



## Finance Sub-Committee

**Minutes of a meeting held on Wednesday 26 November 2012 at 7.30pm,  
Council Chamber, East Northamptonshire House, Thrapston**

### **Present:**

- Councillors: Steven North (Chairman)  
Glenn Harwood MBE (Vice-Chairman)  
Peter Baden  
Roger Glithero JP  
Glenvil Greenwood-Smith  
Richard Lewis
- Officers: David Oliver (Chief Executive)  
Sharn Matthews (Executive Director)  
Glenn Hammons (Chief Finance Officer)  
Kelly Watson (Finance Manager)  
Katy Everitt (Head of Resources and Organisational Development)

### **1.0 APOLOGIES**

- 1.1 Apologies for absence were received from Councillor David Brackenbury.

### **2.0 MINUTES**

- 2.1 The minutes of the Finance Sub-Committee meeting held on 12 September 2012 were approved and signed by the Vice-Chairman, who had presided at the meeting.

### **3.0 DECLARATIONS OF INTEREST**

- 3.1 There were no declarations of interest.

### **4.0 BUDGET MONITORING REPORT - QUARTER 2 2012/13**

- 4.1 The Finance Manager presented a report to the Sub-Committee detailing the Council's expenditure to the end of quarter 2 (30 September 2012) against the approved revenue and capital budgets for 2012/13. The report highlighted any significant under or overspend greater than £10,000 and identified the impact on the end of year position.
- 4.2 Members noted that since the budget was set in February 2012, the total budget figure had been revised to £10,194,830. The estimated outturn for the year was an

underspend of £163,000 (against an estimated underspend of £147,000 at the end of quarter 1) and it was noted that £124,000 of this had resulted from staffing changes. The forecast drawdown from reserves was £382,000 (against a forecast of £398,000 at the end of quarter 1).

The Council had decided on 29 October 2012 to terminate the Council's car lease scheme and as the report covered the period up to 30 September 2012, the financial implications of ending the car lease scheme would be reflected in future reports.

The Sub-Committee noted that an arbitration meeting was scheduled to be held in September/October 2013 in relation to the recovery of costs for the replacement of the Nene Centre roof. A mediation meeting would precede this, possibly in February 2013, which may resolve the matter before the arbitration hearing.

After reviewing the report it was

**RESOLVED:**

That the current budget position be noted

**5.0 TREASURY MANAGEMENT HALF YEARLY ACTIVITY REPORT AS AT 30 SEPTEMBER 2012**

5.1

The Finance Manager presented a report to the Sub-Committee which provided an update on the activity of the Treasury Management function for the first half of 2012/13. The report also provided the likely performance for the remainder of the financial year.

5.2 The Sub-Committee noted that the 2012/13 Treasury Management Strategy had been approved on 29 February 2012 and was underpinned by the adoption of the Chartered Institute of Public Finance and Accountancy's Code of Practice. The Code recommended that members be informed of treasury management activities at least twice a year; hence the production of the report

5.3 It was not anticipated that there would be any significant change to interest rates over the coming 2-3 years and returns on investments would remain low. The Council's Fixed Term Deposits had been rolled forward for a period of 3 months at a slightly reduced rate of return. However, the average rate of return of 0.70% on the Council's portfolio for the first half of 2012/13 was above the average London Inter-bank Bid rate of 0.52% with the investment limits being kept in accordance with the Council's policy. The Sub-Committee noted that borrowing in the first instance would continue to be made from its surplus cash resources, a process known as "internal borrowing".

**RESOLVED:**

That the Treasury Management performance be noted.  
*(Reason – in accordance with CIPFA guidance and best practice in Treasury Management)*

## **6.0 DRAFT MEDIUM TERM FINANCIAL STRATEGY**

- 6.1 The Chief Finance Officer presented a report to update members on the position of the Medium-Term Financial Strategy (MTFS) following agreement of the MTFS 2012/16 by Council in February 2012 and to set out the position for the 2013 planning round.
- 6.2 The Sub-Committee was provided with an outline of the Council's position as at September 2012, with specific regard to Revenue Budgets, the Capital Programme 2012-22 and cash reserves. The draft budget included savings proposals which had recently been implemented or were being developed to contribute to bridging the funding gap which existed over the period of the MTFS. These proposals were expected to be sufficient to achieve the savings required in 2013/14, although some significant items within the proposals were only estimated savings at this stage.
- 6.3 The Chief Finance Officer informed the Sub-Committee that the minimum level of reserves held by the Council may be reviewed later in the year when more factors, such as the level of Central Government funding, were known.
- 6.4 The Empty Property Strategy, which had received Central Government funding, had resulted in increased income to the Council. The Chief Finance Officer reiterated that income would need to be maximised and the scheme would be kept under annual review with a view to continuing it as long as it was financially viable to do so. The increased income would be cumulative as empty properties came into use and the budget would reflect this.
- 6.5 .A budget workshop for Councillors would be held on 13 December 2012 and it was noted that the meeting of the Sub-Committee scheduled to be held on 9 January 2013 may need to be re-arranged to a later date depending upon when confirmation of the Central Government funding settlement was received.

### **RESOLVED:**

That the report be noted, specifically the:

- Draft Medium Term Financial Strategy (MTFS)
- Draft Revenue Budget 2013/14
- Draft Capital Programme for 2013/14-2021/22 (subject to the ongoing review of schemes within that programme)

*(Reason: To ensure that the Sub-Committee is aware of the forecast financial position so that in due course the Council complies with its constitution in setting its Budget).*

## **7.0 EXCLUSION OF THE PUBLIC**

### **7.1 RESOLVED:**

That the public and press be excluded from the meeting during consideration of the following item of business because exempt information, as defined under paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, may be disclosed.

## **8.0 SALE OF LAND AND BUILDINGS**

- 8.1 The Head of Resources and Organisational Development submitted a report to the Sub-Committee which provided an update on the progress of the sale of Council owned land and buildings. The Sub-Committee noted that agents had been appointed to sell each of the buildings and land and an update was provided for each site detailing the current status of the sale process.
- 8.2 It was noted that the sale of some sites may be affected by the new Community Right to Bid. The policy and procedure for this, which the Council was required to adopt under the Localism Act 2011, would be considered by the Policy and Resources Committee at its next meeting. The Chairman reiterated that the Policy and Resources Committee had determined that the sites should be sold.
- 8.3 It was reported that the NHS had expressed an interest in renting the Rushden Centre for a period of 14 months while Rushden Hospital was being refurbished and this was being explored.

### **RESOLVED:**

That the report be noted.

**Chairman**