



Finance Sub-Committee

Minutes of a meeting held on Monday 24 June 2013 at 7.30pm, Council Chamber, East Northamptonshire House, Thrapston

Present: Councillors: Peter Baden
Roger Glithero JP
Glenvil Greenwood-Smith
Glenn Harwood MBE
Richard Lewis
Steven North

Officers: David Oliver (Chief Executive)
Glenn Hammons (Chief Finance Officer)
Kelly Watson (Finance Manager)
Elizabeth Wilson (Interim Head of Planning Services)

1.0 APPOINTMENT OF CHAIRMAN

1.1 RESOLVED:

That Councillor Steven North be appointed Chairman of the Sub-Committee for the year 2013-14

2.0 APPOINTMENT OF VICE-CHAIRMAN

2.1 RESOLVED:

That Councillor Richard Lewis be appointed Vice-Chairman of the Sub-Committee for the year 2013-14

3.0 APOLOGIES FOR ABSENCE

3.1 An apology for absence was received from Councillor David Brackenbury

4.0 MINUTES

4.1 The minutes of the meeting of the Finance Sub-Committee held on 31 January 2013 were approved and signed by the Chairman.

5.0 DECLARATIONS OF INTEREST

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

Councillor	Agenda item	Nature of Interest	DPI	Other Interest
Richard Lewis	Splash Leisure Pool	Rushden Town Council Member		Yes
Roger Glithero, Glenvil Greenwood-Smith and Richard Lewis	Treasury Management Report	Account holder with Bank listed in paragraph 4.1 of report		Yes

6.0 QUESTIONS UNDER PROCEDURE RULE 10.3

6.1 The following question was submitted by Councillor Peter Baden:

Is it possible that the leader of the council and the chairman of this committee might have the courtesy to reply to the letter he has received from Thrapston Town Council and also from the Leader of the Opposition of this council concerning the sale of Cosy Nook area designated as a car park, part of council assets. If as Leader he is not prepared to reply to a perfectly legitimate request for information should he still be leader of the council or chairman of this committee if he is so discourteous. If he has replied as a result of this question would he give us his reply

6.2 The Chairman replied as follows:

Thank you for your question in regard to letters in reference to an East Northants Council owned site in Thrapston. I can assure it is an oversight on my behalf, rather than a lack of willingness to respond. This I will rectify.

7.0 FINANCIAL OUTTURN 2012/13

7.1 The Finance Manager presented a report providing an overview of the Council's expenditure against the approved budget for the financial year 2012/13, highlighting significant under-spending or over-spending.

7.2 The revised net budget was reported at £10,194,830, with service expenditure outturn for the year an under-spend of £617,000. This represented an increased under-spend of £164,000 since quarter three, although £104,000 of this had been identified as being needed for expenditure to take place in 2013/14 and had therefore been recommended to be carried forward.

7.3 Capital expenditure for 2012/13 was £2,744,000 lower than forecast within the revised budget, with the majority of this variance due to expenditure being re-profiled into future years within the Capital Programme. A summary of the schemes accounting for the majority of the variance was given to the Sub-Committee.

7.4 The under-spend within the Capital Programme of £137,000 was largely due to the removal of the Council car scheme which had resulted in savings of £121,000.

7.5 The overall funding required for the 2012/13 Capital Programme had reduced by £1.5m to £2.6m, mainly due to slippage of capital expenditure into future years.

7.6 It had previously been decided to increase the minimum level of Reserves to £2m and Members asked whether there was now an opportunity to reduce this minimum amount. In response, the Chief Finance Officer confirmed that this would be reviewed

as part of the budget setting process. The key risks facing the Authority would be considered as part of this review and changes to these risks would be taken into account.

RESOLVED: That

- i) The current revenue budget, capital budget and reserves position for 2012/13 be noted.

