

FINANCE AND MANAGEMENT COMMITTEE (SPECIAL)

22nd May 2013

PRESENT:-

Conservative Group

Councillor Wheeler (Chairman), Councillor Mrs. Watson (Vice-Chairman) and Councillors Atkin (substitute for Councillor Smith), Jones, Lemmon, Stanton (substitute for Councillor Murray) and Watson.

Labour Group

Councillors Dunn (substitute for Councillor Taylor), Frost, Rhind, Richards, Southerd and Wilkins.

In Attendance

Councillor Harrison (Conservative Group) and Councillor Bell (Labour Group).

FM/122. **APOLOGIES**

Apologies for absence from the Meeting were received from Councillors Murray and Smith (Conservative Group) and Councillor Taylor (Labour Group).

MATTERS DELEGATED TO COMMITTEE

FM/123. **BUDGET AND FINANCIAL MONITORING: PROVISIONAL OUT-TURN 2012-13**

It was reported that, as part of proper financial management, the Council monitored income and expenditure against its budgets on a regular basis throughout the year. Financial information was available on-line to enable day-to-day monitoring within services. Formal monitoring involved budget managers together with their service accountant, meeting and reviewing performance against their particular budgets. This was intended to identify any variances as early as possible to enable remedial and timely action to be taken. Overall financial performance and the major budget variances were reported to the Committee throughout the year. In accordance with its Treasury Management Strategy, the Council monitored its lending and borrowing on a regular basis. The Council's cash flow was also monitored on a daily basis, with performance reported to the Committee throughout the year. The fourth and final monitoring report for the financial year detailed performance up to 31st March 2013 and was effectively the provisional out-turn position. The final figures would be reported to a Special Meeting on the final accounts on 27th June 2013. The Council's draft statement of accounts would then be presented to the Committee on 25th September 2013, following the work and opinion of the External Auditor.

The report's detail contained the following sections:-

- Section 3 – General Fund Revenue Account
- Section 4 – Housing Revenue Account
- Section 5 – Capital Expenditure and Financing
- Section 6 – Reserves, Balances and Provisions
- Section 7 – Treasury Management
- Section 8 – The Collection Fund
- Section 9 – Other Financial Indicators (including Council Tax Collection)

A presentation was provided to accompany the report. Comments and questions were submitted regarding the comparable rent arrears position with that of other authorities and the costs incurred to repair a void property, for which recovery would be sought.

RESOLVED:-

- (1) ***That the provisional out-turn figures for 2012/13 are approved.***
- (2) ***That a net appropriation of £294,192 in 2012/13 is made from the General Fund Reserve to other Earmarked Reserves.***
- (3) ***That the following contributions are made to Bad Debt Provisions in 2012/13:***

<i>Sundry Debtors</i>	<i>£12,446</i>
<i>Council Tax</i>	<i>£335,286</i>
<i>Housing Rents</i>	<i>£44,679</i>

FM/124. **MUNICIPAL MUTUAL INSURANCE LIMITED**

An update was provided on the Scheme of Arrangement between the Council and Municipal Mutual Insurance (MMI) Limited and the potential financial implications associated with it. Background was provided on MMI and the Scheme of Arrangement that had resulted from the company becoming technically insolvent. The Scheme allowed MMI to claw back claims paid on behalf of scheme creditors from October 1992. Since that time MMI had settled outstanding claims on the Council's behalf. The report included a section on recent performance, which showed a deteriorating financial performance. In November 2012 the Directors of MMI triggered the Scheme of Arrangement, transferring control of the company to the appointed administrator Ernst & Young. The administrator reviewed the assets and liabilities of MMI and commissioned KPMG to undertake an actuarial review of the insurance liabilities, the outcome of which was reported. There was a financial implication for the Council of £12,247 payable in 2013/14, which was unbudgeted expenditure. The report also covered potential future liability. It was prudent to earmark an amount in the Medium Term Financial Plan against general reserves to cover for future costs.

RESOLVED:-

That the current status regarding the Scheme of Arrangement with Municipal Mutual Insurance is noted.

FM/125. LOCAL GOVERNMENT ACT 1972 (AS AMENDED BY THE LOCAL GOVERNMENT [ACCESS TO INFORMATION] ACT 1985)

RESOLVED:-

That, in accordance with Section 100(A)(4) of the Local Government Act 1972 (as amended), the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraphs of Part 1 of the Schedule 12A of the Act indicated in brackets after each item.

DRY RECYCLABLES – CONTRACT UPDATE AND PURCHASE OF NEW RECEPTACLES (Paragraph 3)

The Committee approved capital investment for the new Dry Recyclables Contract.

R. WHEELER

CHAIRMAN