

MINUTES

FINANCE AND RESOURCES OVERVIEW AND SCRUTINY

8 DECEMBER 2015

Present:

Members:

Councillors: Herbert Chapman
(Chair)
Douris (Vice-
Chairman)
Barnes
Birnie
Clark
Mills
Taylor
Tindall

Officers:	Chris Baker	Group Manager - Revenues, Benefits & Fraud
	Steven Baker	Assistant Director - Chief Executive's Unit
	Nicholas Brown	Group Manager - Commercial Assets & Property Development
	James Deane	Corporate Director - Finance and Operations
	Ben Hosier	Group Manager - Commissioning, Procurement & Compliance
	Matt Rawdon	Group Manager - People
	Robert Smyth	Assistant Director - Performance & Projects
	Ben Trueman	Group Manager – Technology & Digital Transformation
	Mark Brookes	Group Manager - Legal Governance
	Jim Doyle	Group Manager - Democratic Services
	Caroline Souto	Financial Planning & Analysis Team Leader

Also In Attendance: Councillor Elliot attended as Portfolio Holder for Finance & Resources.

Councillor Harden attended as Portfolio Holder for Residents and Regulatory Services.

The Leader of the Council and Councillor Brown were also in attendance.

The meeting began at 7.30 pm

Following a Joint meeting of the OSC's where a budget presentation was given, the Finance and Resources OSC meeting began at 8.25pm.

The minutes of the Finance & Resources OSC meeting held on 4th November 2015 were confirmed by the Members present and signed by the Chairman.

45 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillor's Imarni and Silwal. Councillor E Collins and Fethney were absent.

46 DECLARATIONS OF INTEREST

None.

47 PUBLIC PARTICIPATION

None.

48 BUDGET 2016/17

Having received a presentation from the Director of Finance & Operations, the committee were open to discuss the budgets in their remits.

The Chairman asked Members if they had any questions surrounding the Draft Budget proposals 2016/17.

The Portfolio Holder for Finance and Resources and Residents and Regulatory Services said that they were both pleased with the Budget preparation 2016/17.

Councillor Douris asked the Officers and the Portfolio Holder if they could give the new Members of the Committee an explanation of what the recharges are.

The Director of Finance and Operations explained that within the local authority the Council is required to collect all their costs and attribute them all to front line services. There is no impact on the bottom line of the budget other than the Support Services.

Councillor Tindall mentioned that a trend was occurring within the budget papers on Support Services, Supplies and Services and Third Parties (page 16). He asked if there could be an explanation given on how 20-30% of savings had been obtained within the budget.

The Director of Finance and Operations explained that the £40k related to the Woodhall Farm Community Centre previous employees being moved over to third party expenditure. In terms of the Supplies and Services, he added that the department is relatively constant with staffing side of things so you would expect the larger variations to come on the Supplies and Services side.

Councillor Tindall referred to page 21 of the report and a reduction of 34% in Support Services.

The Director of Finance and Operations explained that there had been a recharge error and an update had been provided to show this. He added that budgets need to be approved at these levels in order to make sure that there are controls in place.

Councillor Birnie asked if there was a way of defining Support Services.

The Director of Finance and Operations explained to Members that it's anything that not front line services.

Councillor Harden asked if it would be possible to give a brief description to Members for what would be covered under each service.

The Director of Finance and Operations explained to Members the different groups:

Employees

This group includes the cost of employee expenses, both direct and indirect.

Premises

This group includes expenses directly related to the running of premises and land.

Transport

This group includes all costs associated with the hire or use of transport, including travel allowances.

Third Party Payments

Third Party Payments - These are contracts with external providers for the provision of a specific service. Examples for the Council include the Call Centre, Payroll Services, and Parking Enforcement.

Supplies & Services

This group includes all direct supplies and service expenses to the authority.

Capital Charges

These statutory accounting adjustments reflect a notional charge to the service for the use of a Councils asset. For example, Cupid Depot, for which a charge is made to Waste Services, for as long as the service uses the asset. These charges are reversed out centrally and do not impact on Council Tax.

Transfer Payments

This includes the cost of payments to individuals for which no goods or services are received. For the Council this only relates to Housing Benefit payments.

Income

This group includes all income received by the service from external users or by way of Charge.

Grants and Contributions

This group includes all income received by the service from external bodies.

Councillor Tindall referred to page 5, item 9 and asked what the officer to explain which charges had been increased.

The Director of Finance and Operations mentioned that all of the charges are listed in Appendix B where they are explained in more detail. The biggest charge is the increase to garage fees of £155k. There is £87k from the review of waste service charges, increased cost for the collection of bulky goods. Another big charge is the planning fees where it is anticipated that there will be an increase in planning applications that are received next year which contributes to another £75k to the overall total.

Councillor Barnes made a presentational point on page 8 of the report in that he was unable to see a breakdown of the charge of £21450 within the report.

The Director of Finance and Operations added that the figures are highlighted within Appendix B of the report.

Councillor Harden added that it would be helpful to Members if there was additional information supplied next to the figures within the report to explain how these figures were obtained.

The Director of Finance and Operations said that moving forward they will look into these points raised by Members.

The Chair added that it would be helpful to have references to go from one point to another within the report.

Councillor Taylor asked the officer to clarify if there will be a 1% reduction in rents.

The Director of Finance and Operations mentioned that the Council has had imposed on them through government legislation a 1% reduction per year for the next 4 years on every property. Overall they have anticipated a 1% reduction across the board.

Councillor Birnie asked how the Council can fund a savings initiative.

The Director of Finance and Operations said that this example related to Planning doing a full review of their systems and they can streamline them in line with them purchasing some additional IT equipment.

R Smyth, Assistant Director (Performance & Projects) explained that there has been some additional funding to enable the department to become more efficient and complete the planning applications quicker.

Councillor Douris referred to the additional cost of £900k and asked if this had anything to do with the triennial review or if it had anything to do with the stock exchange.

The Director of Finance and Operations mentioned that there is a 3 yearly review. The £900k was funded from a pension reserve that was set up for 1.8 million in total and it's broadly in line with what was paid when the triannual review came out 2 years ago.

Councillor Birnie referred to page 23 and asked the officer to define what an investment property was.

N Brown, Group Manager (Property and People), replied that an investment property is a commercial property that the Council holds such as shops, retails units etc. that produce an income.

The Chairman thanked all of the Officers and Members for their input in the report.

Outcome

The Finance & Resources OSC Committee reviewed and noted the draft budget proposals for 2015/16.

49 APPENDIX A - WORK PROGRAMME

Members were all in agreement to add the item "Asset Management Strategy" to the work programme for 13 January 2016.

The meeting ended at 9pm