

## **FINANCE ADVISORY COMMITTEE**

Minutes of the meeting held on 17 November 2015 commencing at 7.00 pm

Present: Cllr. Searles (Chairman)

Cllr. Scholey (Vice-Chairman)

Cllrs. Mrs. Bayley, Bosley, Esler, Kelly, Krogdahl, Lake, Pett and Rosen

Apologies for absence were received from Cllr. Cooke

### 12. Minutes

Resolved: That the Minutes of the Finance Advisory Committee held on 2 June 2015 be approved and signed by the Chairman as a correct record.

### 13. Declarations of Interest

No additional declarations of interest were made.

### 14. Actions from Previous Meeting

There were none.

### 15. Update from Portfolio Holder

The Chairman and Portfolio Holder for Finance updated the Committee that two new Internal Audit staff had been appointed and the team was now fully staffed. He explained that most of his time had been spent, together with the Leader, Chief Executive and Chief Finance Officer, in working on the 10-year rolling budget which would be considered by Cabinet on 3 December 2015.

### 16. Referral from Cabinet or the Audit committee

There were none.

### 17. Overview of Revenues and Benefits - Presentation

The Head of Revenues and Benefits gave a [presentation](#) on the statutory responsibilities and operating arrangements in the Revenues and Benefits shared service which included Housing Benefit, Council Tax Support, Council Tax and Business Rates.

*Action 1: The Head of Revenues and Benefits to provide to the Committee details of the time taken by the team to process benefit appeals.*

Resolved: That the presentation on the statutory responsibilities and operating arrangements in the Revenues and Benefits shared service be noted.

## Finance Advisory Committee - 17 November 2015

### 18. Budget: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)

The Chief Finance Officer advised that the report before the Committee was the second stage of the budget process and would be presented to all Advisory Committees. The first stage had been the 'Financial Prospects and Budget Strategy' report which had been reported to Cabinet on 17 September 2015. The purpose of this report was to ensure that all Members of the Advisory Committees had a role to play in the governance of the Council and the budget decision making process and to make suggestions to Cabinet on growth and savings ideas for the services within their terms of reference.

The main message was that this should be a significant step towards the Council becoming financially self-sufficient. The 10-year budget at Appendix F to the report, included no Revenue Support Grant (RSG) from 2016/17 and no New Homes Bonus (NHB) from 2019/20. In practice it was likely that some funding would still be received from these sources in the near future but the amounts were unknown. The Financial Prospects report had recommended that any amounts that were received were placed into the Financial Plan Reserve which could be used to support the 10-year budget by funding invest to save initiatives and support for the Property Investment Strategy (PIS). Using the funding for these purposes would result in additional year on year income that was not impacted by Government decisions.

Members had agreed the last 10-year budget in February and the changes that had been made since then included:

- Rolling the 10-year budget on for one year and updating base figures.
- Removing reliance on RSG
- Reducing the Council Tax increase assumption to 2% for all years
- Reducing fees and charges inflation to 2.5% for all years
- Reducing pay award inflation to 1% for 4 years
- Including income from PIS for the first time of £500k from 16/17, £700k from 18/19, £800k from 23/24
- Savings of £500k in 16/17 and then £100k pa for all future years

The current list of growth and savings proposals was £52,000 short of the £500,000 target (if all of the proposals were accepted), and Members were therefore being asked for further suggestions for growth and savings ideas. He further reminded Members that £5.3m had been saved from 2011/12 to 2016/17 (113 items) and there had been over £10m of savings since 2005/06.

Members reviewed Appendix D which contained the growth and savings proposals put forward by the Portfolio Holders and Chief Officers, and the Service Change Impact Assessments (SCIAs) in Appendix E. Members also considered and gave individual answers to the following five questions:

- a) What services should the Council invest more in?
- b) What services should the Council disinvest from?
- c) What services work well?
- d) What services don't work well?
- e) What issues would you like Cabinet to take into account?

## Finance Advisory Committee - 17 November 2015

The Head of Finance summarised the views put forward and Members considered whether there was anything they wanted taken forward as potential growth or savings suggestions. From the summaries Members discussed that the Council was subsidising its leisure provider, Sencio. Members agreed Cabinet should review the existing contract to ensure Sencio contributed more or all of the asset maintenance costs for the leisure facilities they used.

*Action 2: The Chief Officer Corporate Support to provide to the Committee details of the breakdown for where the savings in SCIA 12 for Corporate Support reduction in maintenance and consumables were achieved.*

### Public Sector Equality Duty

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

Resolved: That

- a) the saving and growth proposals identified in Appendix D to the report applicable to the Advisory Committee (SCIA 11 – Facilities Management: Reduction in utility costs, SCIA 12 – Facilities Management: Reduction in maintenance and consumables costs, SCIA 13 – Facilities Management: Increased print income, SCIA 14, Various Partnerships: Revised split of costs and SCIA 15 – Partnership work covered within existing resources), be recommended to Cabinet;
- b) it be recommended to Cabinet that Sencio contribute more towards, or all of the cost of, the asset maintenance of its sites to be considered as part of a review of the contract with them.

### 19. Treasury Management Mid Year Update

The Principal Accountant presented a report that detailed the mid-year treasury activity in the first half of the current financial year with recent developments in the financial markets which fulfilled the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

He explained that changes were recommended to the Council's credit methodology placing less reliance on implied levels of sovereign support, in line with the major ratings agencies. Two minor breaches of the Annual Investment Strategy had occurred, exceeding the sums to be held in any institution but in each case these had been corrected the next day.

In response to a question concerning the progress of the Local Government Association's Municipal Bond Agency, he explained that the agency was expecting to issue the first bond in the first quarter of 2016 but was still looking for borrowers prepared to commit.

## Finance Advisory Committee - 17 November 2015

### 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 Treasury Management Mid-Year Update for 2015/16, including the changes to the credit methodology whereby viability, financial strength and support rating would not be considered as key criteria in the choice of creditworthy investment counterparties be approved.

### 20. Financial Performance Indicators 2015/16 to the end of September 2015

The Head of Finance presented a report which detailed the internally set performance indicators as at the end of September 2015 which Members considered. She advised that the spike in sundry debts over 61 days was due to delays in payment by other Local Authorities, but this figure was now under £15,000 and within target.

Resolved: That the report be noted.

### 21. Financial Results 2015/16 to the end of September 2015

The Head of Finance presented a report which detailed the financial results as at the end of September 2015 which showed an overall favourable variance of £12,000. The end of year position forecast was to be £159,000 worse than budget and so the Chief Executive had asked Officers to consider what reductions planned for future years could be brought forward.

### 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 and recommended to Cabinet with no additional comments.

### 22. Work Plan

The Chairman tabled an [updated work plan](#) for the Committee to consider. The updated work plan with the following additional items was agreed:

- |             |  |
|-------------|--|
| Summer 2016 | <ul style="list-style-type: none"><li>• Treasury Management Annual Report 2015/16</li><li>• Financial Performance Indicators 2016/17 – to the end of July 2016</li><li>• Financial Results 2016/17 – to the end of July 2016</li><li>• Financial Prospects and Budget Strategy 2017/18 Onwards</li></ul> |
| Autumn 2016 | <ul style="list-style-type: none"><li>• Treasury Management Mid-Year Update 2016/17</li><li>• Financial Performance Indicators 2016/17 – to</li></ul>  |

## **Finance Advisory Committee - 17 November 2015**

- the end of September 2016
- Financial Results 2016/17 – to the end of September 2016
  - Budget 2017/18: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)

THE MEETING WAS CONCLUDED AT 8.51 PM

CHAIRMAN

