

FINANCE AND MANAGEMENT COMMITTEE

15th January 2015

**PRESENT:-**

**Conservative Group**

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

**Labour Group**

Councillors Bell, Rhind, Richards, Southerd, Taylor, Wilkins,

**In Attendance**

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

FM/89 **APOLOGIES**

No Apologies for absence were received

FM/90 **DECLARATIONS OF INTEREST**

The Committee was informed that no Declarations of Interest had been received.

FM/91 **QUESTIONS FROM MEMBERS OF THE PUBLIC UNDER COUNCIL PROCEDURE RULE NO 10**

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

FM/92 **QUESTIONS BY MEMBERS OF THE COUNCIL UNDER COUNCIL PROCEDURE RULE NO 11**

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

**MATTERS DELEGATED TO COMMITTEE**

FM/93 **CUSTOMER SERVICES AND PAYMENT FACILITIES**

A report was submitted which informed members that the Finance and Management Committee considered a report in October 2014, introducing cash machines into the Civic Offices to enable people to pay bills and money owing to the Council. The report also considered the need to provide a better experience for people contacting the Council and visiting the offices with queries and looking for information. Following consideration, the Committee agreed that the matter of payment facilities should be reviewed by the Overview and Scrutiny Committee and that it should also examine Customer Services given the increasing demand for people contacting the Council.

Following site visits to Derby City Council and the reception area at South Derbyshire District Council, Members provided a feedback report to the Overview and Scrutiny Committee on 10th December 2014. The cost of implementing two payment machines is approximately £16,000, with on-going maintenance of approximately £1,000 per year. The capital cost includes set-up, support for implementation and training. Some minor works may be required in the reception area depending on the style of machine and their location. It is anticipated that total capital costs would not exceed £20,000 and this could be funded from the IT Reserve, which is set aside for investment in technology. A total redesign of the Customer Services area is estimated to cost approximately £60,000 due to the scale of the building works required.

If approved, an implementation date of 1st April 2015 is recommended to allow sufficient communications to be made, transition and training, etc. Location and sign posting would need to be planned carefully given the limited space in the customer services area. Communication and support for people to start using the machines would also need to be provided.

**RESOLVED:**

***The Committee approved the implementation of two payment machines at the Civic Offices to process all cash income payments.***

FM/94 **SERVICE BASE BUDGETS 2015/16**

A report was submitted which informed Members of the proposed base budget for 2015/16, with a comparison to the current year 2014/15. It provided an overview of the Committee's main spending areas. It was proposed that the estimated income and expenditure be included in the consolidated budget for the Council for 2015/2016, subject to the Council's Overall Medium Term Financial Position (MTFP) which was updated and reviewed in October 2014. The report also set out proposals for the level of fees and charges under the responsibility of this Committee for the next financial year. A summary of the Committee's existing Capital Investment Programme was also included.

An overview was provided which explained the Committee's responsibility for some large spending areas, the functions delivered and those in partnership with Northgate Public Services. The Council's overall financial position was then reported and a summary of expenditure given in a table within the report. The net expenditure is estimated to increase overall between 2014/15 and 2015/16 by £134,173. The main changes were the increase in costs due to the provision made for the District Council Election in May 2015, together with a reduction in Housing Benefit Administration Grant.

Appended to the report were a summary of the Committee's budgets at cost centre level and an analysis of the changes between 2014/15 and 2015/16 for each cost centre. The detail of the report included sections on zero based budgeting, inflation and the general basis of the 2015/16 base budget. Also reported were concurrent functions with contributions to parish councils and the position of the capital investment programme.

The main financial risk identified for the Committee is the payment and recovery of Housing Benefit. The total amount administered and paid in respect of Rent Allowances and Rent Rebates is approximately £18.5m per year. Of this, 98.5% will be recharged to the DWP. Given the amounts involved, this is sensitive to small variations; if reimbursement is not maximised, every ½ % reduction equates to almost £100,000.

