

FINANCE AND RESOURCES ADVISORY COMMITTEE

Minutes of the meeting held on 21 January 2014 commencing at 7.00 pm

Present: Cllr. Ramsay (Chairman)

Cllr. McGarvey

Cllrs. Mrs. Bayley, Brookbank, Cooke, Mrs. Davison, Edwards-Winser,
Mrs. Sargeant and Walshe

Cllrs. Mrs. Morris were also present.

35. Minutes

Resolved: That the minutes of the meeting of the Finance and Resources Advisory Committee held on 12 November 2013 be approved and signed by the Chairman as a correct record.

36. Declarations of Interest

No additional declarations of interest were made.

37. Actions from Previous Meeting

The actions from the previous meetings were noted.

38. Update from Portfolio Holder

The Chairman, and Portfolio Holder for Finance and Resources, updated the Committee on his work since the previous meeting of the Advisory Committee listed below:

- 12 Knole Way had come in for completion
- He had taken a Portfolio Holder decision to serve an eviction order on Rural Age Concern Darent Valley
- Decking of car parks was being investigated.
- Interest had been shown by West Kent Housing and the local working men's club in developing the site at Bevan Place, Swanley.
- Timberden Farm – the agricultural lease would be running out soon so investigations into future options for the site are being considered.
- The Government had yet to announce the council tax referendum threshold, and money within the Revenue Support Grant (RSG) had not been ring-fenced for Parish and Town Councils despite what had been stated by Brandon Lewis MP. The Chief Finance Officer advised that he had participated in a conference call with a number of other local authorities and Brandon Lewis MP, where he had stated the announcement would not be within the next couple of days but would be before 12 February 2014.

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- A number of small plots of land were still owned by the Council which had not been transferred when the housing stock was sold. Options for disposing of these plots are being investigated.
- He had hoped to be bringing a report to the committee on White Oak Leisure Centre but he had requested further work to be done before submission.

39. Referrals from Cabinet or the Audit Committee

There were none.

40. Proposed Joint working project between Sevenoaks District Council and Tonbridge and Malling Borough Council on Building Control Services

The Chief Officer Environmental & Operational Services presented a report proposing an operating model for joint working with Tonbridge and Malling Borough Council (T&MBC) for Building Control Services and recommending that a joint working arrangement be entered into. This would build on the previously shared management arrangements and would achieve efficiency savings for both Authorities and significantly increase the resilience of the Service by amalgamating two existing small teams into one larger team covering both Authorities.

It was noted that a more detailed report would be considered by the Economic and Community Development Advisory Committee on 26 February 2014 before consideration at Cabinet on 6 March 2014.

Resolved: That it be recommended to Cabinet, and reported to the Economic and Community Development Advisory Committee that:

- a) in principle, and, subject to the views of the Economic and Community Development Advisory Committee the Council enter into an agreement with T&MBC for a joint working project for Building Control Services;
- b) the Portfolio Holder for Economic and Community Development be delegated the Authority to agree the Heads of Terms for a joint working Agreement; and
- c) the Portfolio Holder for Economic and Community Development be delegated the authority to approve any consequential actions required in order to implement the project.

CHANGE OF AGENDA ITEM ORDER

Agenda Item 11 was moved forward for consideration.

41. Treasury Management Strategy 2014/15

It was reported that the Local Government Act 2003 (the Act) and supporting regulations required the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. The Act therefore required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as

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required by investment guidance issued subsequent to the Act) which set out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. Members' attention was drawn to paragraphs 61-64 of the report and Appendix F, which dealt with proposed changes to the investment criteria. The Principal Accountant explained that data referring to the capital programme had been left blank at this stage as it was still to be approved.

Some Members were keen to open up to new counterparties, including banks in countries such as Sweden, Australia and Singapore that operated in the UK. However it was agreed that this should be brought back for further consideration.

