

FINANCE ADVISORY COMMITTEE

Minutes of the meeting held on 31 January 2017 commencing at 7.00 pm

Present: Cllrs. C. Barnes, Mrs. Bayley, Bosley, Esler, Eyre, Pett and Scott

Apologies for absence were received from Cllrs. Cooke, Kelly, Krogdahl, Lake and Scholey

Cllr. Dr. Canet was also present.

35. Election of Chairman

Resolved: That Cllr. Scholey be appointed as Chairman of the Committee for the remainder of the municipal year 2016/17.

36. Election of Vice Chairman

Resolved: That Cllr. Eyre be appointed as Vice Chairman of the Committee for the remainder of the municipal year 2016/17.

(Cllr. Eyre, Vice Chairman in the Chair)

37. Minutes

Resolved: That the Minutes of the meeting of the Finance Advisory Committee held on 15 November 2016 be approved and signed by the Chairman as a correct record.

38. Declarations of Interest

No additional declarations of interest were made.

Cllr. Eyre advised that he had a disclosable pecuniary interest in agenda item 7, as the General Manager of the Stag Community Arts Centre Charity. Cllr. Eyre left the meeting for this item, took no part in the discussions and did not vote on this item.

39. Actions from Previous Meeting

There were none.

40. Update from Portfolio Holder

The Portfolio Holder had tendered his apologies and therefore there was no update.

41. Referral from Cabinet or the Audit committee

There were none.

42. Election of Chairman for Minute 43

Cllr. Eyre left the room.

Resolved: That Cllr. Pett be elected to take the Chair for the consideration of Minute 43 only.

(Cllr. Pett in the Chair)

43. Discretionary Rate Relief

The Chief Finance Officer presented the report which set out the proposals for awarding discretionary rate relief for 2017/18. Appendix B to the report, contained the details of each applicant to be considered for relief for 2017 /2018 and detailed recommendations of the level of relief to be applied. Despite reminders six of the organisations currently in receipt of relief had yet to submit applications for 2017/2018, but it was anticipated that these applications would be received in due course and would be considered individually by the Chief Finance Officer. The only changes between the reliefs applied for and those recommended were where full relief was already awarded through a different type of relief.

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 proposals for granting relief from business rates for 2017/18 set out in Appendix B to the report, be approved.

(Cllr. Eyre was not present during consideration of this item)

(Cllr. Eyre in the Chair)

44. Sevenoaks Leisure Centre Application for a loan by Sencio Community Leisure

The Chief Officer Communities and Business presented the report which Sencio have brought forward proposals for works to Sevenoaks Leisure Centre to take advantage of unmet latent demand in the town. Members are asked to agree a 10 year loan of £600,000 for Sencio at an interest rate of 6% per annum, in line with the Council's Property Investment Strategy.

It was noted that the proposed terms would keep the Council protected, and the loan would see improvements for Sencio's business and Sevenoaks residents.

Jane Parish, Chief Executive of Sencio was present and answered more detailed questions on the proposed redevelopment.

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 Sencio be granted a loan of £600,000 over ten years at an interest rate of 6% per annum under the terms set out below

‘That the agreed works will be recorded by way of a Licence for Alterations. The Licence will set out the terms for the works, and it is recommended that these will include:

- That the improvements will be made to the Council’s satisfaction;
- That the works be carried out in accordance with any statutory requirements, the cost of which need to be met by Sencio prior to any work commencing;
- Sencio will be responsible for the ongoing maintenance of and repairs to the works covered by the loan;
- At the end of the current lease in 2029, the Council will not be liable to pay Sencio for the improvements made.
- In the event that Sencio defaults on its loan repayment for the works, the Council will look to declare Sencio insolvent and thereby in breach of the lease and, subject to the Court’s relief, terminate the same. This will be actioned if Sencio makes one loan repayment in excess of 30 days late or three loan repayments in excess of one day late.’

45. Treasury Management Strategy 2017/18

The Principal Accountant presented the report on the Council’s Treasury Management Strategy for 2017/18 which set out the Council’s policies for managing its investments and for giving priority to the security and liquidity of those investments. An updated report had been circulated that day which included the figures missing from the original contained within the main printed agenda papers.

The Local Government Act 2003 (the Act) and supporting regulations required the Council to ‘have regard to’ the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council’s capital investment plans were affordable, prudent and sustainable. The Act therefore required the Council to set

out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by investment guidance issued subsequent to the Act).

It was noted that there was a degree of flexibility that enabled the consideration and response to market conditions.

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 recommend to Council that the Treasury Management Strategy for 2017/18, be approved.

46. Risks and Assumptions for Budget 2017/18

The Head of Finance presented the report which provided more detail on the assumptions and risks contained within the Draft Budget 2017/18 report considered by Cabinet on 1 December 2016. The financial assumptions were based on the latest available information which may change. Any changes would be included in the budget report to Cabinet on 9 February 2017.

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.

47. Capital Programme and Asset Maintenance 2017/18

The Head of Finance presented the report which set out the proposed 2017/20 Capital Programme, with supporting documentation in a standard format for individual scheme bids. Projected capital receipts were included, indicating the proposed financing of the Programme. A proposed overall provision limit for Asset Maintenance was also made.

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 Capital Programme 2017/20 and funding method set out in Appendix B to the report, be approved; and
- b) the proposed Asset Maintenance budget of £519k be agreed for 2017/18.

Finance Advisory Committee - 31 January 2017

48. Financial Performance Indicators - to the end of December 2016

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.

49. Financial Results - to the end of December 2016

The Head of Finance presented a report on the Council's financial results 2016/17 to the end of December 2016. The year-end position was currently forecast to be an unfavourable variance of £10,000, subject to Council's approval to a supplementary estimate of £210,000 that was recommended by Finance Advisory Committee on 15 November 2016.

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.

50. Work Plan

The work plan was noted, subject to the addition of an Update on the Property Investment Strategy and a report on Civil Penalties for Council Tax and Housing Benefits to the next meeting and a Service Update on Revenues and Benefits deferred to the meeting in May 2017.

THE MEETING WAS CONCLUDED AT 8.00 PM

CHAIRMAN

