



Finance Sub-Committee

Minutes of a meeting held on Monday 18 November 2013 at 7.30pm, Kasen Room, East Northamptonshire House, Thrapston

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

Officers: David Oliver (Chief Executive)
Glenn Hammons (Chief Finance Officer)
Katy Everitt (Head of Resources and Organisational Development)
Kelly Watson (Finance Manager)

1.0 APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors David Brackenbury and Glenn Harwood MBE.

2.0 MINUTES

2.1 The minutes of the meeting of the Finance Sub-Committee held on 11 September 2013 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:

Councillor	Agenda item	Nature of Interest	DPI	Other Interest
Roger Glithero	Treasury Management Report - Quarter 2 2013/14	Shareholder in Lloyds Bank		Yes
Richard Lewis	Treasury Management Report - Quarter 2 2013/14	Shareholder in Lloyds Bank		Yes

4.0 QUESTIONS UNDER PROCEDURE RULE 10.3

4.1 There were no questions submitted under Procedure Rule 10.3.

5.0 BUDGET MONITORING - QUARTER 2 2013/14

- 5.1 The Finance Manager presented a report to the Sub-Committee detailing the Council's expenditure to the end of quarter 2 (30 September 2013) against the approved revenue and capital budgets for 2013/14. The report highlighted any significant under or overspend greater than £10,000 and identified the impact on the end of year position.
- 5.2 Since the setting of the Council's budget in February 2013, the total budget had been revised to £10,164,857. The estimated outturn for the year was an under-spend of £220,000 which would increase the contribution to Revenue Reserves in 2013/14 to £471,000.
- 5.3 The 2013/14 forecast outturn on Capital Expenditure was £390,000 below budget, comprised of £153,000 underspend and £237,000 slippage into future years.

RESOLVED:

That the current budget monitoring position be noted.

(Reason – this is an information/monitoring report – no decision required)

6.0 TREASURY MANAGEMENT REPORT - QUARTER 2 2013/14

- 6.1 The Finance Manager presented a report to the Sub-Committee which provided an update on the activity of the Treasury Management function for the second quarter of 2013/14. The report also set out the likely performance for the remainder of the financial year.
- 6.2 The Sub-Committee noted that the 2013/14 Treasury Management Strategy had been approved as part of the Medium Term Financial Strategy in February 2013 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.

RESOLVED:

That the Treasury Management performance for Quarter 2 2013/14 be noted

(Reason – in accordance with CIPFA guidance and best practice in Treasury Management)

7.0 DRAFT MEDIUM TERM FINANCIAL STRATEGY

- 7.1 The Chief Finance Officer presented a report setting out the Council's Draft Medium Term Financial Strategy (MTFS) 2014/15 to 2017/18, outlining the Draft Revenue Budget 2014/15, the Draft Capital Programme 2014/15 to 2013/24 and the Draft Treasury Management Strategy 2014/15. This refreshed the MTFS 2014/15 to 2016/17 which had been approved by Council in February 2013.

- 7.2 It was noted that, over the medium term, the Council would need to increase income and / or deliver savings to meet the anticipated funding gap. A number of options to do this were currently being explored and developed and these were outlined in the report.
- 7.3 A number of key assumptions had been made in preparing the MTFS and these were set out in the report, together with the impact of options for setting the Council Tax for 2014/15. In response to a question from a Member, the Chief Finance Officer informed the Sub-Committee that the maximum permitted increase in the level of Council Tax for 2013/14 without holding a Referendum would have been £5 per property per annum and the impact on the Council of freezing Council Tax at 2012/13 levels was a reduction in income of £140,000. This would also impact in future years as this sum was not included in the Council Tax Base.
- 7.4 The Chief Finance Officer confirmed that pension costs to the Council would increase and a 2% year-on-year increase had been factored into the MTFS.

RESOLVED:

That the report be noted, specifically the:

- Draft Medium Term Financial Strategy (MTFS)
- Draft Revenue Budget 2014/15
- Draft Capital Programme for 2014/15-2023/24 (subject to the on-going 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)

8.0 DRAFT ASSET MANAGEMENT PLAN 2013-2019

- 8.1 Further to the report considered by the Sub-Committee on 24 June 2013, a draft Asset Management Plan for 2013 to 2019 had been prepared and was submitted to the Sub-Committee for consideration. The Plan sought to commit the Council to a strategic approach to the financial management of its physical assets.
- 8.2 The Head of Resources and Organisational Development stressed that the costs included within the Plan were broad estimates only and would be subject to expert review, and therefore might change significantly. Inclusion of projects in the Council's Development Pool within the Capital Programme would not commit the Council to any expenditure at that stage.
- 8.3 It was noted that the Stanwick Lakes site was not included in the Plan as the length of the lease did not, from a technical point of view, make the site a Council asset. However, funding for the works to be carried out was included in the Capital Programme Development Pool.
- 8.4 The Head of Resources and Organisational Development identified that a number of actions were included within the Plan to develop it over the next 12 months.

RESOLVED:

That the draft Asset Management Plan, as set out in Appendix 1 to these minutes, be noted

(Reason - to ensure that adequate financial provision is made to ensure that the Council's assets are maintained to an adequate standard.)

9.0 EXCLUSION OF PUBLIC AND PRESS

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.

10.0 ASSET MANAGEMENT – SALE OF LAND AND BUILDINGS PROGRESS UPDATE

- 10.1 The Head of Resources and Organisational Development provided the Sub-Committee with an update on progress made in relation to the sale of Council owned land and buildings.
- 10.2 It was noted that contracts were almost ready for signing for the sale of the Rushden depot, recycling centre and car park. A planning application would then need to be submitted by the Developer.
- 10.3 At its meeting on 6 November 2013, the Development Control Committee had approved the planning application in respect of the site at Barrington Road/Newton Road, Rushden subject to a Section 106 Agreement being signed within six months of the committee decision.
- 10.4 With regard to the site at Herne Park, Oundle, it was noted that this proposed sale would need to be approved by Council as a competitive process for the sale had not been undertaken. The Sub-Committee was reminded of the process which had been followed whereby a number of potential interested parties were contacted by the Council's land Agent, Martin Pendered, but none of them registered any formal interest in purchasing the site. Mr. Pendered was subsequently contacted direct by someone interested in purchasing the site and the Council sought a valuation from the District Valuer.
- 10.5 It was noted that the offer received for the purchase of this site was close to the valuation received from the District Valuer and, in addition, the prospective purchaser offered to deal with a number of complexities associated with the site. This included a long lease of the car park and bungalow to interested parties, which could have delayed a sale being made. Mr. Pendered confirmed in writing that he felt the sale represented good value for money and this was agreed by individuals approved by Finance Sub-Committee (25 June 2012) to agree the sale of sites – namely Councillor Richard Lewis, the Chief Executive, Head of Resources and Organisational Development and Section 151 Officer.

RESOLVED:

That the report be noted.

RESOLVED TO RECOMMEND:

That Council approves the sale of Herne Park, Oundle (including the car park site and bungalow) despite it not being sold via auction or through a competitive process.

(Reason - to ensure the sale of Herne Park can progress as soon as possible to support delivery of the Capital Programme)

Chairman