, McGarvey and Piper

The following item was not agreed in time to be printed with the main agenda:

5. To receive the Minutes of the Finance Advisory Group for information. (Pages 1 - 6)

Minutes of the meeting held on 24 October 2012.

To assist in the speedy and efficient despatch of business, Members wishing to obtain factual information on items included on the Agenda are asked to enquire of the appropriate Director or Contact Officer named on a report prior to the day of the meeting.

Should you require a copy of this agenda or any of the reports listed on it in another format please do not hesitate to contact the Democratic Services Team as set out below.

For any other queries concerning this agenda or the meeting please contact:

The Democratic Services Team (01732 227241)

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FINANCE ADVISORY GROUP

Minutes of the meeting of the Finance Advisory Group
held on 24 October 2012 commencing at 9.30 am

Present: Cllr. Ramsay (Chairman)

Cllrs. Firth, Grint, McGarvey and Scholey

Apologies for absence were received from Cllr Fittock.

24. Minutes

The notes of the meeting of 25 July 2012 were agreed as a correct record.

25. Declarations Of Interest

No new declarations of interest were made.

26. Matters Arising Including Actions From Last Meeting

The amended list of investments was circulated following an action from the action sheet. Wendy Fair (Wembley) Ltd would continue to provide the markets until new procurement tenders are taken. Edenbridge town council were liaising with the Property Services Manager on the way forward for the market in Edenbridge.

27. Referrals From Performance & Governance Committee:

There were none.

28. Direct Services

The Head of Environmental and Operational Services referred to the Direct Services Business reports, circulated with the agenda and gave a verbal update. Previous areas of concern were pest control, cesspool emptying and trade waste. Overall there had been a healthy surplus of £83,605 for the first six months of the financial year, but the profited surplus is £11,000. The adverse variant was almost totally down to wasp nest treatment income, which was down over £45,000 on the same period last year. This year for Pest Control had been the lowest number of treatments for wasps nests. This was due to the weather over the spring. Only 126 treatments had been undertaken compared with 773 last year. Domestic properties are charged £52 and commercial properties are charged £60 for wasp nest treatments. It was noted that a Pest Control service is not statutory. If the service cannot cover it's costs from charges then it will be reviewed. The service was currently in the second year of a three year review to see if it can recover its costs from charging. A report would be brought back next year.

The surplus for trade waste was £41,000 after six months. It was estimated that there would be a viable surplus for this service at the end of the financial year.

Pricing for cesspool emptying had been reviewed. There was an £11,000 surplus at the end of the six months. There are 800 active customers over the last 18 months. The majority of cesspool emptying was carried out in the south of the district. The Council would collect any volume, but customers requiring an emptying of 2000 gallons or less

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use the Council's service most. There are two crew members and vehicles. Although it is not the lowest price compared to competitors, there is a very high customer satisfaction rate with the service.

The Head of Environmental and Operational Services tabled fuel prices which had stabilised and are slightly under the estimated price for the past 6 months. Since June, however there was an upwards trend and is now back up to £1.16 a litre for fuel which was favourably comparable the average price for trade transport.

Members asked if there were any major changes needed with MOT testing. The Operational Manager explained that there was new technology available for MOT testing and would be purchased as necessary. We have diagnostic equipment which can diagnose faults codes. Direct Services carry out, on average, nearly 700 MOTs a year along with a similar number of taxi tests. Tests only are carried out, and not repairs, arising from the tests.

In response to questions the Head of Environmental and Operational Services advised that the financial objective for Direct Services was to achieve the approved budgeted surplus, which is integrated in the Council's 10 year budget plan. The main investment is in new vehicles, which is charged to the vehicle replacement fund. It is financed by depreciation charges on all vehicles. This ensures the fund is always available to maintain a vehicle replacement programme.

The household refuse collection service is budgeted to achieve a deficit. The cost of the service is charged at less than the actual cost of delivery. The deficit is made up through surpluses on the non - statutory services which are provided. If a tender exercise was carried out, a true reflection of the cost would have to be provided for the service. It last went to tender in 1995 during the Compulsory Competitive Tender legislation. The service had since been through a Best Value Review and at that time Members determined to continue delivering the service in house. Any decision to market test this service would be for the Council to determine.

Members requested if it would be possible to compare with other councils the cost of services in comparison. The Council achieved best value in the past in comparison to other Kent Council's and compared favourable to Gravesham, another DSO, who provided a very similar refuse collection service.

Members discussed the use of wheeled bins. The Health and Safety Executive (HSE) had expressed their concerns over manual handling issues of a sack collection method in comparison to the use of wheeled bins. Letters would be sent to residents who are using wheeled bins to store their bags in, requesting that a box is put at the bottom of the bin or that a shallow bin is purchased, or that residents take their sacks out of the bin themselves to prevent back strain on the collectors. This is on the advise of the HSE.

