

FINANCE ADVISORY GROUP

Minutes of a meeting of the Finance Advisory Group held on
23 March 2011 commencing at 9.30 a.m.

Present: Cllr. Ramsay (Chairman)

Cllrs. Bruce, Grint, Harrod and Scholey.

37. APOLOGIES FOR ABSENCE

Apologies were received from Cllr. McGarvey.

38. NOTES OF PREVIOUS MEETING

The notes of the meeting of 21 January 2011 were agreed as a correct record.

39. DECLARATIONS OF INTEREST

None.

40. MATTERS ARISING INCLUDING ACTIONS FROM LAST MEETING

The responses to the actions were noted.

41. INTERNATIONAL FINANCE REPORTING STANDARDS (IFRS) UPDATE

The Finance Manager introduced the report stating that from 2010-11 Local Authorities would be required to adopt the International Financial Reporting Standards (IFRS) format for their annual accounts. To prepare for this change, Officers had re-stated the 2009-10 accounts in IFRS format and submitted them to the Audit Commission. Officers were waiting for feedback from them.

In response to a question from a the Chairman concerning the lease categorisation between finance and operating leases the Finance Manager explained that the Council only had one lease (Black Boys Public House), that had to be moved from an operating to a finance lease.

The Finance Manager reported that new Accounts and Audit Regulations, published by the Government on 22 March 2011, would change the sign-off procedure for the annual accounts. Currently, the draft accounts are signed-off by the Chief Finance Officer and Chairmen of the Finance Advisory Group and the Performance and Governance Committee. The new system would mean that only the Chief Finance Officer would sign-off the draft accounts in June and the Performance and Governance Committee would continue to formally approve the audited accounts in September

Members noted the report.

42. FINANCIAL RESULTS TO THE END OF FEBRUARY 2011

The Chairman welcomed the good state of the Council's finances at the end of February.

In response to a question the Head of Finance and Human Resources explained that the figures took account of the redundancy costs and that redundancy costs had previously been charged to reserves or service budgets, depending on the circumstances. The Finance Manager confirmed to a Member that by year end the £100,000 underspend for Asset Maintenance in February would be reduced to £12,000.

The Head of Finance and Human Resources answered a question about the additional cost of dealing with unexploded ordnance at the Hever Road Gypsy Site. She explained that £47,000 had been made available to make the site safe. She reported that the cost had now risen to around £80,000. The Professional Services Manager planned to submit a bid to Department for Communities and Local Government for additional funds to cover the extra costs.

A Member asked about the potential carry forward of unspent funding. The Head of Finance and Human Resources explained that some carry forwards were necessary to ensure that those projects already started would continue to be funded. The Finance Manager added that carry forwards prevented an excessive demand on the budget at year end in March.

A Member was concerned about the variance of £56,000 in on-street parking revenue from its budget. Members agreed to ask for clarification from the Head of Service on the issue of deviations in actual on-street parking revenue from its budget.

Action: The Head of Service to provide a briefing on deviations in actual on-street parking revenue from its budget.

In response to a question about outstanding expected income of £30,000 for the Building Control budget, the Head of Finance and Human Resources responded that this amount was for work being carried out for Housing and had been budgeted for in the current year.

43. PROPOSED STREAMLINED APPROACH TO FINANCIAL MONITORING FOR 2011/12

The Finance Manager reported that the aim of the new approach was to consolidate and streamline the financial monitoring reporting, which would be easier to understand.

The Chairman welcomed the clarification and simplification of the reporting. Members endorsed the new approach to financial reporting.

44. PARTNERSHIP WORKING

The Head of Finance and Human Resources introduced the paper, which identified previous and existing partnerships. This included partnerships which ranged from shared Officers to fully joint services. She clarified that shared services meant a

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joint team whereas shared management meant a single manager with two teams. In response to a question she reported that any efficiency savings arising from the Revenues and Benefits partnership would be split equally between Sevenoaks and the partnership authority.

Members requested more clarity on costs and savings in the medium term and asked for the details of the partnership working to be included in the training for new members.

Action A report on costs and savings in partnership working to be added to the Forward Programme for discussion in January 2012.

45. FINANCIAL PERFORMANCE INDICATORS TO THE END OF FEBRUARY 2011

The Finance Manager reported that Council tax and NNDR payment rates were holding up.

Members asked about sundry debts. Some large invoices had recently been paid. Additionally, few significant business rates had been left unpaid.

Members questioned the cash balance being in excess of its target. The Finance manager reported that as the accounts neared the year-end the cash balance would reduce.

46. FORWARD PROGRAMME

The Finance Manager informed Members that the Draft Statement of Accounts would not be presented until the meeting in July 2011 because of the changed timetable for approval.

Members agreed to add a discussion of Pension Funds to the Forward Programme for January 2012. They were also interested in receiving information about the financial performance of the Revenues and Benefits partnership. There was concern that there may be insufficient information until April 2012.

Action Revenue and Benefits to be added to the Forward Programme for discussion in January 2012, Pensions investments for January 2012, and the draft accounts to be moved from June to July 2011.

47. ANY OTHER BUSINESS

Members thanked Cllr. Ramsay for his chairmanship of the Group over the last four years. They also thanked all the Sevenoaks District Council staff who had supported the Group's work.

The next meeting was scheduled for June 2011.

THE MEETING WAS CONCLUDED AT 10.55am

Chairman

