

FINANCE AND MANAGEMENT COMMITTEE

19<sup>th</sup> February 2015

**PRESENT:-**

**Conservative Group**

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

**Labour Group**

Councillors Bell, Mulgrew (substitute for Councillor Taylor), Rhind, Richards, Southerd and Wilkins

**In Attendance**

Councillors Atkin, Harrison and Mrs Plenderleith (Conservative Group).

FM/98 **APOLOGIES**

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

FM/99 **MINUTES**

The Open minutes of the Meeting held on 4<sup>th</sup> December 2014 were taken as read, approved as a true record and signed by the Chairman.

FM/100 **DECLARATIONS OF INTEREST**

Councillor Wilkins declared an interest in the Treasury Management Strategy 2015/16 by virtue of his membership of the Credit Union.

FM/101 **QUESTIONS FROM MEMBERS OF THE PUBLIC PURSUANT TO COUNCIL PROCEDURE RULE NO 10**

The Committee was informed that no questions from members of the public had been received.

FM/102 **QUESTIONS BY MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO 11**

The Committee was informed that no questions from Members of the Council had been received.

FM/103 **REPORTS OF THE OVERVIEW AND SCRUTINY COMMITTEE**

Councillor Mrs Plenderleith relayed a brief summary of the work undertaken by this Committee on the Council budget proposals for 2015/16, that it was satisfied with its findings and proffered no recommendations.

**MATTERS DELEGATED TO COMMITTEE**FM/104 **AUDIT SUB-COMMITTEE****RESOLVED:**

*That the Open Minutes of the Audit Sub-Committee Meeting held on 17<sup>th</sup> December 2014 be received.*

FM/105 **RECRUITMENT AND SELECTION WORKING PANEL****RESOLVED:**

*That the Open Minutes of the Recruitment and Selection Working Panel Meetings held on 28<sup>th</sup> January, 2<sup>nd</sup> February and 3<sup>rd</sup> February 2015 be received.*

FM/106 **TREASURY MANAGEMENT STRATEGY 2015/16**

The Director of Finance and Corporate Services summarised the report, making particular reference to the issues relating to the Council's attempts to provide the Credit Union with an interest free loan. Due to technical difficulties this had not been possible, but other avenues of providing assistance to the Credit Union had been recommended for approval.

Cllr Wheeler voiced his thanks for the work undertaken in this respect. Cllr Richards queried how Council employees might be made more aware of the assistance the Credit Union could provide. The Chief Executive suggested an item be added to the Intranet.

**RESOLVED:**

- 1) That the Treasury Management Strategy for 2015/16 be approved.***
- 2) That the Prudential Indicators and Limits for 2015/16 to 2019/20 as set out in the report were approved.***
- 3) That the Investment Strategy for 2015/16 including the associated counterparty (lending) list and policy was approved.***
- 4) That the Council becomes a corporate member of the South Derbyshire Credit Union with an investment of £10,000.***
- 5) That a further sum of £40,000 is made available to the Credit Union as an interest free loan and is subject to an annual review.***

***(Note: Councillor Wilkins left the Meeting for this item).***

FM/107 **FINAL BUDGET PROPOSALS 2015/16 AND FINANCIAL PLAN TO 2020**

The Director of Finance and Corporate Services drew on highlights from his report, confirming that no figures had changed since those quoted to

Committee last month. The rent increase had been confirmed at 2.2% and the overall budget proposals had been relayed widely via presentations to the Area Forums and South Derbyshire Partnership. A balanced budget for 2015/16 had been compiled, with some issues of note going forward, although the General Fund and HRA were well placed. A Reserve Balance was in place through to 2020. It was stressed that due to future uncertainties it was advised that the Council remain cautious in the short-term, there being no room for any major expenditure. Council Tax had been frozen, at the £150.25 Band D level.

Councillor Wheeler commented on the forecast uncommitted reserves, which at the projected figure of £2m was still £1m above the recommended prudent level. Given that he felt Council funds are the people's money held in trust for their benefit, consideration should be given to returning excess reserve funds to the Council Tax payers either as one-off projects or by other means. It was noted that commitments resulting in additional ongoing revenue expenditure would be unaffordable and that a Council Tax reduction would be imprudent as this may lead to a referendum in later years if a substantial increase were needed to restore the level of reserves.

