

NOTES OF INQUORATE MEETING OF THE FINANCE ADVISORY COMMITTEE 01.09.2015

Present: Cllrs. Mrs. Bayley, Lake, Pett, Scholey and Searles

(a) Update from Portfolio Holder

Cllr. Searles informed the Members that his work had mainly been regarding the Council's budget.

(b) Introduction to Audit, Risk and Anti-Fraud – Presentation

The Audit, Risk and Anti-Fraud Manager gave a presentation which provided an overview of the service and the key aspects within Internal Audit, Risk Management and the Anti-Fraud Investigations Team.

(c) Annual Treasury Management Report 2014/15

The Principal Accountant talked through the Annual Treasury Management Report which provided the customary review of investment activity during 2014/15 as required by the Council's Financial Procedure Rules. It outlined the strategy adopted during the year, showed the position of the investment portfolio at the beginning and the end of the year and gave details of how the fund performed in comparison with previous years and against various benchmarks.

(d) Financial Performance Indicators 2015/16 – to end of July 2015

The Head of Finance talked through the Financial Performance Indicators to the end of July 2015 that provided figures on seven internally set performance indicators covering activities that support information provided in the regular financial monitoring statements. She advised that 346.3 full time equivalent staff was made up of 382 full and part time staff.

(e) Financial Results 2015/16 – to the end of July 2015

The Head of Finance talked through the Financial Results 2015/16 to the end of July 2015 which was four months into the financial year. The results showed an overall favourable variance of £6,000. The end of year position was forecast to be £202,000 worse than budget; just under 1.4% of the net budget for the year. Both the results and forecasts included any significant accruals. The Chief Finance Officer explained that the use of agency staff in Benefits was likely to continue until the change to Universal Credit has a significant impact on the demands of the service.

(f) Financial Prospects and Budget Strategy 2016/17 and Beyond

The Chief Finance Officer talked through the Financial Prospects and Budget Strategy 2016/17 and Beyond report which was the first report for the 2016/17 budget setting process. He explained that the report set out the financial pressures the Council was likely to face in the coming years and suggested an appropriate strategy, utilising the 10 year budget framework, to ensure the Council remains financially stable over the long term. The report proposed that from next year the Council sets a budget which assumes no funding from Government through the Revenue Support Grant which was the first

major step to be taken towards the Council's ambition to be financially self-sufficient as set out in the Corporate Plan.

To achieve the aim and to ensure a balanced budget position over the next 10 year period, whilst also increasing the Council's ability to be sustainable beyond that time, a savings requirement of £500,000 in 2016/17 was required, along with additional income or savings of £100,000 in each of the following nine years. The Members present discussed the phasing of the required savings, recognised the volatility of diesel prices and were pleased with the work completed so far. It was thought that the changes to assumptions made the 10-year budget more credible.