The Director of Finance & Corporate Services issued an additional paper under this agenda item which reported on the progress of the Service and Financial Planning Working Group to assess proposals for new capital investment. Subsequently, bids were submitted by Council officers and assessed against the approved evaluation framework. The Group met on 12th January 2015 to score the bids against the corresponding scoring criteria, twelve separate bids were submitted. A sum of £300,000 in the General Fund Reserve has been earmarked for new investment.

**RESOLVED:-**

- (1) That the proposed revenue income and expenditure for 2015/16, as detailed in Appendix 1, be considered and included in the consolidated proposals for the General Fund.***
- (2) The proposed fees and charges, as detailed in Appendix 3, for 2015/16 was considered and approved.***
- (3) That the contributions to Parish Councils in 2015/16 be increased by 2.3% under Concurrent Functions.***

FM/95

**BUDGET REPORT 2015/16 INCORPORATING THE CONSOLIDATED BUDGET PROPOSALS AND MEDIUM TERM FINANCIAL PLAN TO 2020**

A report was submitted giving details of the Council's overall financial position following a detailed review of current income and expenditure on the General Fund. Effectively, it builds on the financial plan and strategy approved in October 2014 and is the detailed budget report for 2015/16. The report covers the following:

- Confirmation of the Council's financial settlement from central government for 2015/16.
- The Council's current spending and proposed base budget position for 2015/16 including proposed spending by policy committees.
- The proposed Council Tax Base for 2015/16 and Collection Fund position, 2014/15.
- Options for Council Tax levels in 2015/16.
- The overall impact on the General Fund's 5-year financial projection.

The updated medium term financial projection was considered and approved by the Committee on 16th October 2014. This set out the projected level of net revenue expenditure on the General Fund, together with the level of the General Reserve to 2020, the overall projected position at that time, was summarised in a tabled set within the report.

The balance on the General Reserve remains healthy and after allowing for the deficit in the 3 years after 2016/17, the projected level is £2.8m, well above the minimum contingency level of £1m. However, the largest changes are due to additional income from growth and in particular the Council Tax base, which consequently has a beneficial impact on the New Homes Bonus allocation. The surplus on the Collection Fund during 2013/14 and to-date in 2014/15 has been confirmed and built into the on-going Base Budget.

Following the base budget review, net expenditure on services is now projected to decrease by approximately £200,000 in 2015/16 compared to 2014/15. Cumulatively, this adds resources into the MTFP of approximately £1.1m over 5-years, and follows the review of base budgets by Policy Committees. The main change relates to additional income in Planning, Environmental Services and Leisure. The MTFP continues to assume a year on year increase in Council Tax of 2% from 2015/16. However, the Government have once again offered incentives for councils to freeze their Council Tax for 2015/16 and the effects of this have been shown in the updated MTFP projections. As in previous years, the scheme will reimburse councils "lost" revenue to the equivalent of a 1% increase in Council Tax.

**RESOLVED:**

- (1) That the estimates of revenue income and expenditure for 2015/16 for the General Fund be considered and a level of income and expenditure be approved.***
- (2) That grants to voluntary bodies and payments to Parish Councils under concurrent functions be increased by 2.3% in 2015/16.***
- (3) That the Council Tax Base for 2015/16 of 30,608 (equivalent Band D) properties, as detailed in Appendix 5, be approved.***
- (4) That a Surplus of £500,000 be declared on the Collection Fund for 2014/15 and the Council's proportion of £57,000 be transferred to the General Fund in 2015/16.***
- (5) That consideration be given to the principle of a Council Tax freeze for 2015/16 in accordance with the offer of specific grant from the Government.***
- (6) That the updated 5-year financial projection on the General Fund to 2020, as detailed in Appendix 1, including associated assumptions and risks as set out in the report, be approved.***
- (7) That the decisions made in recommendations 1.1 to 1.6 be used as the basis for consultation with local residents, businesses, voluntary and community groups, etc. and be subject to review by the Overview and Scrutiny Committee.***

FM/96 **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.*

FM/97 **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.

MRS. A. WATSON

CHAIRMAN

The meeting Terminated at 6.35pm