



Finance Sub-Committee

Minutes of a meeting held on Wednesday 31 January 2013 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)

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 26 November 2012 were approved and signed by the Chairman.

3.0 DECLARATIONS OF INTEREST

3.1 The following interests were declared in the Agenda items specified below:-

	Agenda item	Nature of Interest	DPI	Other Interest
Councillor Peter Baden	Future Use of Land at Cosy Nook, Thrapston	Resident of Thrapston		Yes
Sharn Matthews (Executive Director)	Future Use of Land at Cosy Nook, Thrapston	Resident of Thrapston		Yes
Councillor Richard Lewis	Sale of Land and Buildings	Trustee of Rushden MIND		Yes

4.0 BUDGET MONITORING 2013/13 – REVENUE AND CAPITAL

4.1 The Finance Manager presented a report to the Sub-Committee detailing the Council's expenditure to the end of quarter 3 (31 December 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 £453,476 (against an estimated underspend of £163,000 at the end of quarter 2). The forecast drawdown from reserves was £92,000 (against a forecast of £382,000 at the end of quarter 2).
- 4.3 The Council had decided on 29 October 2012 to terminate the Council's car lease scheme and it was reported that the scheme had been removed from the Capital Programme.
- 4.4 A group had recently been established to consider how the community project fund of £195,000 could be used and communicate the availability of the funding available for community projects.
- 4.5 The Sub-Committee noted that the expenditure on flood defence had arisen from the provision of sandbags, which the Council was not obliged to do. Accordingly, investigations would be carried out to establish whether the expenditure could be reclaimed from the Environment Agency or County Council. In future, charges for the provision of sandbags could be introduced, although this would be a matter for the Policy and Resources Committee to determine.
- 4.6 Members of the Sub-Committee expressed their thanks to staff for their hard work and efforts to identify significant savings in the Council's budgets.

After reviewing the report it was

RESOLVED:

That the current budget position be noted

5.0 MEDIUM TERM FINANCIAL STRATEGY 2013/14 – 2016/17

- 5.1 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 2013/14.
- 5.2 The Sub-Committee was provided with an outline of the Council's position as at 31 December 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.
- 5.3 it was anticipated that there would not be any significant change to interest rates over the coming 2-3 years and returns on investments would remain low. The minimum level of Reserves would now be set at £2m and the Chief Finance Officer would prepare a report on this in due course.
- 5.4 It was confirmed that projects were included in the Development Pool when approved with an initial estimate of costs and retained there whilst final costs were produced. Only once the actual costs involved had been established through procurement procedures and final approval given would the project be transferred to the Capital Programme.

- 5.5 Members expressed the view that additional funds should be set aside in future years for the provision of additional capital expenditure for Stanwick Lakes over and above the £31,000 provided in 2012/13. This would need to be included in the Development Pool and the estimated costs would be reported to the next meeting of the Sub-Committee.
- 5.6 Whilst the levels of some fees and charges made by the Council were set by Central Government, where the Council had discretion to set the level of fees and charges itself, these had been raised in line with the Consumer Prices Index (CPI). There had been a full review of fees and charges last year, although Members asked whether there was an opportunity to increase some fees and charges by more than the CPI rate. A report would be submitted to a future meeting following a review of the cost of providing services and the income generated by fees and charges relating to individual services.
- 5.7 The agreement with other Local Authorities in Northamptonshire to pool Business Rates provided for any increase in income to be distributed in accordance with the ratio of the contribution made by each Local Authority to the increased income.
- 5.8 The Sub-Committee noted that under the adopted Council Tax Support Scheme, the liability for Council Tax would be a minimum of 8.5%. It has been assumed that the Government grant to enable the charge to be limited to this percentage, rather than a higher sum, would not be received in future years and the scheme would need to be reviewed before the end of 2013.
- 5.9 The report had been prepared based on principles and assumptions previously made regarding the level of Council Tax to be levied by this Council. However, Members reiterated that no decision had yet been made regarding this and the Council Tax for 2013/14 would not be set until the Council meeting on 27 February 2013. The wording of the report would therefore need to be amended for submission to the Policy and Resources Committee.

RESOLVED: That

- i) subject to the approval of the level of Council Tax by the Council, the contents of the report be proposed to the Policy & Resources Committee on 11 February 2013 and the Policy & Resources Committee be advised to recommend the contents of the report to Council as part of the budget setting process.
- ii) Council be recommended to approve and agree the following:
 - Medium Term Financial Strategy
 - Revenue Budget 2013/14
 - Capital Programme for 2013/14-2021/22 (subject to the ongoing review of schemes within that programme)
 - Treasury Management Strategy
 - Fees and Charges

(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)

6.0 SMALL ASSETS DISPOSAL POLICY

- 6.1 The Finance Manager reported that a policy had been prepared regarding the disposal of small assets which were surplus to the Council's requirements and how such transactions would be recorded.

- 6.2 Members considered that assets likely to exceed £5,000 in value on disposal should be declared surplus to requirements by the Finance Sub-Committee rather than by the Policy and Resources Committee as proposed in the draft policy given the strategic nature of the Committee.

RESOLVED TO RECOMMEND:

That the Policy and Resources Committee recommend the Small Assets Disposal Policy, attached at Appendix A and with paragraph 5.7.2 amended as set out above, to Council for adoption.

7.0 EXCLUSION OF THE PUBLIC

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 paragraphs 3 and 5 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 Chief Executive presented the report of the Head of Resources and Organisational Development, which provided an update on the progress of the sale of Council owned land and buildings.
- 8.2 With reference to Herne Park, Oundle, it was noted that the sale of the site would be delayed due to the Community Right to Bid application and an extended lease on the bungalow occupied by Oundle MIND was proposed.

RESOLVED: That

- i. The report be noted
- ii. A further six month lease of the property at Herne Park, Oundle to MIND as set out in paragraph 7.3 of the report be agreed.

9.0 UPDATE ON LAND CHARGES SEARCH REFUNDS

- 9.1 The Executive Director presented a report outlining the potential liabilities for refunds for Land Charges Searches following the abolition of personal search fees in 2010 as a result of the introduction of the EU Environmental Information Regulations in 2004.
- 9.2 It was noted that joint negotiations on the issue on behalf of Local Authorities affected were taking place and this was likely to mitigate the potential legal claims.

RESOLVED: That

- i) the current position in relation to funds be noted.
- ii) the payment of any settlement in relation to the Tinklers claim be authorised provided it is under £34,000 (i.e. covered by the New Burdens Grant).
- iii) the provision of an additional £112,000 ear-marked reserve to cover any future settlement of Land Charge refunds from the forecast underspend for 2012/13 be agreed.

10. FUTURE USE OF COSY NOOK, THRAPSTON

- 10.1 The Sub-Committee received a presentation from the Executive Director outlining the options for the future use of the above site. The Sub-Committee had determined in June 2012 that the site should be included in the Phase 2 Asset Disposal Programme and considered whether that decision should be adhered to or whether any other potential uses should be pursued. It was noted that there had not previously been a community use of the site.

RESOLVED:

That the previous decision made under Minute 72(b) be adhered to and the site be made available for sale under the Phase 2 Asset Disposal Programme.

Chairman