

FINANCE AND RESOURCES ADVISORY COMMITTEE

Minutes of the meeting held on 11 November 2014 commencing at 7.00 pm

Present: Cllr. Ramsay (Chairman)

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

Apologies for absence were received from Cllrs. Bosley, Firth and Mrs. Sargeant

23. Minutes

Resolved: That the minutes of the meeting of the Finance and Resources Advisory Committee held on 2 September 2014 be agreed and signed by the Chairman as a correct record.

24. Declarations of Interest

No additional declarations of interest were made.

25. Actions from Previous Meeting

The actions were noted.

26. Update from Portfolio Holder

The Chairman and Portfolio Holder for Finance and Resources informed the Committee that Internal Audit was currently having an external review carried out by PWC. The DWP would be undertaking the benefit fraud function from February 2016. Interviews would be taking place shortly for the Head of Revenues and Benefits. Universal credit was expected to start in 2015 and it was anticipated that there would be minimal impact to the Council. In regards to property the Chairman advised that interviews for the Head of Economic Development and Property had taken place and there were good candidates. Meeting Point would be vacated this week and once it was vacant it would be advertised again. The sale of Timberden Farm was currently out to advert.

27. Referrals from Cabinet or the Audit Committee (if any)

There were none.

28. Treasury Management Mid Year Update

The Head of Finance 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.

Members were advised that it was expected that growth in the economy was likely to continue through to 2015 and 2016 and was resulting in unemployment levels falling. Forecasters were expecting that in quarter one or quarter two of 2015 that there would be an increase in Bank Rates. The Value of the Council's Investment Portfolio at the end of September was £43 million and the investment yield for the first part of the year was 0.57%. Members were advised that the Council's budgeted investment return was £286,000 and the performance forecast was to remain at £12,000 below budget.

Members expressed their thanks for the detailed report.

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 2014/15 be approved.

29. Shared Services - Costs and Savings

The Head of Finance presented the annual report which provided Members with an update to the schedule of shared services, due to shared working budgets **savings** were down **to** £645,000.

Member's attention was brought to two changes since last year; the new partnership working with Tonbridge and Malling Borough Council's Building Control and the ending of a shared service with the Stag Theatre since the departure of an Officer.

Members thanked Officers for the report and the detail it provided with the expenditure and the number of shared staff, and that it was positive step for working together. The Head of Finance confirmed that that implementation costs were one off costs which then allowed for the payback time to be calculated.

Resolved: that the report be noted.

***amended at the meeting on 20 January 2015**

30. Budget: Service Reviews and Service Change Impact Assessments (SCIAS)

The Chief Finance Officer presented a report which detailed the update to the 2015/16 budget within the existing framework of the 10 year budget and savings plan. The report identified seven growth items and seven saving proposals. It was brought to Members attention that the saving and growth items for Legal would be removed as a current central government consultation may impact on future income streams of the service.

Members discussed staffing levels in IT Services. Members were advised that the team covered many different functions within the Council and it also included the Geographical Information System (GIS) team. The IT Services team were one of the smallest in comparison to other Local Authorities. Partnership working had been investigated previously with the GIS team, and this arrangement had now come to an end. Other options had been considered with key points being the potential of increased costs and

the need to ensure requirements for the Government Code of Connection (COCO) to be met.

In response to questions Members were advised that the Council subscribes to a Microsoft Enterprise Agreement for its Microsoft licences and the cost was fixed for the duration of the agreement. Inflation costs were covered in the overall budget, not on specific items as some items listed would not be ongoing for 10 years. If the assumption of a 2% increase changed it would alter the budget and need to be reviewed. Licences were changing to per user rather than per device which presents an increased cost. Software options were frequently being reviewed however some of the systems that the Council used were specifically designed to work with Microsoft Software.

Action 1: Chief Officer Corporate Support to provide a breakdown of Microsoft Licence costs.

A Member queried the expenditure on the Bus Station, and the reasons as to why they were high.

Action 2: For Head of Finance to provide a breakdown of costs of the bus station.

In response to a question Members were informed that changes had been made to the split of partnership costs between Sevenoaks and Dartford Borough Council due to the demographic differences which has resulted in an increased number of benefit changes in Dartford. Members thanked Officers for their hard work.

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 growth and saving items proposed in Appendix C of the report be agreed; and
- b) there were no additional growth or savings item to propose.

31. Financial Performance Indicators 2014/15 - to the end of September 2014

The Head of Finance presented a report which detailed the internally set performance indicators as at the end of September 2014, with most indicators being met.

Members were informed that there was a spike in September 2014 due to a late payment of £5,000 and payment of rent deposit guarantees to landlords of homeless people where tenants had not made arrangements to pay the Council. October figures were now available and were back on a similar trend as last year.

In response to a question, the Head of Finance informed Members that the full time equivalents included staff at Dunbrik including the Grounds Maintenance staff. Agency staff used on trading activities were not included in the figures.

Resolved: that the report be noted.

32. Financial Results 2014/15 - to the end of September 2014

The Head of Finance presented a report which detailed the financial results as at the end of September 2014 which showed a favourable variance of £873,000. The end of year position forecast was to be £333,000 better than budget. This was due to the Direct Services trading account showing a favourable variance; renegotiation of discretionary rate relief with Dartford Borough Council, and new partnership working with Tonbridge and Malling Borough Council Building Control.

Members were advised that a target favourable variance of between £400,000 and £500,000 in 2014/15 had been set to enable funds to be put aside for development projects and asset maintenance; funding of a Housing Stock Condition survey; and any further favourable variance to be applied to the Budget Stabilisation Reserve.

In response to questions Members were informed that the Housing Stock Condition survey would be across the whole of the District and would be of all housing not just social housing. Extra funds had been received from the major preceptors as part of a three year agreement to help collect Council Tax following the change to Council Tax Support.

Income from parking was discussed and it was noted by Members that income was lower for car parking due to the closure of part of Blighs car park and Pembroke Road. It was suggested that the title for the services should be changed so that car parking, on street parking and salaries were included.

Action 3: For Head of Finance to review the titles of the car parking budgets.

In response to a question Members were advised that once owners collected their animals from kennels, they were charged the costs that the Council incurred. The cost of diesel was constantly monitored and was on a rolling contract. The Economic Development budget was being monitored as there could be an overspend due to set up costs for the new Economic Development and Property team. Once the Head of Service had been appointed other posts would be recruited. It was unknown how much was left in the Big Community Fund, this would be investigated.

Action 4: For Head of Finance to investigate how much money was left for the Big Community Fund.

Members attention was brought to the anticipated underspend for the Disabled Facility Grants (DFG) budget. It was now a service that was provided in house and was being actively promoted.

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.

33. Work Plan

The work plan was noted.

THE MEETING WAS CONCLUDED AT 8.40 PM

CHAIRMAN

