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<b>Finance and Audit Scrutiny Committee</b> <b>12 February 2020</b> <b>Enquiries from Elected Members</b>													
<b><u>Item 3 - Financial Monitoring Statement - NS</u></b>													
<b>Question 1</b>	<p>Cllr Kane referred to page 28 (3.3) and the high levels of sickness and wanted to know more information around the numbers involved. He also referred to page 8 (7.3.1) and the underspend on vacancies and asked for a breakdown in figures.</p>												
<b>Answer</b>	<p>The refuse collection service is delivered by the Neighbourhood services division of the Area Operations Trading Operation. As at December 2019 the levels of absence were 13.7% in the North East, 14.5% in the North West and 14.2% in the South.</p> <p>The service is having to cover sickness absence through the use of agency staff and prioritising the workforce across the various divisions to ensure statutory services are covered. Management reviews are ongoing with absence meetings taking place in conjunction with HR.</p> <p>The underspends from vacancy management referred to in the Summary Report at 7.3.1 total £1.7 million and exclude Trading Operations. The main areas of underspend are; Roads £676k, Business Support £234k, Project Management and Design £220k, Environmental services £267k, Parks £116k, and Parking £124k.</p>												
<b><u>Item 5 - Common Good Fund Budget</u></b>													
<b>Question 2</b>	<p>Cllr Cuning referred to page 67 and miscellaneous charges and asked for a breakdown in the miscellaneous charges and administration charges.</p>												
<b>Answer</b>	<p>Please see below the breakdown of the Miscellaneous Charges figure of £235,000:</p> <table border="1"> <tbody> <tr> <td>Fund Investment Expenses</td> <td>Ruffer management annual fee</td> <td align="right">£130,000</td> </tr> <tr> <td>Purchases of Services</td> <td>Includes £77,000 legal recharge and £20,000 accountancy and audit fees</td> <td align="right">£97,000</td> </tr> <tr> <td>Hospitality and Stationery Items</td> <td>LP Gifts, umbrellas, mugs, pens, cufflinks, scarfs, ties, goods from museums retail – gifts and stationery costs</td> <td align="right">£8,000</td> </tr> <tr> <td><b>Total</b></td> <td></td> <td align="right"><b>£235,000</b></td> </tr> </tbody> </table>	Fund Investment Expenses	Ruffer management annual fee	£130,000	Purchases of Services	Includes £77,000 legal recharge and £20,000 accountancy and audit fees	£97,000	Hospitality and Stationery Items	LP Gifts, umbrellas, mugs, pens, cufflinks, scarfs, ties, goods from museums retail – gifts and stationery costs	£8,000	<b>Total</b>		<b>£235,000</b>
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	<p>In addition, there are administrative recharges in respect of overtime worked by the civic officers and there is a budget of £40,000 for this item which is contained with Civic Hospitality.</p>
<p><b><u>Item 6 – Treasury Management Strategy</u></b></p>	
<p><b>Question 3</b></p>	<p>Cllr Wisely referred to page 71 (3.3 &amp; 3.4) and requested an expanded version of these paragraphs.</p>
<p><b>Answer</b></p>	<p>As part of the regulations governing the Treasury Management and Annual Investment Strategy, the council is required to outline how it is planning to repay its debt outstanding.</p> <p>The council has consistently adopted the “annuity” method which means that annual debt repayment reflect the “benefit” the council gains annually from the use of the asset and over its life.</p> <p>The total amount to be repaid amounts to £1,607m and using the annuity method would result in total repayment by 2059 assuming no new borrowing in the future.</p> <p>As the council is likely to increase borrowing in the future to support the investment programme, any new borrowing would continue to employ the annuity method for repayments again linking the repayment of the debt to the use of the asset.</p>

**This paper will be considered at the start of the committee agenda however requests for clarification on the answers can be made via the committee clerk in advance of the committee meeting.**

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