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Finance and Assets Policy Development Advisory Group

Tuesday, 25th October, 2016 at 5.30 pm
Howard Room, Parkside

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Councillors:

Brian Donnelly
John Bailey
John Chidlow
Paul Clarke
David Coldwell
Leonard Crosbie

Nigel Jupp
Adrian Lee
Tim Lloyd
Stuart Ritchie
Simon Torn

You are summoned to the meeting to transact the following business

Agenda

	Page No.
1. Apologies for absence	
2. To approve the notes of the previous meeting To approve as correct the notes of the meeting held on 31 August 2016.	3 - 6
3. Report on discretionary rates relief Report of the Head of Finance	7 - 10
4. Update on Council Tax Support Verbal update from the Director of Corporate Resources.	
5. MTFP	

Presentation by the Director of Corporate Resources on the Medium Term Financial Policy.

Public Document Pack Agenda Item 2

Finance and Assets Policy Development Advisory Group **31 AUGUST 2016**

Present: Councillors: Brian Donnelly, John Chidlow, David Coldwell,
Leonard Crosbie, Nigel Jupp and Stuart Ritchie

Apologies: Councillors: Paul Clarke, Adrian Lee and Tim Lloyd

6 TO APPROVE THE NOTES OF THE PREVIOUS MEETING

The Chairman spoke of his sadness at the passing of Councillor Ian Howard on Tuesday 30 August. Members conveyed their sympathies to his family.

The notes of the meeting of the group on 4 July 2016 were approved as a true record.

7 UPDATE ON PROCUREMENT OF A FINANCIAL MANAGEMENT SYSTEM

The Head of Finance updated the group about the procurement of a new financial management system that had been agreed at Cabinet on 18 August 2016. The *general exception* rule 15 procedure had been used as the procurement timescale made compliance with *forward plan* rule 13 impracticable.

The Head of Finance explained that the council was awaiting sign off from one of the partner councils that had participated in the joint procurement and that the procurement standstill period required by the Public Contracts Regulations 2015 would then be applied. The new system would take 12 months to implement.

Members queried:

- The functionality of the system;
- How installation of the system would be managed; and
- Whether consideration of the implementation risk should be added to the corporate risk register.

In response, the Head of Finance explained:

- That the functionality of the new system would be far superior to the current aging system.
- Installation would be overseen by an in-house project board working to an implementation plan, with the Director of Corporate Resources as project sponsor, progress would be reported to the Senior Leadership Team and could be brought back to the F&A PDAG as a regular update item over the next twelve months; and

- The Head of Finance would liaise with the Chief Internal Auditor about the corporate risk register.

8 **COUNCIL TAX SUPPORT SCHEME**

The Chairman explained that the council had operated a new council tax support scheme since 2013/14 and consideration now needed to be given to alternative models of delivering the scheme. Members noted that previous public consultations on the scheme had yielded very poor response rates. The Head of Finance sought the advice of the group on two proposals:

- a) A change to the variables of the existing scheme
- b) A new approach to introduce a banding scheme

The existing scheme was administratively burdensome and complex for applicants to understand. The future scheme needed to be simple to understand and administer. The Census partner councils were investigating the options.

Members queried:

- How banding would be assessed;
- Eligibility criteria; and
- How many households were currently benefitting from the support scheme.

The Head of Finance explained:

- That work on the options was still at the earliest stage, but that an option for banding would be a direct correlation to existing property bands for council tax;
- That one option for eligibility could be to retain the existing criteria; and
- Up to 2,000 households were currently benefitting from the support scheme.

The group offered initial support for a new banding scheme that was straightforward for the public to understand, subject to a full report being prepared for the group, prior to Cabinet decision.

9 **FEEDBACK FROM THE PROPERTY SUB-GROUP**

The Chairman updated the group on the work of the property acquisitions sub-group created pursuant to minute reference 4 of the Finance and Assets Policy Development Advisory Group of 4 July 2016. The Chairman explained that he had invited Councillors Chowen, Dawe and Skipp to join the group.

The sub-group would look to raise funds through the disposal of non-performing assets and would seek re-investment of those funds in property assets that would deliver a return of at least 6% to the council.

The Chairman requested that the Monitoring Officer brief the group on the requirements of 'key decision' making at the next meeting of the group on 25 October 2016.

10 **SUGGESTIONS OF AREAS FOR THAT THE GROUP MAY CONSIDER
WITHIN ITS TERMS OF REFERENCE.**

Members were invited to suggest areas for review by the Chairman. Councillor Jupp proposed and the group concurred that the Head of Finance be requested to prepare a report on discretionary business rates relief offered by the council for the next meeting of the group.

11 **FORWARD PLAN EXTRACT FOR THE FINANCE AND ASSETS
PORTFOLIO**

The Forward Plan extract for the Finance and Assets Portfolio included two items scheduled for Cabinet in November. The Chairman explained firstly that consideration of options for the creation of a Local Housing Company or similar vehicle was necessary because there was steady demand for accommodation for people in housing need and around 50 councils had such a company. It was clarified that if such a company was to be established it would provide social and affordable rental schemes. The council is currently investigating whether funding for such schemes could be sought from S106 contributions.

Secondly, the Medium Term Financial Strategy would be considered by Cabinet in November for recommendation to Council in December. The advice of the group would be sought on 25 October 2016.

The meeting closed at 7.00 pm

CHAIRMAN

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