



Finance Sub-Committee

Minutes of a meeting held on Monday 1 December 2014 at 7.30pm, Kasen Room, East Northamptonshire House, Thrapston

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

Officers: David Oliver (Chief Executive)
Glenn Hammons (Chief Finance Officer)
Iain Jenkins (Interim Finance Manager)

1.0 MINUTES

- 1.1 The minutes of the meeting of the Finance Sub-Committee held on 22 October 2014 were approved and signed by the Chairman
- 1.2 It was noted that the update reports referred to in Paragraph 5.5 and resolutions 5 (iii) and (iv) would be submitted to a future meeting.

2.0 APOLOGIES FOR ABSENCE

- 2.1 An apology for absence was received from Councillor David Brackenbury.

3.0 DECLARATIONS OF INTEREST

- 3.1 No declarations of interest were made.

4.0 QUESTIONS UNDER PROCEDURE RULE 10.3

- 4.1 There were no questions submitted under Procedure Rule 10.3.

5.0 DRAFT MEDIUM-TERM FINANCIAL STRATEGY AND PLAN

- 5.1 The Chief Finance Officer presented a report updating the Medium Term Financial Strategy 2014/15 – 2017/18, which had been approved by Council in February 2014.
- 5.2 Work had continued to identify proposals to deliver further savings in future years and to create capacity over and above the funding gap to allow funds to be made

available to finance the future Capital Programme, corporate objectives and political priorities. This would enable the Council to move from a Medium Term Financial Strategy to a Medium Term Financial Plan.

RESOLVED: That the contents of the report be noted, specifically the:

- Draft Medium Term Financial Strategy (MTFS) & Plan (MFTP)
- Draft Revenue Budget 2015/16
- Draft Capital Programme for 2015/16-2024/25 (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)

6.0 BUDGET MONITORING TO OCTOBER 2014/15

- 6.1 The Interim Finance Manager presented a report providing an update on the forecast Revenue and Capital positions against the approved budgets for the period ended October 2014.
- 6.2 The estimated services outturn for the year was an underspend of £928,000 (rounded to the nearest £1,000), which was largely due to planning fee income being significantly higher than budgeted. The forecast had not taken account of possible further savings in staff costs arising from vacant posts for the remainder of the financial year and this would be kept under review.
- 6.3 Preliminary calculations had indicated that the recently agreed Local Government Pay Award would have minimal financial impact in 2014/15 and the implications for future years would be incorporated into the 2015/16 budget setting process.
- 6.4 The Sub-Committee reviewed the capital spending position and considered a scheme for progression from the Development Pool into the approved Capital Programme.

RESOLVED: That

- i) the current budget monitoring position be noted.

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

- ii) the capital scheme set out below be moved from the Development Pool into the Approved Capital Programme, to be funded from Capital Reserves.

Scheme Name	Amount (£)	Amount in Dev. Pool	Variance	Overview
Security Systems	20,000	20,000	0	The Council's current Citrix environment requires an upgrade to meet PSN Security standards.

(Reason – to ensure the Council meets the government's PSN standards)

7.0 TREASURY MANAGEMENT REPORT

7.1 The Chief Finance Officer presented a report outlining the latest Treasury Management position for 2014/15.

RESOLVED: That the Treasury Management performance be noted.

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

8.0 FINANCIAL REGULATIONS

8.1 The Chief Finance Officer reported that a review had been carried out of the Council's current Financial Regulations which were contained within different Parts of the Council's Constitution, namely, Part 4.3 (Budget and Policy Framework Rules) Part 4.5 (Finance Procedure Rules) Part 4.6 (Procurement Rules) and Part 4.6A (Operational Financial Decision Procedures).

8.2 The review had identified areas where improvements could be made to ensure that the Regulations were easy to comprehend and reflected the current financial environment in which the Council operated.

8.3 Whilst being supportive of the changes proposed to the financial limits in paragraphs 3 and 6 of Part 4.3 of the Constitution, the Sub-Committee considered that the report to be submitted to the Policy and Resources Committee should be expanded to explain the kind of emergencies which could lead to the provisions being enacted and to provide information on the financial limits used by other councils for similar expenditure.

RESOLVED: That

i) the changes to the Financial Regulations set out in Appendix 1 be included in the revised Financial Procedure Rules, and

ii) the draft revised text for the consolidated Financial Procedure Rules be circulated to members of the Finance Sub-Committee for comment before being presented to the Policy and Resources Committee for recommendation to (full) Council

(Reason – to allow this committee to input into the revised procedures before wider consideration and ensure the Council's financial regulations are up to date)

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 Chief Executive provided the Sub-Committee with a verbal update on progress made in relation to the sale of the following Council owned land and buildings.

10.2 Newton Road, Rushden

A planning application had been approved during the past week and the S106 Agreement now needed to be finalised

Cosy Nook, Thrapston

Contracts had been exchanged on 28 November and the sale was expected to be completed on 5 December 2014.

Smithfield Place, Raunds

The contract was expected to be signed within the next week, subject to a number of issues being resolved.

Wood Land, Kings Cliffe

The contract was close to being signed and, subject to receipt of satisfactory planning permission, the sale was expected to be completed by the end of 2015.

RESOLVED: That the contents of the report be noted.

(Reason: to note the progress on the sale of assets)

Chairman

Proposed Changes to Financial Regulations

- a) Removal the requirement for (full) Council to annually specify the level of virement and policy changes but (full) Council will retain the responsibility for authorising changes when needed
- b) Changes to virement authorisation limits as follows to increase flexibility within overall budget agreed by Council;

Current Arrangements (part 4.3, para 3)	Proposed Arrangements
Chief Executive and Executive Director – up to £1000	Chief Executive and Executive Director – up to £10,000
Chief Finance Officer – up to £10,000	Chief Finance Officer – up to £25,000
Policy and Resources Committee – over £10,000	Chief Finance Officer in consultation with Chairman of the Finance Sub-Committee or Chairman of the Policy and Resources Committee – up to £50,000
	Policy and Resources Committee – over £50,000

- c) Changes to urgency provisions as follows to better respond to possible emergency scenarios and reflect proposed changes to virement limits noted above

Current Arrangements (part 4.3, para 6)	Proposed Arrangements
For sums over £10,000, the Leader of the Council and Chairman of the Policy and Resources Committee (or in their absence their deputies) after written report from the Chief Executive/Executive Director countersigned by the Chief Finance Officer. To be reported to next Policy and Resources Committee meeting.	For sums between £25,000 and £100,000, the Chairman of the Finance Sub-Committee and the Chairman of the Policy and Resources Committee (or in their absence their deputies) shall be authorised to approve such urgent expenditure by the Chief Finance Officer. To be reported to the next Finance Sub Committee meeting.

	For sums over £100,000, the Leader of the Council and Chairman of the Policy and Resources Committee (or in their absence their deputies) shall be authorised to approve such urgent expenditure after written report from the Chief Executive / Executive Director countersigned by the Chief Finance Officer. To be reported to next Policy and Resources Committee meeting.
--	--

- d) Reference to the use of the Council Improvement Reserve as follows: “The Council Improvement reserve is to provide the investment the Council requires to deliver transformation projects. The use of this reserve will be on strict criteria linked to a business case and will require sign off by the Chief Finance Officer and Finance Sub Committee”
- e) Changing the interval between reviews of the Financial Rules from 2 years to 5 years in line with other key policies.