



Finance Sub-Committee

Minutes of a meeting held on Monday 3 February 2014 at 7.30pm, Kasen Room, East Northamptonshire House, Thrapston

Present: Councillors: Steven North - Chairman
 Richard Lewis – Vice-Chairman
 Peter Baden
 David Brackenbury
 Roger Glithero JP
 Glenvil Greenwood-Smith
 Glenn Harwood MBE

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

1.0 APOLOGIES FOR ABSENCE

1.1 No apologies for absence had been received..

2.0 MINUTES

2.1 The minutes of the meeting of the Finance Sub-Committee held on 18 November 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 3 2013/14	Shareholder in Lloyds Bank		Yes
Richard Lewis	Treasury Management Report - Quarter 3 2013/14	Shareholder in Lloyds Bank		Yes
Glenvil Greenwood-Smith	Treasury Management Report - Quarter 3 2013/14	Shareholder in Lloyds Bank		Yes

Peter Baden	Asset Management – Sale of Land and Buildings Progress Update	Member of Thrapston Town Council (prospective purchaser)	Yes
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4.0 QUESTIONS UNDER PROCEDURE RULE 10.3

4.1 There were no questions submitted under Procedure Rule 10.3.

5.0 VARIATION OF THE ORDER OF THE AGENDA

5.1 With the consent of the Sub-Committee, the Chairman announced that Agenda item no. 8 would be considered before the other items of business.

6.0 EXCLUSION OF PUBLIC AND PRESS

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.

7.0 ASSET MANAGEMENT – SALE OF LAND AND BUILDINGS PROGRESS UPDATE

7.1 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.

RESOLVED:

That the contents of the report be noted.

RESOLVED TO RECOMMEND TO COUNCIL:

1. That £105,000 be approved to fund the demolition of the Old Recycling Centre, Rushden (as part of the Capital Programme for 2013/14), and that this be funded from revenue underspends in 2013/14.

(Reason: to ensure that demolition of the Old Recycling Centre, Rushden can take place, which will remove the Council's liability to pay NNDR on the site)

2. That the sale of the old outdoor swimming pool at Oundle proceed despite it not being sold via auction or through a competitive process;

(Reason: to generate a capital receipt)

3. That Cosy Nook, Thrapston be sold through a competitive process.

(Reason: to generate a capital receipt)

8.0 RE-ADMISSION OF THE PUBLIC AND PRESS

RESOLVED:

That the Public and Press be re-admitted to the meeting.

9.0 BUDGET MONITORING - QUARTER 3 2013/14

- 9.1 The Finance Manager presented a report to the Sub-Committee detailing the Council's expenditure to the end of quarter 3 (31 December 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.
- 9.2 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 £674,000 which would increase the contribution to Revenue Reserves in 2013/14 to £925,000.
- 9.3 The 2013/14 forecast outturn on Capital Expenditure was £419,000 below budget, comprised of £100,000 underspend and £319,000 slippage into future years.

RESOLVED:

That the current budget monitoring position, including the review of the capital programme and the intention that, until the review is complete, no further schemes are to be added to the capital programme unless there is a clear funding source, be noted.

(Reason – this is an information / monitoring report which addresses the risks facing the Council and the affordability of its capital programme)

10.0 TREASURY MANAGEMENT REPORT - QUARTER 3 2013/14

- 10.1 The Finance Manager presented a report to the Sub-Committee which provided an update on the activity of the Treasury Management function for the third quarter of 2013/14. The report also set out the likely performance for the remainder of the financial year.
- 10.2 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.
- 10.3 It was noted that interest rates were now expected to rise in the second quarter of 2016 rather than in 2017.

RESOLVED:

That the Treasury Management performance for quarter 3 2013/14 be noted.

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

11.0 DRAFT MEDIUM TERM FINANCIAL STRATEGY

- 11.1 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 Capital Programme 2014/15 to 2023/24 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 and updated by the Finance Sub-Committee in November 2013.
- 11.2 It was noted that, over the medium term, the Council would need to continue to increase income and / or deliver savings to meet the anticipated funding gap. It was not considered possible to achieve this solely by continuing the approach previously taken and it was almost certain that more radical cost reduction or income generation measures would need to be implemented before the end of the current MTFS period.
- 11.3 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. The threshold for requiring a Referendum on Council Tax increases had not yet been announced, but the maximum increase allowed without a Referendum had been assumed to be 1.5%.
- 11.4 It was noted that the Short Term Borrowing contribution to the funding of the Capital Programme included a Revenue contribution of £200,000 for the provision of waste bins.
- 11.5 Receipts from the sale of capital assets were uncertain due to the complexities and timescales for the sale of these assets. It was therefore proposed that whilst a review of the Capital Programme was undertaken, new schemes would only be promoted from the Development Pool to the Approved Capital Programme where a clear funding source had been identified.
- 11.6 The Corporate Management Team would carry out a review of the capital projects within the development pool to identify the optimum capital programme for 2014/15.

The schedule of fees and charges would be reviewed during 2014/15 to identify if any amendments may be necessary.

RESOLVED:

That members of the Finance Sub-Committee, to be appointed by the Chairman, meet with officers to undertake a detailed review of the Capital Programme and identify sources of funding and their conclusions be incorporated into the next report to the Sub-Committee.

RESOLVED TO RECOMMEND TO POLICY AND RESOURCES COMMITTEE:

1. That, subject to the approval of the level of Council Tax and the decision for passporting the Council Tax Support Grant, the contents of the report be recommended to Council as part of the budget setting process.
2. That the following be approved / agreed by Council:
 - Medium Term Financial Strategy (MTFS)
 - Revenue Budget 2014/15
 - Approved Capital Programme for 2014/15 (Development Pool items are subject to the review set out within the report)
 - Minimum level of reserves and Earmarked Reserves
 - 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)

Chairman