There are currently eight Kent Districts who had adopted or are adopting the preferred collection method for Kent, which entails alternative weekly collections of food waste. Through these arrangements Kent County Council would contribute to containerisation through the disposal savings of waste which had been recycled or composted rather than be incinerated.

In response to Members' questions a weekly collection of wheeled bins would result an increased number of crews and collections and this would be more costly.

Action 1: The Financial Services will provide details regarding the return on assets employed.

Action 2: The Finance Manager will provide details of the weekly refuse collection cost per household calculation.

29. Property Review - Cobden Road Centre, Cobden Road, Sevenoaks

Members considered the report of the Property Services Manager. Members discussed the options regarding the use of Cobden Road Centre in Sevenoaks which was set out in the report. The Group considered comments from a Local Member which were tabled at the meeting as they were received too late for the report.

Members' felt that there was not enough detail in the report exploring the different options set out.

Concerns were expressed by some of the Members regarding the sale of the property. The concerns raised were:

- That now was not the right time to be sell the property.
- Had it been explored to see if there was an a credible social purpose.
- Had West Kent Housing been approached to see if there would be interest in purchasing the property for social housing?
- If West Kent Housing would not like the property than efforts should be made to see if a different charity would be interested in taking up the tenancy.

It was agreed that any comments should be raised with the Property Services Manager prior to the meeting of the Performance and Governance Committee.

Resolved: That it be RECOMMENDED that Performance and Governance Committee recommend to Cabinet that the Cobden Road Centre, Sevenoaks be sold on the open market by auction.

30. Financial Prospects

The Group Manager Financial Services reported that with the 10 year budget there are two major uncertainties. The first was the change in Government settlement methodology. We are currently estimating a 19% reduction over 2 years but it could range from 13% to 30%. The announcement is not expected until the end of December. The second uncertainty related to Council Tax, was the recent Government announcement of the offer of a 1% freeze grant for two years and a 2% cap on increases. Currently there was a 3% increase included for 2013/14 in the 10 year budget. In January a further report will be presented to Cabinet when there had been further clarification.

A report had been sent to Select Committees which provided an update on proposed changes to the budget that affects each service. It listed the changes to the 4 year savings plan and new growth and saving items. It totalled £180,000 net growth. Members were asked to focus on their areas and report back to Cabinet. A further report may go to the Select Committees in January if additional savings are required to obtain a balanced 10 year budget.

31. Update on Localisation of Council Tax Support

The Group Manager Financial Services provided an update to the Group at the last meeting in July. The verbal update was provided due to last weeks Government announcement. Currently council tax benefit was a national scheme administered by local authorities but funded by central government. From 1 April 2013 each authority would have their own local scheme. Government funding would be 10% less than present. Due to the high number of pensioners in the district. The 10% saving would be needed to be spread over the remaining 48% of claimants. Town and parish councils would not be affected.

The proposed scheme presented to Cabinet in July included a standard deduction of 18.5% on all non-pensioner claimants (i.e. if an individual currently receives 100% benefit, under the proposal they would receive an 81.5% discount.)

The Director of Corporate Resources had been negotiating with Kent County Council to reduce the proposal from 18.5% to 15% by the second home discount being abolished and checking the single person discount eligibility.

On 16 October 2012 the DCLG announced an additional £100 million in funding for councils to help support them in developing local council tax support schemes. This would be a voluntary transition grant for councils who set a scheme with a standard deduction of no more than 8.5% on all non-pensioner claimants. The £100 million would be insufficient to cover the gap in funding and it is likely to be only for one year.

32. Financial Results 2012/13 - To the end of September 2012

The Finance Manager presented the budget monitoring results for the end of September 2012. It was reported that the year end position was a favourable forecast of £20,000. Income from car parking, pre application fees and s106 monitoring are down. Under the Localism Act planning fees could be increased by 15%, however the new fee regulations from central government are not yet in force.

The income from car parks is down. This is a Kent wide issue due to the Olympics, weather and people shopping more quickly. Members asked if the Bluewater car parks were full. It was discussed that the free parking at Bluewater was provided by additional service charges to the shops which pay for the free parking.

33. Financial Performance Indicators 2012/13 - To the End of September 2012

The Finance Manager tabled the Financial Performance Indicators.

The target for Sundry debts over 61 days represented less than 1% of debts raised.

From October onwards premises licences can be suspended if the licence fee is not paid.

Members asked why graph 5 did not show the 2011/12 figures in yellow, like the other graphs.

Action 3: Graph 5 will be changed so that the figure for 2011/12 would be in yellow for consistency with the other graphs.

Action 4: The Head of Environmental and Operational Services would be asked if a written summary of the Direct Services figures could be provided in the future to give a overview and help with the understanding of the information provided.

34. Forward Programme

The Group was happy with the Forward Programme. It was discussed and agreed that Development Control would be invited to the meeting in March. Revenues and Benefits would be invited to the June meeting to look at the impact of the changes.

THE MEETING WAS CONCLUDED AT 12.06 pm

Chairman

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