



Finance Sub-Committee

Minutes of a meeting held on Monday 25 June 2012 at 7.30pm, Members Room, East Northamptonshire House, Thrapston

Present:

Councillors: Steven North (Chairman)
Glenn Harwood MBE (Vice-Chairman)
David Brackenbury
Roger Glithero JP
Glenvil Greenwood-Smith
Richard Lewis

Officers: David Oliver (DO)
Sharn Matthews (SM)
Glenn Hammons - (GH)
Katy Everitt (KE)
James McLaughlin (JMcl)

Action

1.0 ELECTION OF CHAIRMAN AND VICE-CHAIRMAN

- 1.1 Councillor Steven North was appointed Chairman of the Working Party for the ensuing year.
- 1.2 Councillor Glenn Harwood was appointed as Vice-Chairman of the Sub-Committee for the ensuing year.

2.0 MINUTES

- 2.1 The minutes of the Finance Working Group meeting held on 28 March 2012 were received and approved.

3.0 APOLOGIES

- 3.1 There were no apologies.

4.0 DECLARATIONS OF INTEREST

- 4.1 There were no declarations of interest.

5.0. REVENUE BUDGET OUTTURN 2011/12

- 5.1 GH presented a paper to the sub-committee detailing the revenue outturn expenditure against the approved budget for the financial year 2011-12, highlighting any significant under or overspend. The report also set out the position of reserves as of 31 March 2012 and carry forward requests.
- 5.2 Members noted that the approved total budget requirement for 2011/12 was £11,688,616 and this figures was inclusive of parish precepts. As the Sub-Committee was only concerned with true income and expenditure, the original revenue budget for the net cost of services was noted to have been £10,549,880. It was further noted that this figure had been revised to £10,759,430 since it was set in February 2011 by the addition of supplementary estimates totalling £207,550.
- 5.3 Members were provided with a service outturn figure for the year showing a final underspend of £582k. Members were advised that this figure took into account an estimated amount of £150k that represented costs awarded against ENC in respect of the Northdale End planning application. Without these costs the underspend would have been approximately £732k. Much of the £582k underspend was incorporated into the budget for 2012/13 and Medium-Term Financial Strategy (MTFS) which had been approved by Council in February 2012. Members noted that due to the underspend level increasing by approximately £400k in the final quarter of the year, a thorough review of the financial position was being undertaken to identify whether these savings were ongoing or a one-off. If identified as ongoing this would be reflected in the budget monitoring position for 2012/13 and the MTFS.
- 5.4 Members were provided with tables detailing:
- Actual expenditure to date against budget and the estimated outturn for the year including variance against budget
 - How total service expenditure was funded in 2011/12
 - The forecast deficit to be funded from reserves for the year
 - Impact on revenue reserves
- 5.5 Members noted the current revenue budget position for 2011/12 and the reserves position as at 31 March 2012.
- 5.4 It was

RESOLVED TO RECOMMEND:

- (1) That the carry forward requests outlined in Section 4 of the report be recommended to Policy & Resources Committee for Approval **GH/ JMcl**
- (2) That the use of the underspend in 2011/12 set out in Paragraph 5.3 of the report be recommended to Policy & Resources Committee for Approval **GH/ JMcl**

6.0 CAPITAL BUDGET OUTTURN 2011/12

- 6.1 GH presented a paper to the sub-committee detailing the capital expenditure against the approved budget for the financial year 2011-12, highlighting any significant under or overspend. The report sought to bring to members attention the explanations for any high level variations of a material nature above the value of £10k. Members noted that the review of ENC's MTFS that had taken place between December 2011 and February 2012 had ensured the capital programme was both affordable and focussed on priorities.
- 6.2 At the point the budget was set, planned capital expenditure for 2011/12 was £3,721,000, although this had increased by £324k as a result of investment in recycling receptacles and public conveniences. The revised approved capital budget for 2011/12 was therefore £4,035,000. Members were advised that the actual capital expenditure was £2,425,000 leading to an underspend of £1,610,000.
- 6.3 It was reported that capital reserves stood at £3,430,000 at 1 April 2011 and the forecast level of reserve at 31 March 2012 was £1,902,000. The main reason for the reduction in level of reserve was the contribution to the revenue budget. It was noted that the remaining capital reserves are due to used in 2012/13, as detailed in the Medium Term Financial Strategy, which was agreed in February 2012.
- 6.4 Members were pleased with the capital budget outturn report and discussed the implications of the underspend on the revenue budget for proposed capital borrowing and how any future short-term borrowing would be repaid.

