

Finance & Investment Advisory Committee

Minutes of the meeting held on 9 April 2024 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Maskell (Vice-Chairman)

Cllrs. Bayley, Hogarth, Kitchener, Malone, Manston, James Morgan, Scott, Silander and Williams

Apologies for absence were received from Cllr. Clayton

Cllr. Robinson was also present.

51. Minutes

Resolved: That the minutes of the meeting held 11 January 2024 be approved, and signed by the Chairman as a correct record.

52. Declarations of Interest

Cllr Scott declared for Minute 55 – Financial Monitoring 2023/24 – to the end of January 2024 that she would not participate in the item.

53. Actions from Previous Meeting

An email outlining which capital projects were within budget was sent to Members on 2 April. Members noted the information.

54. Update from Portfolio Holder

The Portfolio Holder gave an update on the services within his portfolio. A balanced budget for 2024/25 was agreed at Council on 20 February. He thanked members and officers for their work, at a time of unprecedented budget pressures. The Council currently had a budget deficit, and there were several uncertainties in the upcoming year. The committee would be updated on the situation as more information became available.

The Council maintained a strong capital position, and would look to improve the housing, economic, and environmental conditions of the district. The committee would be appraised of the developments and expenditures associated with these.

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An email had been sent to members of the Committee asking for feedback on the budget process, including the training received. The Portfolio Holder urged members to respond to this.

In response to a question regarding the funding recently awarded to the Citizens' Advice Bureau, the Portfolio Holder advised that the Portfolio Holder for People & Places could provide updates and further information.

55. Referral from Cabinet or the Audit Committee

There were none.

56. Financial Monitoring 2023/24 - to the end of January 2024

The Head of Finance presented the report, which set out the Council's financial position to January 2024, and the forecast position until March 2024. The forecast deficit had been reduced to an unfavourable variance of £195,000. The unfavourable variances included the pay award, which equated to an average increase of 5.7% from April 2023. They further included the Direct Services unfavourable forecast, which was largely due to the post-pandemic levels of waste, though a number of measures had been implemented in 2023/24 to partly offset this. There were additional costs associated with planning appeals, and it had been agreed that reserves could be used to fund this unplanned expenditure by way of a supplementary estimate.

Favourable variances included investment income receipts, though it was noted that the core value of the investments in the Multi Asset Income Funds had reduced. Unfilled vacancies resulted in a favourable variance of £791,000. Some of the vacancies were being offset by agency and consulting costs, and others were used to reduce the overall deficit. The capital programme was forecast to have expenditure of £10.7million against a budget of £33million. This was due to the re-evaluation of the Bevan Place scheme, and the delayed start to the White Oak residential scheme.

Members discussed the report and asked questions regarding specific budgets. The officer explained that a review of the Swanley Business Hub was ongoing to address funding solutions, and a report would be presented to Members. Implementing direct debits required the employment of consultants as the council's financial software was complex and integrated with a number of other systems. The Burlington Mews project had initially been approved with a budget to construct the properties, with a later budget added for ongoing maintenance. The maintenance budget was never required. The White Oak Leisure Centre showed a £700,000 underspend as savings were identified after the budget was revised.

Members discussed the cost implications of agency staffing and pressures on Direct Services. The Chief Officer for Finance & Trading explained that a large number of the issues within Direct Services had been addressed within the 2024/25 budget process. A recruitment freeze was implemented across the council, where only critical recruitment could take place. That meant this year had an exceptionally high rate of

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vacancies and agency staffing compared with previous years. 10 new staff were being recruited to Direct Services to reduce the cost of agency staff.

Members were advised that the Council had written to Government regarding the proposed grant for the implementation of a food waste service, as the grant was well below the costs of setting-up and running the service.

The final deficit for the year would be offset by the government grant of £165,000 which was announced in the Local Government Finance Settlement. The remainder would be funded from reserves and repaid over the 10-year budget period.

Resolved: That the report be noted.

57. Financial Performance Indicators 2023/24 to the end of January 2024

The Head of Finance set out the report, which presented figures on nine internally-set financial performance indicators covering activities that support information provided in regular financial monitoring statements to January 2024. He explained that the indicator for the average number of days to process a change in circumstances for Housing Benefit was within target for February 2024, as vacancies had been filled to keep staffing in line with service demand.

In response to questions, the Head of Finance explained that agency staff had been used to offset long term vacancies, but costs had been maintained within budget. The target of 80% for audit actions to be implemented within agreed timescales mostly consisted of audits which were not high-risk, and where managers may have originally been too optimistic on implementation timescales.

Resolved: That the report be noted.

58. Carry Forward Requests

The Head of Finance presented the report, which detailed the revenue and capital carry forward requests from the 2023/24 budget to 2024/25. The figures were prepared before the final outturn and thus were not exact.

In response to questions, the Chief Officer for Finance & Trading explained that carry forward requests were included in the budget forecast. Requests needed to have a clear and necessary budget function to be considered, and no carry forward could exceed the underspend on the specific budget. The Head of Finance explained that a table was missing in error from Appendix B. The missing information did not affect the amount carried forward.

Resolved: That it be recommended to Cabinet that

- a) The Revenue carry forward requests totalling up to £908,000 as set out in Table 1 of the report be approved; and

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- b) The Capital carry forward request totalling £748,000 as set out in Table 2 of the report be approved.

59. Work Plan

The Chief Officer for Finance & Trading set out the work plan for the upcoming year:

21 May 2024

- Financial Monitoring 2023/24: Draft Outturn
- Financial Performance Indicators 2023/24 to the end of March 2024
- External Borrowing Report

3 September 2024

- Financial Prospects and Budget Strategy 2025/26 and beyond
- Treasury Management Annual Report 2023/24
- Financial Monitoring 2024/25: to the end of July 2024
- Financial Performance Indicators 2024/25 to the end of July 2024

24 October 2024

- Financial Monitoring 2024/25: to the end of August 2024
- Financial Performance Indicators 2024/25 to the end of August 2024
- Treasury Management Mid-Year Update
- Budget 2025/26: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)

THE MEETING WAS CONCLUDED AT 7.58 pm

CHAIRMAN