

FINANCE & INVESTMENT ADVISORY COMMITTEE

Minutes of the meeting held on 2 November 2023 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Maskell (Vice Chairman)

Cllrs. Bayley, Hogarth, Lindop, Malone, James Morgan, Scott and Williams

Apologies for absence were received from Cllrs. Clayton and Silander

Cllr. Robinson was also present.

Cllr. Clayton was also present via a virtual media platform which is not recognised as attendance as per the Local Government Act 1972.

25. Minutes

Resolved: That the Minutes of the Finance & Investment Advisory Committee held on 5 September 2023, be approved and signed by the Chairman as a correct record.

26. Declarations of Interest

No additional declarations of interest were made.

27. Actions from Previous Meeting

The completed action was noted.

28. Update from Portfolio Holder

The Portfolio Holder advised that over 20 Members had attended the three budget training sessions which had been provided, with lots of relevant questions and issues raised, and it was positive to see so many Members engaged with the process. Valuable feedback had been provided and he welcomed further feedback. The Portfolio Holder thanked Officers for providing the training.

In response to questions regarding procurement, Members were advised that the Portfolio Holder would be pleased to receive any information that Members believed would be helpful to take forward with the Chief Officer for Finance and Trading. The Audit Committee had received a report on procurement at their last meeting.

29. Referral from Cabinet or the Audit Committee

There were none.

30. Treasury Management Mid-Year Update 2023/24

The Senior Principal Accountant presented the report which gave details of the treasury activity in the first half of the current financial year, recent developments in the financial markets and fulfilled the reporting requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management. Also included within the report was an economic update provided by Link Treasury Advisors to help understand the impact of the investment market.

Members took the opportunity to ask questions regarding the Multi-Asset Income funds. Members were advised that the capital value of the funds fluctuated up and down, but this movement was normal and these short-term fluctuations were not reflected in the investment returns reported in the monthly accounts since the Investment funds were being held for the long term. Members were also advised that it was good governance to have external professional advice and that was provided by the Treasury Advisors. Members requested more detailed breakdowns of the fund management, including asset selection.

Action: That the fund management report be circulated to Members.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that the Treasury Management Mid-Year Update for 2023/24 be noted.

31. Financial Monitoring 2023/24 - To the End of September 2023

The Head of Finance presented the report which updated Members on the current financial position of the authority as at the end of September 2023 and the forecast to March 2024. The previous report to the end of July had forecast a full-year unfavourable variance of £1.489 million. Since then, Officers had implemented a number of actions which had brought the unfavourable variance down to £971,000, which was moving in the right direction but was still a significant gap.

He further advised that since the publication of the report the pay award offer had now been accepted. There would be additional staff costs of £750,000 against the budget assumption of 2%, which was reflected in the forecast position. He also drew attention to other significant unfavourable variances, which were detailed within paragraphs 12 - 16 of the report, which included overspends within Direct Services, who were still functioning at post pandemic levels, and the unplanned costs regarding Oakhill Road. There were also some favourable variances, which

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were detailed in paragraphs 8 - 11 of the report, which included a number of staff vacancies, and a reduction in external spend, among others.

Members discussed the report. In response to questions Members were advised that some of the unfavourable variances were due to market changes and were being addressed as part of the budget process. Members also discussed staff costs and the number of vacant positions. Further information was requested on the underspend on staff costs and the split between posts that were being held vacant against the posts that couldn't be filled.

Action: That Officers provide the split between posts being held vacant and those that could not be filled.

Resolved: That the report be noted.

32. Financial Performance Indicators 2023/24 - To the End of September 2023

The Head of Finance presented the report which detailed figures on nine internally set performance indicators covering activities which supported information provided in the regular financial monitoring statements. In response to questions, Members were advised that staff sickness had affected the average number of days to process housing benefit claims but the figures were decreasing and moving in the right direction.

Resolved: That the report be noted.

33. Budget 2024/25: Review of Service Dashboards and Service Change Impact Assessments (SCIAs)

The Head of Finance presented the report which set out updates to the 2024/25 budget process within the existing framework of the 10-year budget and savings plan.

Some changes had been made to future assumptions and they would be continued to be reviewed during the budget process. The key cost driver continued to be inflation, with pressure coming through on service demand, the pay award and the cost of goods and services. The items listed in Appendix E reported a current annual budget gap of £1.368m. Members were advised that they were likely to have to make more difficult decisions during the 2024/25 budget setting process than they had had to make for many years.

Informed by the latest information from Government and discussions from Cabinet, it was proposed that the Council once again set a balanced 10-year budget and continued to aim to be financially self-sufficient with no direct funding from Government through additional Revenue Support Grant or New Homes Bonus.

The report presented growth and savings items that had been identified which needed to be considered, and requested further suggestions from the Advisory Committee, before finalising the budget for 2024/25.

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The Committee considered the proposal set out in Appendices G and H, which was a reduction in the members' travel budget which matched the current usage requirement. There was support for this proposal.

Members gave further consideration to additional suggestions for growth and savings which had been suggested by Members and required consideration of the Committee. Those suggestions relevant to this Advisory Committee were as follows:

- More active management of the council's bank current account. There was no specific proposal for the budget, following on from the debate under the Treasury Management update and future reports where risk appetite would be discussed further.
- Forego Members allowances increases in 2024/25. Members were advised that they could always forego their allowances as an individual decision, whilst noting it was important to ensure that being a Councillor remained accessible to everyone.
- Increasing the maximum council tax which could be charged on unoccupied property. Currently the maximum would only be charged if the property had been left vacant for 2 years but this could be applied after 1 year. Members supported the suggestion and were content with it being an idea put forward for further consideration.

Following debate Members agreed that only the third suggestion should be referred to Cabinet for further consideration.

Public Sector Equality Duty

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

Resolved: That it be recommended to Cabinet that

- a) The saving proposal (SCIA 4) identified in Appendices G&H to the report applicable to this Advisory Committee, be considered; and
- b) Advise Cabinet with the following suggestion:
 - Increasing the maximum council tax which could be charged on an unoccupied property.

34. Work Plan

The work plan was noted with the Treasury Management strategy being included to the work plan for January 2024.

THE MEETING WAS CONCLUDED AT 8.36 PM

CHAIRMAN