

Scrutiny Committee - 13th November 2018

Finance Portfolio Holder Report

Cllr John Scholey

Update of Services within the Finance Portfolio

Finance

- Delivered a balanced 10 year budget including financial self-sufficiency from direct central government funding for 2018/19. The process is progressing for 2019/20 with the same aims.
- SDC are part of a Kent-wide partnership in the government pilot of 100% retention of non-domestic rates scheme in 2018-19. This is proving to be financially beneficial to SDC. An application has been submitted to take part in the 2019-20 pilot of 75% retention of non-domestic rates.
- Annual accounts 2017/18 were completed on time (one month earlier than in previous years) and have been subject to external audit. A clean audit report has been issued by Grant Thornton UK LLP, SDC's appointed auditor.
- Head of Finance retired in October 2017 and has been successfully replaced.
- Property Investment - The existing properties have all performed at or better than SDC's targets. Premier Inn hotel was completed on time within budget and is now occupied and in full use by Whitbread plc. Council approved a further £25m tranche for future investments a year ago, but additional properties which meet SDC criteria have been difficult to identify. A small housing development in Gravesend is in the process of being purchased via Quercus 7. Quercus Housing Ltd has been incorporated in order to utilise S106 receipts to provide affordable housing within the district. A number of potential sites are currently under investigation. The council borrowed £5 million from PWLB to part fund the Buckhurst car park development just before interest rates increased.
- Income Strip Funding - As recommended by Council, a working group of six councillors is investigating the legal and commercial issues involved. The group has met on six occasions as extensive negotiations with the developer have progressed and the proposal for a specific scheme has evolved. The working group will report back to Council with a recommendation as to whether SDC should enter into an arrangement or not when they have formed an opinion on the final proposal.

Internal Audit

- The Internal Audit completed their programme of work for 2017-18 on time and their reports have been received positively by auditees. Following

senior staff changes the future of the joint working with Dartford Borough Council is under review.

Revenues and Benefits

- The new Council Tax Reduction Scheme (CTRS) was introduced on 1st April 2017 and Council Tax collection rates for CTRS have held up. A minor revision to the scheme was introduced in April 2018. A further revision for introduction on 1st April 2019 is being consulted on. The intention of this revision is to make the scheme fit better with Universal Credit which will apply to more residents in the district during the coming year.
- Council Tax and Business Rates collection is on target.

Facilities Management

- Continued to ensure key operational assets are maintained as required within budgetary constraints.
- Detailed investigations are taking place to prepare a 20 year costed programme of maintenance of the council's buildings and facilities. To date this is showing that due to aging of the assets a substantial increase of the current financial provision will be required in the future. This is being actively considered in the preparation of the 2019/20 budget and a report will be presented to the Finance advisory Committee on 15 November 2018.
- Otford Palace Tower - Following a report on the options for the future sustainable use of the asset identifies at zero cost to SDC, cabinet has agreed to let the monument to a charitable trust based in Otford on a 99 year lease at a peppercorn rent. Detailed negotiations to prepare a lease are in progress.
- Scanning and removal of historical paper documentation has continued.