RESOLVED TO RECOMMEND: That

- i) The Policy and Resources Committee approve the following under-spends to carry forward to future years:

Carry Forward Request

Chairman's Civic Expenses	£511
Contaminated Land	(£3,020)
Land Charges	£6,115
Leisure Services	£21,000
Membership Empowerment Fund	£33,435
Support to Community & Voluntary Sector	£3,360
Customer Services Uniforms	£600
Development Control Planning	£21,000
Planning - Conservation	£14,000
Irthlingborough Master Plan	£3,420
Higham Ferrers Master Plan	£2,450
Thrapston Master Plan	£1,040
Total	£103,911

(Reason – for formal approval into the revenue budget for 2013/14)

- ii) The Policy and Resources Committee approve the use of the 2012/13 underspend set out below

Table 8	£000	£000
2012/13 Net Cost of Service Underspend		(£617)
Interest receivable underspend		(£87)
Other		(£6)
Total Underspend		(£710)
Budgeted Contribution from Reserves		£545
Contribution to Reserves		(£165)
Redistribution of unutilised reserves		
		£545
Carry Forward Requests 2012/13	(£103)	
Land Charges	(£164)	
Planning	(£165)	(£432)
Contribution to Reserves		£113

(Reason – for formal approval to incur expenditure in 2013/14 and strengthen reserves)

- iii) The Policy and Resources Committee approve the reserves position set out in Appendix 1 of these minutes.

(Reason – for approval of the strengthened reserves to mitigate some future financial risks)

8.0 TREASURY MANAGEMENT REPORT

- 8.1 The Finance Manager submitted a report outlining the final Treasury Management position for 2012/13.

RESOLVED:

That the Treasury Management performance be noted.

9.0 CAPITAL PROGRAMME AND PROPOSED CAPITAL GOVERNANCE ARRANGEMENTS

- 9.1 The Sub-Committee considered a report of the Chief Finance Officer concerning the proposed governance arrangements for the Council's Capital Programme and proposed changes to the Council's Approved Capital Programme and Development Pool for 2013/14.
- 9.2 The Chief Finance Officer confirmed that any items of unexpected capital expenditure, such as essential strategic maintenance work, would be provided for in the Capital Programme by other less urgent projects dropping out of the Programme in order to accommodate the priority projects.
- 9.3 It was noted that Members would continue to have an opportunity to add projects into the Development Pool through the review process.
- 9.4 The schemes ready to progress from the Development Pool into the main Capital Programme included the scheme for the purchase of wheeled bins. It was noted that this was a contractual commitment and did not involve any additional expenditure to that already agreed, but provided correct reporting and accounted for the scheme in the Capital Programme.

RESOLVED: That

- i) The capital governance arrangements set out in Section 2 of the report be approved

(Reason: to strengthen the Council's capital planning processes, provide greater transparency of investment decision and move towards best practice)

- ii) The changes to the Council's Capital Programme 2013/14 set out in Section 3 and Appendices 3 and 4 of the report be approved

(Reason: to deliver the Council's capital expenditure plans for 2013/14)

RESOLVED TO RECOMMEND:

That the Scheme of Delegation in Part 3 of the Council's Constitution be amended to include the following:

Where an urgent decision (that does not fit into the Council/Finance Sub-Committee schedule) is required to move a scheme from the Development Pool to the Approved Capital Programme, the Chief Finance Officer, in conjunction with the Chairman of the Finance Sub-Committee, may, if necessary, approve the change and submit a report on the matter to the next meeting of the Finance Sub-Committee.

10.0 COUNCIL LAND AND BUILDING ASSET PLAN

- 10.1 It was reported that work was currently being undertaken by the Council's Amenities Manager and Finance Manager to ensure that the Council had an up to date land and building asset plan to be taken into consideration within the Medium Term Financial Strategy.

RESOLVED:

That the report be noted.

11.0 SPLASH LEISURE POOL

- 11.1 The Sub-Committee considered a report outlining maintenance work carried out to the Splash Leisure Pool over recent years and work that needed to be undertaken to ensure the facility could remain operational, safe and in a good condition to encourage maximum customer usage.
- 11.2 The two items of work identified as requiring the most urgent attention to keep the Pool operational were the replacement of the air handling units and replacement ducting at an estimated cost of up to £120,000. A detailed study of the works required would cost approximately £10,000 for which there was no budget provision. If the Sub-Committee decided that, in principle, the essential maintenance and improvement works to the Pool should be carried out, the total cost was broadly estimated to be around £500,000.
- 11.3 Members considered the usage figures for the Pool, possible sources of external funding and an alternative delivery model. There were potentially other delivery models which could be investigated further.
- 11.4 Members expressed concern at the estimated cost of carrying out the essential maintenance and improvements to the Pool which was considered to be too onerous given the Council's financial position. It was important to ascertain how long the Pool would remain operational with the essential maintenance works carried out in order to effectively plan ahead, with the contract to run the facility being re-let in 2016, and whether the Pool was viable to refurbish at the costs indicated.
- 11.5 Councillor Roger Glithero was of the view that the Pool was already obsolete and would cost too much to refurbish and it should therefore be disposed of. However,

this would be a decision made by the Policy and Resources Committee.

