

## FINANCE ADVISORY COMMITTEE

Minutes of the meeting held on 28 March 2017 commencing at 7.00 pm

Present: Cllr. Scholey (Chairman)

Cllr. Eyre (Vice Chairman)

Cllrs. C. Barnes, Mrs. Bayley, Bosley, Esler, Eyre, Kelly, Lake, Pett and Scott

An apology for absence was received from Cllr. Cooke

51. Minutes

Resolved: That the Minutes of the meeting of the Finance Advisory Committee held on 31 January 2017 be approved and signed by the Chairman as a correct record.

52. Declarations of Interest

No additional declarations of interest were made.

### CHANGE IN ORDER OF AGENDA ITEMS

With the agreement of the Committee the Chairman brought forward consideration of agenda item 10, Minute 63.

53. Civil Penalties for Council Tax, Housing Benefit & Council Tax Reduction, Sanctions & Prosecution Policy for Council Tax and Council Tax Reduction

The Fraud Manager presented the report which requested approval of the introduction of civil penalties and proposed a revised Sanctions & Prosecutions Policy. The primary intention of the proposal was for penalties to be used as a deterrent measure creating a culture of reporting changes, not a regular source of income. No budget had been set for this change.

In response to questions he advised that discretion would be used so as not to debt pile, and changes to the living wage etc. would form part of the review strategy. If a Council Tax penalty was issued it would be put on the Council Tax bill and go through the same recovery as any Council Tax debt.

It was noted that the new website had launched that day, and it was the intention that paper forms would be replaced by online ones in due course.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet to approve the introduction of civil penalties and the associated guidelines at Appendix A of the report, and the proposed revised Sanctions & Prosecutions Policy detailed at Appendix B of the report.

54. Actions from Previous Meeting

There were none.

55. Update from Portfolio Holder

The Portfolio Holder, and Chairman, reported that he had attended the LGA Annual Finance Conference; the Corporate Projects Board had progressed with property disposals and developments; there would be a report to Committee soon on Otford Tower; and he had attended the LGC awards ceremony as a guest of Zurich Municipal.

56. Referral from Cabinet or the Audit committee

There were none.

57. Carry Forward Requests 2016/17

The Head of Finance presented the report which advised of revenue carry forward requests . The Chairman advised that in preparation for a shorter final accounts process the requests for specific unspent budgets to be placed in an earmarked reserve for spending in a subsequent year (the 'carry forward' reserve) had been brought to this meeting rather than waiting until the final outturn results were available.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that

- a) the Revenue 'carry forward' requests totalling up to £108,800 as set out in paragraph 5 of the report be approved;
- b) any variance arising from the 2016/17 budget is transferred to/from the Budget Stabilisation Reserve;

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- c) the Capital carry forward request totalling £3,715 as set out in paragraph 6 of the report be approved; and
- d) a new Reserve, the Community Housing Reserve, be established to hold money received under the Community Housing Programme.

### 58. Financial Performance Indicators 2016/17 - to the end of January 2017

The Head of Finance presented a report on internally set performance indicators which covered activities that supported information provided in the regular financial monitoring statements.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the report be noted.

### 59. Financial Results 2016/17 - to the end of January 2017

The Head of Finance presented a report on the Council's financial results 2016/17 to the end of January 2017. Since publication of the agenda papers which had stated the year-end position as an unfavourable variance of £37,000, she could now report that as at end of February 2017 this had dropped to £30,000.

#### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that the report be noted.

### 60. Property Investment Strategy Update

The Chief Finance Officer presented a report which updated Members on the progress of the Property Investment Strategy to date and looked at the future direction of the strategy.

The Property Investment Strategy was approved by Council on 22 July 2014 to support the aim of the Council becoming more financially self-sufficient as Government Support continued to reduce. The initial acquisitions had helped the Council achieve the aim and the report provided an update on the acquisitions to date and requested additional funding to enable the Council to achieve 'self-sufficiency +' and therefore provide extra value to residents. Funding previously approved had now nearly all been spent.

External investment advisors had analysed the current property investment portfolio and provided advice as to the future direction of the strategy. The

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advice had been used to propose changes to the Property Investment Strategy criteria and to support the reasons to set aside further funds.

A Scrutiny Committee Member Working Group had been looking at the Property Investment Strategy and was due to report back to the Scrutiny Committee on 30 March 2017.

The report requested approval for a further £25m to be set aside for the strategy, an amount recommended by Savills to reflect the likely future projects included in the report and to allow additional acquisitions to meet the council's aim of achieving 'self-sufficiency+'. Further acquisitions and developments would help the Council attain the Property Investment Strategy income assumptions in the 10-year budget and also start to deliver 'self-sufficiency+' and enhance the services provided to our customers even further.

The draft minutes of the Policy & Performance Advisory Committee which had met and considered the same report on 23 March 2017, were tabled for information. The Chairman advised that concern had been expressed by that Advisory Committee with regards to investment outside the district, and had suggested a restriction of within Kent. Members discussed this and also had the same concerns. It was felt that investing within the District not only benefitted residents but local knowledge had a large part to play in knowing what to invest in, and that by going out of the district the essence of the strategy would be eroded and there would be more risk involved with investing in 'unknown' locations. It was generally felt that 'south east' was too large but the Committee did not want to exclude Surrey or Sussex.

Some Members were uncomfortable with the sum of £25m requested. There was concern that there was not enough information to understand why the sum was needed.

It was noted that the length of the committee process hindered the ability to act on purchases.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That it be recommended to Cabinet that

- a) the updated Property Investment Strategy be agreed subject to limiting the geographical area of outside the district as a 50 mile radius from the Argyle Road Offices; and
- b) a further £25m be set aside for the Property Investment Strategy.

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61. Work Plan

The work plan was noted.

THE MEETING WAS CONCLUDED AT 8.34 PM

CHAIRMAN

