

## FINANCE & INVESTMENT ADVISORY COMMITTEE

Minutes of the meeting held on 8 July 2020 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Dickins (Vice Chairman)

Cllrs. Abraham, Bayley, Carroll, Clack, Clayton, Harrison and Hogarth

Apologies for absence were received from Cllrs. Penny Cole and Reay

Cllr. Dr Canet was also present.

### 46. Urgent Item

In accordance with Section 100B(4) of the Local Government Act 1972, the Chairman agreed to accept the urgent matter 'Covid-19 Financial Impact' which had been circulated but had missed the statutory despatch deadline.

The matter was urgent as the report was based on information provided for a recent Government return which was not available at the deadline for publishing the agenda. Due to the scale of the issue included in the report and the ever changing impacts of the COVID-19 pandemic, it was important to make Members aware of the situation at the earliest opportunity rather than wait for the next meeting. were urgent as decisions were required which, if not made at the next meeting of, would significantly delay the budget setting process in response to the impact of the Covid-19 crisis.

The urgent matter was taken as Agenda item 10.

### 47. Minutes

Resolved: That the Minutes of the meeting of the Finance & Investment Advisory Committee held on 23 January 2020 be approved and signed by the Chairman as a correct record.

### 48. Declarations of Interest

No additional declarations of interest were made.

### 49. Actions from Previous Meeting

An update on the action was given in the update from the Portfolio Holder (Minute 50).

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### 50. Update from Portfolio Holder

Regarding the action from the previous meeting, the Portfolio Holder advised that training had not been arranged yet as there would be a tendering exercise later in the year meaning the Council may have a new treasury advisor.

The Portfolio Holder advised that there had been asset maintenance efficiency work in the Council offices and wider property assets of the Council. There had been marginal gains for environmental improvements which aligned with the Council's aim to be net zero.

The Portfolio Holder introduced Fran Chivers, the new Audit Manager as well as Detlev Munster, the new Strategic Head of Property & Commercial, and Alison Peet, the new Estate Surveyor.

Direct Services had joined the Council's main accounting system after previously operating with a different one. Quercus7 had purchased a Sainsburys Local in Lewisham producing a strong yield of over 5%.

### 51. Referral from Cabinet or the Audit Committee

There were none.

### 52. Financial Performance Indicators 2019/20 - to the end of March 2020

The Head of Finance presented the report which set out the internally set performance indicators as at the end of March 2020 which covered activities that supported information provided in the regular financial monitoring statements.

Members queried which of the 29.5 FTE vacancies were intended to remain vacant and which were vacant pending recruitment.

*Action 1: The Head of Finance to report to Members the split between the type of vacancies within the 29.5 FTE vacancies at the end of February 2020.*

Resolved: That the report be noted.

### 53. Provisional Outturn 2019/20

The Head of Finance reported the Provisional Financial Outturn figures for 2019/20, which showed that a favourable variance of £52,000 had been achieved which represented 0.3% of the net service expenditure budget. The outturn had taken into account of Covid-19 including expenditure, loss and grant funding.

The budget and income figures for the Sevenoaks Switch and Save service were requested by Members.

*Action 2: The Head of Finance to report to Members the budget and income figures for the Sevenoaks Switch and Save service.*

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### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That the provisional outturn report for 2019/20 be noted.

### 54. Work Plan

The work plan was noted.

### CHANGE IN ORDER OF AGENDA ITEMS

The Chairman, with the Advisory Committee's agreement, moved agenda item 10 forward with agenda item 9 to follow.

### 55. Covid-19 Financial Impact

The Chief Officer Finance & Trading presented the report which outlined the financial impact of Covid-19 and the intended financial recovery plan. The report was based on the latest financial return that was provided to the Ministry of Housing, Communities and Local Government (MHCLG). The position would continue to change as ongoing financial impacts become clearer.

The financial implications of Covid-19 started in March 2020 with additional expenditure and reduced income of £178,000 in the 2019/20 financial year. This was offset by the funding received from Government meaning there was no overall impact for the 2019/20 year.

The financial impact had been much greater in the current year 2020/21. Funding from Government received so far had not offset the additional costs or reduced income. The impact currently forecast was £4.661m.

It was currently forecast that there would be £536,000 of additional expenditure incurred this financial year. This included the District Emergency Response aiming to provide support to those in most need. It was forecast that there would be £4.4m of reduced income for the year. The largest item was car parking income with low occupancy during lockdown and the suspension of charges. Other services with reduced demand during lockdown included trade waste, planning, building control and land charges. Council tax collection had also been impacted as staff had tried to support residents and businesses.

Government had provided £1.2m of funding to the Council so far and further funding had since been announced.

The 10-year budget process had put the Council in a strong financial position. The report proposed that the Council continues to use the 10-year budget process a framework for financial recovery from the impact of Covid-19. This would allow Members the opportunity to engage in the process and put forward their ideas.

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In response to queries, the Chief Officer Finance & Trading advised that there was currently no impact of the leisure operator's current financial situation included in the assumptions.

In response to queries, Chief Officer Finance & Trading advised that the business rate retention scheme had a safety net which was a minimum level the Council would receive from business rates regardless of how much was collected. This was how much the Council had budgeted for, meaning there was no financial impact expected this year.

The Committee requested their vote of thanks to be recorded, to all staff in the Revenues and Benefits team within the Council, to acknowledge their hard work in distributing business grants and delivering financial relief to residents quickly during the lockdown period.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

Resolved: That

- a) the financial impact of Covid-19 on the Council be noted; and
- b) it be recommended to Cabinet that the Council address the impact of the Covid-19 response and recovery through the thorough 10-year budget setting process as set out in the report.

### 56. Earning Income from Council Owned Assets

The Strategic Head of Property and Commercial gave an update on the report outlining the plans for Council owned assets.

As part of the due diligence process, officers found that the land adjacent to 9 Pound Lane should not be within the Council's ownership. Although registered in the Council's name, it had been established the land should have been transferred to Sevenoaks Town Council following the reorganisation of local government between 1972-1974. The Council were now seeking to transfer the land to Sevenoaks Town Council.

Since the publishing of the report, officers had considered other options for the disposal of the land to the rear of Sealcroft Cottages. Officers had proposed that an updated report be presented at a later meeting of Cabinet once further due diligence had been completed in order to consider if further benefits could be obtained from the land's disposal.

It was suggested by Members that the relevant parish and town councils be notified should any disposal of land be proposed by the Council in the future.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the Public Sector Equality Duty.

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Resolved: That the disposal of Land to the Rear of Sealcroft Cottages be agreed in principle, subject to further due diligence work being undertaken, and that the following recommendations to Cabinet be endorsed:

That

- a) a further report be presented to Cabinet to approve the terms of the disposal of Land to the Rear of Sealcroft Cottages, following additional due diligence being undertaken to establish if further benefits can be derived from the sale of this land; and
- b) the transfer of the parcel of land at 9 Pound Lane, Sevenoaks to Sevenoaks Town Council be noted.

THE MEETING WAS CONCLUDED AT 8.08 PM

CHAIRMAN