RESOLVED:

That the report be noted.

7.0 ASSET MANAGEMENT - SALE OF BUILDINGS AND LAND PROGRESS UPDATE

- 7.1 KE presented a report to the sub-committee which provided an update on the progress of the sale of Council owned land and buildings that had been recommended for release at the Policy and Resources Committee on 13 February 2012. The phase one sites recommended for sale were:
- Rushden depot, waste recycling centre and car park;
 - Two fields, Barrington Road/Newton Road, Rushden;
 - 57 Newton Road, Rushden;
 - Smithfield Place, Raunds;
 - Grazing land, Kings Cliffe; and
 - Herne Park, Oundle

7.2 Since that time progress had been made in the process of appointing agents to market and sell four of the six sites, with it being verbally reported that six agents had submitted expressions of interest by the deadline of 22 June 2012. Three local estate agents had been contacted to provide quotations for the two smaller sites at 57, Newton Road, Rushden and Smithfield Place, Raunds. An audit of the use of the car parks at the Herne Park and Rushden depot sites had been undertaken which identified that both car parks are well used during the week, although the Herne Rd car-park appear to be mostly used by nearby workers. The use of the Herne Park site reduced at weekends, although it was noted that demand for parking exceeded the provision available spaces on market days.

7.3 Members also examined the proposed phase two sites:

- The Rushden Centre, Newton Road, Rushden
- Single garage, New Road, Oundle
- Land and car park, Station Road, Rushden
- Land and car park, North Road, Rushden
- Grazing Land, off St. Marys Avenue, Rushden
- Agricultural land, rear of 37-51 Thorpe Street, Raunds
- Amenity land between 37-51 Thorpe Street, Raunds
- Grazing Land at Shelton Road, Raunds
- Land at the rear of Pound Close, Ringstead
- Grazing land at Stanwick Road, Higham Ferrers
- Field adjacent to A45
- Allotments at Crouch Road, Irthlingborough
- Old swimming pool site at Basset Ford Road, Oundle
- Area of land adjacent to Kingsmead Industrial Units, Kings Cliffe
- Kingsmead Unit 1-12, Kings Cliffe
- Enterprise Units 1-9, Raunds
- Totector site, Station Road, Rushden
- Rear of 22/23 Cosy Nook, Thrapston
- Grazing Land at Newton Road, Rushden

It was noted that some sites would be of commercial interest, whilst other sites would be of strategic interest to other public bodies within the district. It was felt that there could be a degree of flexibility as to whether the Finance Sub-Committee or Policy and Resources Committee considered future reports on these matters given the importance attached the sale or opportunity for optimisation of rental income from assets.

Action

7.4 RESOLVED:

(1) That Councillor Richard Lewis be appointed to work with the Chief Executive, Head of Organisational Development and Section 151 Officer to appoint agents and agree the sale of sites (including their value and terms and conditions).

**DO/
KE/GH**

(2) That all of the phase two sites be considered available for sale and reports to progress any future activity be submitted to the Finance Sub-Committee or the Policy and Resources Committee, whichever is the sooner to expedite decision-making.

**DO/
KE/GH**

8. EXCLUSION OF THE PUBLIC

8.1 RESOLVED:

That the public and press be excluded from the meeting during consideration of the following items of business because exempt information, as defined under paragraphs 1 and 2 of Part 1 of Schedule 12a of the Local Government Act 1972, may be disclosed.

9. BUDGET DEFICIT AND COST SAVINGS

9.1 The Sub-Committee considered a paper detailing options for reducing the council's budget deficit. The paper provided information in respect of items that had been completed as part of the budget setting process earlier in the year, along with matters that were currently being progressed by CMT. Other options which had yet to be formally developed and considered, along with those which members had previously chosen not to pursue, were also detailed within the report.

9.2 Members reviewed the options presented and the progress made in various areas to date. The Sub-Committee felt that it would be prudent to review this schedule at each meeting with completed projects being removed after each report.

9.3 RESOLVED:

(1) That the report be noted.

(2) That this paper be considered on a quarterly basis by the Finance Sub-Committee.

**DO/
GH**

Chairman