Councillor Wheeler proposed that Officers promptly prepare a paper for Council on 2<sup>nd</sup> March 2015 outlining the options of achieving the desired outcomes. These could include;

- Increasing investment in the Community Partnership Scheme.
- Relieving the burden of Council Tax (short of a reduction in the Band D rate).
- Allocating funds for Officer bids for projects benefitting the community, either by providing additional leisure or other facilities or by improving Council efficiency to reduce costs.
- Taking no action.

This proposal and the practicalities of including it as an additional item on the Council agenda were debated. The Chief Executive said that Officers would endeavour to deliver the request.

Cllr Rhind queried, in relation to the 2.2% rent increase, whether this would be affected by inflation sinking still further. The Director of Finance and Corporate Services confirmed that the approved 2.2% increase would remain effective for 2015/16, but that such developments could affect future year levels.

**RESOLVED:-**

- 1) That the current Council Tax Level be frozen for 2015/16 and a Band D equivalent rate of £150.25 be recommended to Full Council on 2<sup>nd</sup> March 2015**
- 2) That estimated net General Fund Revenue Expenditure totalling £10,892,994 for 2014/15 (revised) and £10,996,355 for 2015/16 be recommended to Full Council on 2nd March 2015 for approval.**
- 3) That the Medium-term Financial Plan to 2020 on the Council's General Fund Revenue Account as detailed in the report was approved.**

- 4) *That the financial projection on the Housing Revenue Account (HRA) to 2024 as detailed in the report was approved.*
- 5) *That the 5-year capital investment and financing plan to 2020 as detailed in the report was approved.*
- 6) *That the Councils estimated National Non-Domestic Rate Return (NDR 1) for 2015/16 showing retained business rates (before the tariff) of £8.79m was noted.*
- 7) *That the report of the Council's Section 151 (Chief Finance) Officer under Section 25 of the Local Government Act 2003 was noted.*
- 8) *That the Chief Finance Officer submit a report to Council on 2nd March 2015 evaluating the General Fund Reserve and detailing options for utilisation.*

FM/108 **AMENDMENT TO LOCAL COUNCIL TAX DISCOUNT SCHEME UNDER SECTION 13A**

The Director of Finance and Corporate Services reported that whilst Discretionary Housing Payments (DHP) were funded by central government, local Council Tax Discounts awarded under Section 13A were not funded in the same manner, hence the requirement for an amendment. Seven cases are currently subject to this Discount, but there was a possibility that this number could rise.

**RESOLVED:**

- 1) *Amendment to the delegated scheme for the award of local discounts was approved.*
- 2) *The revised Guidance Framework set out in the report, to include Council Tax Reduction Scheme Discretionary Payments was approved.*

FM/109 **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.*

**TO RECEIVE QUESTIONS FROM MEMBERS OF THE COUNCIL PURSUANT TO COUNCIL PROCEDURE RULE NO. 11**

*The Committee was informed that no questions had been received.*

**MINUTES**

*The Exempt minutes of the Meeting held on 4<sup>th</sup> December 2014 were received.*

**RECRUITMENT AND SELECTION WORKING PANEL**

*The Exempt minutes of the Recruitment and Selection Working Panel meetings held on 28<sup>th</sup> January, 2<sup>nd</sup> February and 3<sup>rd</sup> February 2015 were received.*

**RISK BASED VERIFICATION FRAMEWORK (Paragraph 7)**

*The Committee agreed proposals for the implementation and future management of the Risk Based Verification Framework.*

**PAY AND GRADING REVIEW (Paragraph 4)**

*The Committee agreed proposals for completion of the Pay and Grading Review.*

**DEBTS SUBMITTED FOR WRITE OFF (Paragraph 1)**

*The Committee authorised the write off of sums due to the Council as detailed in the report.*

The meeting terminated at 6.50pm

COUNCILLOR MRS. A. WATSON

CHAIRMAN