

Overview Select Committee (OSC) Finance Task Group

Minutes of Meeting held on 29th November 2018

Present

Cllr Baljit Singh, Chair of Task Group

Cllr Ratilal Govind, Vice-Chair

Cllr Inderjit Gugnani

Cllr Virginia Cleaver

Cllr Jean Khote

Amy Oliver, Chief Accountant

Apologies

Cllr Elly Cutkelvin

Cllr Mohammed Dawood

Cllr Ross Grant

Cllr Nigel Porter

Cllr Paul Westley

Alison Greenhill, Director of Finance

1. Revenue Budget Monitoring – Period 6, 2018/19

- 1.1 Cllr Singh introduced the revenue monitoring report, highlighting the additional spending review savings to be approved by the Executive.
- 1.2 Members were pleased that the Council is not forecasting an overspend in 2018/19, unlike other Councils. But noted it was important for the Council to continue to achieve Spending Review targets to balance the budgets in future years.
- 1.3 Members discussed the overspend in coronial services and asked about our responsibilities in this area. It was confirmed to members this was a statutory responsibility of the Council. Members asked if there had been any additional costs in relation to the recent helicopter crash at Leicester City Football Club. It has since been confirmed there have been additional costs incurred by the Council and these relate largely to the Coronial service but full costs are still to be calculated. We are currently in contact with the King Power insurers regarding the potential to reclaim these costs via the insurers. This is a work in progress and may take some time before we know if these are net costs to us.
- 1.4 Concerns were raised by members regarding the current review being completed by the CCG as detailed in Appendix B, paragraph 12.2 of the report. Members asked for an update on the work being done with the CCG to jointly agree a way forward. It has since been confirmed that the Adult Social Care Department has set up a panel with Health, to jointly review the cases where the CCG has determined that the health contribution to a joint funded package is no longer required. The process of review is on-going and we are aiming to agree the funding position before the end of the financial year. If this cannot be achieved, the cases will escalate through formal dispute procedures that are already in place.

1.5 The continued pressures in Children's Services were highlighted by members who noted that this was a national issue and not unique to Leicester.

2. Capital Budget Monitoring -Period 6, 2018/19

2.1 Members noted the spend to date of £41.6m, and the recommendations within in the report.

2.2 Members were pleased to note the addition to the capital budget for the work being completed to improve the public realm on University Road. Funding is being provided by the University.

3. Mid-Year Review of Treasury Management Activities 2018/19

3.1 Cllr Singh introduced the report, noting it reviews how the Council has conducted its investment and borrowing activities during 2018/19.

3.2 Attention was drawn to the repayment of £51m of bank loans, reducing the Council's gross borrowing to £188m. This decision was taken once favourable terms were offered by the lender and advice taken from our treasury advisors.

3.3 Amy Oliver highlighted that investments had continue to rise this year, even after the repayment of borrowing. The Council continues to perform well on investments and is forecasting to receive more interest than budgeted. This is also reported in the revenue monitoring report.

4. Income Collection Report April 2018 – September 2018

4.1 Cllr Singh introduced the report and recognised the importance in detailing the Council's debt collection performance.

4.2 Amy Oliver noted it was positive to see that the collection rate for council tax had remained at similar levels to last year, even with a 6% rise. Members were pleased to note taxpayers were continuing to pay their bills.

4.3 Members were pleased that the backlog on processing housing benefits had reduced from £2.9m in September 2017 to £1.4m in September. Members asked about the monitoring of performance in housing benefits, and Amy Oliver confirmed this was reviewed by Audit & Risk Committee.

4.4 Members discussed the level of debt written off in the year. Amy Oliver confirmed the value of debt written off was low (less than 1%) of the total debt raised in a year. This is demonstrated by the graph on page 5 of the report.