

Select Committee Review

Wednesday 21 June 2017

PRESENT:

Councillor Bowie, in the Chair.
Councillor James, Vice Chair.
Councillors Mrs Aspinall and Lowry.

Apologies for absence: Councillors Ball, Fletcher and Storer.

Also in attendance: Andrew Hardingham (Interim Strategic Director for Transformation and Change (Finance)), Ross Jago (Lead Officer), Paul Looby (Head of Financial Planning) and Helen Wright (Democratic Adviser).

The meeting started at 3.00 pm and finished at 4.21 pm.

Note: At a future meeting, the Panel will consider the accuracy of these draft minutes, so they may be subject to change. Please check the minutes of that meeting to confirm whether these minutes have been amended.

8. **Appointment of Chair and Vice Chair**

Councillor Bowie was appointed as Chair and Councillor James was appointed as Vice Chair for this meeting.

9. **Declarations of Interest**

There were no declarations of interest made by Councillors in accordance with the code of conduct.

10. **Chair's Urgent Business**

There were no items of Chair's urgent business.

11. **2016/17 Finance Outturn**

Councillor Darcy (Cabinet Member for Finance), Andrew Hardingham (Interim Strategic Director for Transformation and Change (Finance)) and Paul Looby (Head of Financial Planning) presented the Financial Outturn 2016/17 including Capital Programme which highlighted the following -

- (a) the report was the final monitoring (outturn) report for 2016/17 which provided details of the Council's financial position as at the end of March 2017;
- (b) the Council's gross revenue budget for 2016/17 was £531.615m which after allowing for income and grant was £186.702m;

the financial outturn position before any adjustments was an overspend of £1.272m; assuming the transfers to and from reserves and making use of capital receipts as proposed in the report were approved;

- (c) as at 31 March 2017, the work balance stood at £9.701m and the final capital outturn position was £90.423m; the working balance represented 5.2% of the net revenue budget which remained above the 5% recommended minimum as set out in the budget approved by Council;
- (d) Council approved the use of £0.51m from the working balance to support the 2017/18 budget; as there was scope to release a further £0.350m from the working balance it was recommended this amount was transferred to the redundancy reserve; after this transfer the working balance would be 5% of the net revenue budget for 2017/18.

The key areas of questioning related to –

- (e) the provision of regular detailed finance monitoring reports to allow proper scrutiny to take place;
- (f) whether the Adult Social Care precept spend could be identified within the report;
- (g) the 'true' deficit figure taking into account reserves and stock transfers;
- (h) whether the working balance of 5% was adequate for an organisation of this size;
- (i) concerns over the provision of out of date information and the timely release of financial information to the responsible Cabinet Member;
- (j) whether school balances should be included within the Council's accounts, as academies received funding direct from Central Government;
- (k) whether the Medium Term Financial Strategy for 2018/19 would be available to scrutinise;
- (l) seeking a re-assessment of the investment figures contained within the report and an assurance that the figures presented were correct and not considered to be confidential information;
- (m) the impact of the proposed changes to business rates on the budget;
- (n) the assets that the Council had acquired during 2016/17.

12. **Recommendations**

The Committee agreed that –

- (1) the September 2017 report to the Select Committee should include directorate and departmental spending plans for 2018-19, net changes from 2017/18, consequences of those changes and associated risk;
- (2) the portfolio holder provides monthly budget monitoring information to scrutiny (method to agreed);
- (3) the portfolio holders to whom real time financial monitoring is available should share this with the respective Overview and Scrutiny Committees when considering related issues.

(Please note: this meeting was webcast)