

FINANCE ADVISORY COMMITTEE

Minutes of the meeting held on 24 May 2016 commencing at 7.00 pm

Present: Cllr. Searles (Chairman)

Cllr. Scholey (Vice Chairman)

Cllrs. Mrs. Bayley, Kelly, Krogdahl and Lake

Apologies for absence were received from Cllrs. Bosley, Cooke, Esler, Eyre, Pett and Scott

1. Appointment of Chairman

Resolved: That Cllr. Searles be appointed as Chairman of the Committee for 2016/17.

(Cllr. Searles in the Chair)

2. Appointment of Vice Chairman

Resolved: That Cllr. Scholey be appointed as Vice-Chairman of the Committee for the ensuing municipal year.

3. Minutes

Resolved: That the minutes of the meeting of the Finance Advisory Committee held on 18 April 2016 be approved and signed by the Chairman as a correct record.

4. Declarations of Interest

No additional declarations of interest were made.

5. Actions from Previous Meeting

There were none.

6. Update from Portfolio Holder

The Chairman and Portfolio Holder for Finance updated Members that he had attended a meeting of the Municipal Bond Agency on 23 May 2016. The Agency was doing very well and the first £200 million bond was expected to be issued in October 2016. He hoped that a report on adopting a framework would be brought

Finance Advisory Committee - 24 May 2016

to an upcoming meeting to allow the Council to lend or borrow money from the agency.

The Chairman was due to attend a meeting regarding local Government Finance at the House of Commons, for which he would report back in the future.

Regarding property development he had approved further refurbishment of Suffolk House, Sevenoaks and Swanley Working Men's Club was being demolished.

7. Referral from Cabinet or the Audit committee

There were none.

8. Introduction to Facilities Management - Presentation

The Head of Parking and Surveying gave a [presentation](#) on the Facilities Management Team. It set out the roles of the Team, including the Front Desk, Post Room, Revenues and Benefits and Corporate Scanning as well as Asset Maintenance, the performance of the Team and the challenges ahead.

The Chairman adjourned the meeting at 19:14 in order to allow Members additional reading time to consider the Equality Impact Assessment tabled as appendix C to the report on agenda item 9 'Council Tax Reduction Scheme'. The meeting reconvened at 19:18.

9. Council Tax Reduction Scheme

The Head of Revenue & Benefits presented a report that updated Members on the progress that had been made on the review of the Council Tax Reduction (CTR) Scheme. In 2013 a three year scheme was introduced, which had been rolled on to 2016/17, but a new scheme was required thereafter.

The Kent Finance Officers' group, together with an external consultant, had investigated the options for a new scheme. They had taken into account objectives to make the scheme less costly and more efficient and to have regard to the impact of changes on vulnerable residents and target support for those most in need. An [Equality Impact Assessment](#) was tabled for Members' consideration.

Prior to the implementation of any change to CTRS, authorities were required to consult with the public. Members were asked to agree the options which were to be consulted on and to give delegated authority to the Chief Finance Officer and Finance Portfolio Holder to finalise the consultation material. The Head of Revenues & Benefits explained that a number of the proposed options for the consultation in Appendix B were to ensure that CTRS realigned with Housing Benefit regulations, for the ease of customers. A Minimum Income Floor for self-employed claimants was to align with Universal Credit.

The Chairman suggested that the Council not consult on including Child Benefit and Child Maintenance in the assessment of income, due to the impact they would have on households with children.

Finance Advisory Committee - 24 May 2016

Members discussed the level of support which should be given to self-employed people if their businesses were unsuccessful. Officers advised that their accounts would usually be accepted if certified.

The Committee also considered the introduction of a band cap at the equivalent of a Band D charge and noted that affected residents may be able to move to lower banded properties.

Members raised concerns at the number of options residents would reasonably be able to consider during the consultation.

Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty and that residents may fall into more than one category of affected person.

Resolved: That it be recommended to Cabinet that

- a) the work undertaken thus far within Kent collectively, the resultant Options Appraisal set out in Appendix A to the report and the Kent Finance Officers' group recommendation that any new Council Tax Reduction (CTR) Scheme should be based on the current scheme but with a series of potential modifications upon which should be consulted on, be noted;
- b) a consultation be launched on the potential introduction of a range of modifications to the current CTR Scheme for working age claimants as follows
 - i) increasing the minimum contribution rate for working age claimants to 20% or (up to) 25%;
 - ii) introducing a Minimum Income Floor for self-employed claimants (based upon the living wage at 35 hours per week for full time or 16 hours a week for part-time workers);
 - iii) reducing the capital limit to £6,000;
 - iv) introducing a band cap at a band D; and
 - v) aligning regulations of the current CTR scheme with Housing Benefit and (prescribed) Pension Age CTR scheme.
- c) through the consultation, views be sought as to whether an Exceptional Hardship Policy should be incorporated as part of the scheme;
- d) through the consultation, views be sought on other ways of meeting the demands highlighted through the report other than changing the existing Council Tax Reduction Scheme;

Finance Advisory Committee - 24 May 2016

- e) the proposed arrangements in respect of consultation be endorsed and, subject to there being no significant changes required to the above proposals following the outcome of approvals by other Kent district councils, delegated authority be given to the Chief Finance Officer to finalise the consultation material in liaison with the Finance Portfolio Holder.

10. Provisional Outturn 2015/16

The Head of Finance presented the provisional financial outturn figures for 2015/16 which would be presented to Cabinet at its meeting on 9 June 2016. It requested that funding for essential stabilisation works at Otford Palace Tower be funded through the Budget Stabilisation Reserve to allow a prudent level of £1.5 million in the General Fund Reserve.

The Head of Finance updated Members that the actual figure for retained business rates would be £120,000 rather than the provisional £150,000.

Members reviewed the explanations provided by Chief Officers for variances between their budgets and actual income and expenditure for 2015/16.

Public Sector Equality Duty

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

Resolved: That

- a) the outturn report for 2015/16 be noted; and
- b) it be recommended to Cabinet that funding for the Otford Palace Tower be taken from the Budget Stabilisation Fund and not from the General Fund Reserve.

11. Financial Performance Indicators 2015/16 to the end of March 2016

The Head of Finance presented a report which detailed the internally set performance indicators as at the end of March 2016, which Members considered.

Resolved: That the report be noted.

12. Work Plan

Members noted that a report on the triennial pension fund valuation was expected by the meeting of the Committee on 15 November 2016. The work plan was noted.

THE MEETING WAS CONCLUDED AT 7.57 PM

CHAIRMAN