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 following amended investment criteria be included in the Treasury Management Strategy for 2014/15:
 - i) Maximum investment period of 2 years.
 - ii) Investments in any single institution or institutions within a group of companies be limited to 25% of the total fund, at the time the investment is placed, except it be increased for Lloyds Banking Group plc and Royal Bank of Scotland Group plc to 30%.
 - iii) Total investments in any one foreign country be limited to 15% of the total fund, but UK-based institutions to be used as first preference.
 - iv) Investments in banks be limited to £6m per counterparty excluding call accounts and £7m including call accounts except for Lloyds Banking Group plc and Royal Bank of Scotland Group plc, where the limits would be £10m for each with no distinction between fixed deposits and call accounts.
 - v) If the Council's own banker, Barclays, falls below Capita Asset Services' minimum credit rating requirements, it would nevertheless continue to be used, although balances would be minimised in both monetary size and duration.
 - vi) Building Societies with assets in excess of £9bn be included in the lending list with a maximum investment limit of £2m each and a maximum duration of 100 days. If a Building Society meets Capita Asset Services' minimum credit rating requirements, the investment limit be increased to £5m with a maximum duration of two years.

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- vii) Enhanced Money Market Funds (EMMF) to be used as an alternative to the existing standard Money Market Funds (MMF) with a combined maximum limit of £5m per provider.
- b) Property Funds with a limit of £5m in each not be included at this time;
- c) investments in non-UK banks not be included at this time, but the matter be brought before a future meeting of the Committee for further consideration; and
- d) it be recommended to Council to approve the amended Treasury Management Strategy for 2014/15.

42. Capital and Asset Maintenance Budget 2014/15

The Head of Finance presented a report which set out the proposed 2014/17 Capital Programme, with supporting documentation in a standard format for individual scheme bids. [An updated scheme bid](#) for the vehicle replacement programme was tabled. Projected capital receipts were included, indicating the proposed financing of the Programme. A proposed overall provisional limit for Asset Maintenance was also made.

Members were interested in the saleable value for the old generator. It was noted that a report on asset maintenance at White Oak Leisure Centre was not before the Advisory Committee but would be considered at the next meeting.

Action 1: That the Head of Finance circulate to Members more details on the figures contained in paragraph 8 of the 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

- a) the Capital Programme 2014/17 and funding method set out in Appendix B (and amended scheme bid) to the report, be approved; and
- b) the proposed Asset Maintenance budget of £469,000 for 2014/15, be agreed.

43. Risks and Assumptions for Budget 2014/15

Members views were requested on the risks and assumptions included in the appendices to the report. The Draft Budget 2014/15 reported to Cabinet on 5 December 2013 provided information on the key assumptions and risks included within the draft budget proposals and Cabinet were given a further update 9 January 2014. The risk assessment report before Members provided more detail on the assumptions and risks.

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Resolved: That the report be noted.

44. Financial Performance Indicators 2013/14 - to the end of November 2013

Members considered a report showing figures on seven internally set performance indicators covering activities that support information provided in the regular financial monitoring statements. Members commented that it was a good positive report.

Resolved: That the report be noted.

45. Financial Results 2013/14 - to the end of November 2013

The report presented figures on internally set performance indicators for 2013/14 up to the end of November 2013, with comparative figures for the previous year. Eight months into the year the results to date showed an overall favourable variance of £533,000, and the year-end position was forecast to be £49,000 better than budget. The Head of Finance was able to comment on the December figures advising Members that there was now a £615,000 favourable variance and the year-end position was forecast to be £293,000 better than budget. The expected variance was still only 0.58% of gross expenditure. There were a variety of reasons for the savings, for example Direct Services had gained £65,000 further extra income.

Resolved: That the report and Comments by the Head of Finance, be noted.

46. Work Plan

It was noted that an additional meeting date had been set since the publication of the agenda. The work plan would be amended accordingly to show that meeting would be considering White Oak and the asset management strategy.

THE MEETING WAS CONCLUDED AT 8.47 PM

CHAIRMAN