

FINANCE AND RESOURCES ADVISORY COMMITTEE

Minutes of the meeting held on 14 April 2015 commencing at 7.00 pm

Present: Cllr. Ramsay (Chairman)

Cllr. Firth (Vice Chairman)

Cllrs. Mrs. Bayley, Bosley, Edwards-Winsor, Maskell, McGarvey, Mrs. Purves, Mrs. Sargeant and Scholey

47. Minutes

Resolved: That the minutes of the meeting of the Finance and Resources Advisory Committee held on 20 January 2015 be agreed and signed by the Chairman as a correct record.

48. Declarations of Interest

No additional declarations of interest were made.

49. Actions from Previous Meeting

The actions were noted.

50. Update from Portfolio Holder

The Chairman and Portfolio Holder for Finance and Resources advised that the Council's finances were in a healthy position. In regards to property, Suffolk House was being purchased which was an office block spread over three floors with seven tenants and 84 car parking spaces which would provide a return of more than 6%. Land sales in West Kingsdown, Westerham and Crockham Hill were progressing and discussions with West Kingsdown Parish Council would be taking place shortly. In the immediate future a Development Surveyor would be appointed and the new Head of Revenues and Benefits had been appointed.

The Chairman informed the Committee that the Trading Company would present fresh challenges. The Chairman thanked all the staff for their hard work and for the Member's who had been on the Committee.

In response to a question, the Chairman advised that there was a risk factor with purchasing properties but the Council had employed experienced staff and obtained external advice. He also advised that the tenants in Suffolk House were in place for at least 2 years and with a lack of office space in the area it was unlikely that the offices would become vacant. The Chief Finance Officer advised that the Audit Committee had received a risk report regarding the Property Investment Strategy and that a full risk assessment was carried out before each purchase.

51. Referrals from Cabinet or the Audit Committee

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There were none.

52. Financial Performance Indicators 2014/15 to end of February 2015

The Head of Finance presented a report which detailed the internally set performance indicators as at the end of February 2015, with most indicators being met and reasons why the targets had not been met were in the report.

In response to questions concerning number of full time equivalent staff (graph 3), the Head of Finance advised that the budget variance was the difference between the target and the actual figure as at the end of February 2015. Members were informed that agency staff were used to cover holiday and staff sickness as, for example, the refuse freighters had to have full crews for the collections. There were also agency staff who were covering posts in Benefits. Members were advised that there was a budget for agency staff at Dunbrik. The Head of Finance also advised that the salaries budget was set on the assumption that posts would be filled for the year.

Members discussed whether the information provided in graph 3 could be presented in a different way. It was also queried why the results were constantly above target.

Action 1: For the Head of Finance to provide Members with an explanation to why the results were above the targets and to review how this performance indicator is to be presented in future.

Resolved: that the report be noted.

53. Financial Results 2014/15 to end of February 2015

The Head of Finance presented a report which detailed the financial results as at the end of February 2015 which showed an overall favourable variance of £800,000. The end of year position forecast was to be £809,000 better than budget. Formal Carry forward requests would be brought to the next meeting of the Committee

In response to questions the Head of Finance advised that the £98,000 refunds of VAT arose where the Council initially paid VAT at standard rate but HMRC had subsequently agreed that the services should have been outside the scope of VAT and have refunded the tax. The expenditure on asset maintenance included the costs to date but not any future costs. The works on Otford Palace were included in the expenditure to date but it was anticipated that there would be additional costs in the future. In the budget there would be a separate line to show where there was income from the Property Investment strategy.

The Chairman advised that there could be some additional costs in the year 2015/16 due to Kent County Council (KCC) no longer taking responsibility for removing any fly-tipped waste on highway land, unless it was obstructing the carriageway and therefore District Councils would be responsible for the removal where it was not obstructing the carriageway (footpaths, verges and lay-by's). Members expressed concern of additional resources and discussed whether it would be appropriate for Cabinet to write a letter to KCC objecting.

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The Chief Finance Officer advised that he would contact The Chief Officer Environmental and Operational Services for information.

Action 2: For the Chief Finance Officer to circulate to the Finance and Resources Committee information on the effects of the changes regarding fly tipping.

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 comments made by the Committee be considered and the report be noted.

54. Work Plan

Members were advised that the Trading Company would be included in the monthly monitoring going forward. The work plan was noted.

THE MEETING WAS CONCLUDED AT 8.00 PM

CHAIRMAN