11.6 After considering the options set out in the report, it was

RESOLVED TO RECOMMEND:

- i) That the Policy and Resources Committee agrees in principle to essential maintenance work being carried out to the air handling units and ducting at the Splash Pool and provision of a maximum of £120,000 be included in the Development Pool within the Council's Capital Programme for this work
- ii) That further work be undertaken at an estimated cost of £10,000, to be funded from capital reserves, to establish a precise scope of works and the estimated costs involved

(Councillor Roger Glithero wished it to be recorded that he had voted against the above recommendation).

12.0 PROPOSED FEE FOR MONITORING OF SECTION 106 AGREEMENTS

12.1 It was reported that at the present time the Council required a developer or applicant to pay the legal services costs incurred by the Council in preparing and executing Section 106 Agreements entered into as part of the determination of planning applications. However, the Council did not require a fee as part of the Section 106 Agreement to enable the Council to cover its costs in monitoring the agreement.

12.2 It was proposed to charge a monitoring fee for every trigger point in a Section 106 Agreement of £750 per trigger point. This would be a one-off fee payable at the signing of the Section 106 Agreement. This fee was based on the current number of trigger points that were being monitored and the average amount of time the officer monitoring the trigger points spent on that activity.

RESOLVED:

That the fee set out above be approved for implementation from 25 June 2013, with the exception of the completion of Section 106 Agreements in the week ending 28th June 2013.

13.0 EXCLUSION OF PRESS AND PUBLIC

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 paragraph 3 of Part 1 of Schedule 12a of the Local Government Act 1972, may be disclosed.

14.0 LAND ADJACENT RINGSTEAD CoE PRIMARY SCHOOL

14.1 The Sub-Committee considered a proposal for the sale of the above site which was currently leased to Ringstead CoE Primary School.

- 14.2 After considering the offer to purchase the site and the current and potential uses of the land concerned, it was

RESOLVED:

That the lease on the land be retained.

15.0 ASSET MANAGEMENT – SALE OF LAND AND BUILDINGS PROGRESS UPDATE

- 15.1 The Sub-Committee considered a progress report on the sale of Council-owned land and buildings.
- 15.2 Should any decisions be required in relation to public car parks currently owned by the Council, it was considered that delegated authority should be given to officers to determine such matters in order to avoid delays in the sale process.

RESOLVED: That The report be noted.

RESOLVED TO RECOMMEND:

That the Scheme of Delegation in Part 3 of the Council's Constitution be amended to include the following:

The Chief Executive, in consultation with the Leader of the Council or, if the Leader is not available, the Chairman of the Policy and Resources Committee, be authorised to determine any matters in relation to public parking provision associated with the sale of car park sites.

Chairman

TRANSFERS TO AND FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund balances in ear marked reserves to provide financing for the future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2012/13.

Reserve	Balance 1 April 2012	Transfer out	Transfer In	Net Movement	Balance 31 March 2013
	£'000	£'000	£'000	£'000	£'000
Asset Management Repairs and Renewals Reserve	2,383	(435)	113	(322)	2,061
Concessionary Fares Reserve	0			0	0
Regeneration Reserve	480			0	480
Contingency Reserve	50			0	50
Elections Reserve	120			0	120
Insurance Reserve	100			0	100
Empty Homes Reserve	24			0	24
Land Charges Reserve	34		166	166	200
Environmental HI 4 EM Reserve	40			0	40
ATLAS Reserve	0			0	0
Planning Reserve	85		165	165	250
2011/12 Carry Forwards	134	(134)		(134)	0
2012/13 Carry Forwards			104	104	104
Community Projects	100	(82)	181	99	199
CIL				0	0
Capital Financing Reserve			87	87	87
Total Earmarked Reserves	3,550	(651)	816	165	3,714
Grants Unapplied	112	0	0	0	112
Minimum Reserves	2000	0	0	0	2000
	5,662	(651)	816	165	5,826