

FINANCE & INVESTMENT ADVISORY COMMITTEE

Minutes of the meeting held on 21 October 2020 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Dickins (Vice Chairman)

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

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

69. Minutes

Resolved: That the Minutes of the meeting of the Finance & Investment Advisory Committee held on 8 September 2020 be approved and signed by the Chairman as a correct record.

70. Declarations of Interest

No additional declarations of interest were made.

71. Actions from Previous Meeting

The Portfolio Holder advised that following a question raised at the meeting of the Committee on 8 July 2020, Cabinet had agreed to no longer fund or provide the Council's dedicated 'Sevenoaks Switch and Save' Scheme and instead promote existing nationally recognised energy switching comparison services and support local residents to access them at no cost to the Council.

72. Update from Portfolio Holder

The Finance and Investment Portfolio Holder updated Members and there were four main themes to his update. New money of £48,385, had been received which related to COVID-19. Accommodation funding had been received of £98,000 that could be used towards the expenditure on homelessness to date, but this was likely to be at the cost of other initiatives.

There were two additional COVID-19 schemes being developed by Government. One for support grants to provide to businesses to support them in the event of a local lockdown and the second was a payment for those on low incomes who had to self isolate due to Test and Trace. Sencio Leisure had requested a further 6-month payment holiday on their loan from the Council.

The Portfolio Holder also gave a message of thanks for Officers' continued enthusiasm and commitment.

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73. Referral from Cabinet or the Audit Committee

There were none.

74. Financial Performance Indicators 2020/21- to the end of August 2020

The Head of Finance presented the report which set out nine internally set performance indicators covering activities that support information provided in the regular financial monitoring statements. Members' attention was drawn to three areas including: Audit actions, outstanding debts and treasury management which were all affected due to COVID-19.

Members praised Officers for their work with processing housing benefits and collection of council tax during the uncertain times of COVID-19. The Council Tax and Recovery Manager advised that this was monitored closely and was largely due to early contact with customers and setting up of payment plans.

Resolved: That the report be noted.

75. Financial Results 2020/21- to the end of August 2020

The Head of Finance presented the report on the Council's financial results 2020/21 to the end of August 2020, which showed the end of year position was currently forecast to be an unfavourable variance of £3.0m which was largely due to COVID-19. This represented 19.4% of the net service expenditure totalling £15.581m.

He went on to further explain that due to COVID-19 the Government had issued a sales, fees and charges compensation scheme, to recover some of the income that had been lost due to the Coronavirus. To date the council had requested compensation of £1.2m which would reduce the end of year forecast to £1.8m. It was expected that the full year claim for compensation would be £2.3m, which would leave a deficit of £0.7m.

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 report be noted.

76. Budget 2021/22: Review of Service Dashboards and Service Change Impact Assessments (SCIAS)

The Deputy Chief Executive & Chief Officer - Finance & Trading, presented the report which set out updates to the 2021/22 budget within the existing framework of the 10-year budget and savings plan. The report presented growth and savings

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items that had been identified which needed to be considered, and requested further suggestions from Members, before finalising the budget for 2021/22.

Informed by the latest information from Government and discussions with Cabinet, it was proposed that the Council continued to set a revenue budget that assumed no direct funding from Government through the Revenue Support Grant or New Homes Bonus. This would result in the Council continuing to be financially self-sufficient. To achieve this aim and to ensure a balanced budget position over the next 10-year period would be more challenging this year due to the financial impact of the Covid-19 pandemic.

The budget process would be shorter with the Council's budget set at the November Council meeting instead of the February Council meeting. This should enable any changes to be implemented before 1 April 2021 and minimise the period of uncertainty for staff.

The annual budget gap included in the report was £826,000 which was largely due to Covid-19. Growth and savings proposals had been identified in the report for this Committee but Members were asked for their suggestions in order to contribute to reducing the budget gap, and their recommendations would be considered by Cabinet as part of the process to set a balanced 10-year budget. By addressing the issues this year, the Council would once again be in a strong financial position that other councils would aspire to.

In response to questions regarding SCIA 16 (Asset Maintenance), Members were advised that the reduction would not have a detrimental impact on the Council's assets as the budget had, in previous years, been increased to reflect the maintenance needs of assets. The savings would partly be achieved by a reduction in the budget for leisure. Members were further advised in relation to SCIA 19 (Council Tax), those in rented accommodation would only become liable for the payment of Council Tax once the tenancy agreement had been signed. There was discretion under legislation to look at individual cases.

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 growth and saving proposals identified in Appendices F & G to the report (SCIAs 13 - 19) applicable to this Advisory Committee, which had the support of the Advisory Committee, be considered.

77. Capital Programme & Asset Maintenance 2021/24

The Head of Finance presented a report which set out the proposed Capital and Asset Maintenance programmes for 2021/24 together with proposed funding. Members' attention was brought to the supplementary agenda, which detailed the Capital Strategy 2020/21, as required by CIPFA code of Practice. The Strategy set out how the council would manage the investment and financing of capital resources to contribute towards the achievement of its key objectives and

priorities and how the associated risks were managed as well as future financial stability.

The capital projects proposed were set out Appendix A, and included capital programme feasibility studies, vehicle replacement programme and disabled facility grants, which was from the Better Care Fund. The full funding and proposals were set out in Appendix B to the report and the anticipated capital receipts were shown in Table 1 of the report.

The Head of Finance responded to Members questions and advised that in terms of possible investment opportunities it was important there was greater transparency to complete capital programme feasibility studies to get a capital scheme up to a certain level where decisions and schemes can be investigated further. Certain expenditure could be incurred for due diligence and it was proposed that a budget be allocated so that it could be more clearly reported.

In each of the schemes that were past feasibility and due diligence stages, separate approval would be requested for the full scheme cost which would include costs incurred at these initial stages.

Public Sector Equality Duty

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

Resolved: That the report be noted and forwarded to Cabinet.

78. Risk and Assumptions for Budget 2021/22

The Head of Finance presented a report which set out the risks and assumptions built in to the 2021/22 draft budget

The financial assumptions included in the 10-year budget were as follows:

- Government Support: - no Revenue Support Grant or New Homes Bonus in 2020/21.
- Council Tax: 2% in 21/22 and future years.
- Business Rates Retention safety-net in 20/21 plus 2% in later years.
- Interest Receipts: £188,000 from 21/22.
- Pay Costs: 2.0% in all years.
- Non-pay costs: 2.25% in all years.
- Income: 2.5% in all years except for off-street car parks which are an average of 3.5% from 2019/20 -23/24. This was expected to be revised for 2021/22 due to the ongoing impacts on Car Parking usage due to the COVID-19 pandemic.

Members were advised that there were some typographical errors on the risk assessment matrix for the financial risks budget 2021/22 and risk 16 needed to be in the very likely x minimal box and risk 17 needed to be next to risk 13, in the very likely x major box.

Resolved: That the report be noted, and forwarded to Cabinet.

79. Work Plan

The work plan was noted with the removal of the Capital Strategy 2021/22 for the 21 January 2021 meeting as it had been reported to this meeting.

THE MEETING WAS CONCLUDED AT 8.07 PM

CHAIRMAN