



Finance Sub-Committee

Minutes of a meeting held on Monday 12 September 2016 at 7.00pm, East Northamptonshire House, Thrapston

Present: Councillors: Steven North (Chairman)
Roger Glithero JP
Glenn Harwood MBE
Richard Lewis

Officers: David Oliver (Chief Executive)
Glenn Hammons (Chief Finance Officer)

1.0 APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillors David Brackenbury, Val Carter and Glenvil Greenwood-Smith.

2.0 MINUTES

2.1 It was noted that Councillor Roger Glithero had attended the meeting of the Sub-Committee held on 22 August 2016, although his attendance had not been recorded in the minutes.

2.2 Subject to the above amendment, the minutes of the meeting of the Finance Sub-Committee held on 22 August 2016 were approved and signed by the Chairman.

3.0 DECLARATIONS OF INTEREST

3.1 No interests were declared.

4.0 QUESTIONS UNDER PROCEDURE RULE 10.3

4.1 There were no questions submitted under Procedure Rule 10.3.

5.0 BUDGET MONITORING TO 31 JULY 2016

5.1 The Chief Finance Officer provided an update on the revenue and capital positions against the approved budgets for the period ended 31 July 2016.

5.2 Expenditure to date against the 2016/17 revenue budget showed a projected overspend of £15,522. It was noted that vacancy savings included in the budget were currently less than anticipated and this would be monitored and reported to the Sub-Committee during the financial year.

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- 5.3 Within the Asset Management Plan Reserve, an earmarked reserve of £173,000 set aside for ad hoc repairs and maintenance which had been approved by the Sub-Committee in June 2016. Once required work had been identified to be carried out in 2016/17, any surplus would be transferred back to the Council Improvement Reserve.
- 5.4 Works totalling £70,200 had been identified which potentially left £100,700 to be transferred back. However, there was no budget provision for unplanned maintenance which might arise during 2016/17 and it was proposed to retain £20,000 in reserve for any emergency works that might be required.
- 5.5 Details of works required at the Pemberton Centre were outlined, which would necessitate £15,000 being used from the Development Pool in order that these works could be completed before the new leisure contract commenced on 1 April 2017. This would also result in £10,000 being removed from the Development Pool in 2017/18.
- 5.6 Members welcomed the inclusion of financial performance indicators in the report and the Chief Finance Officer confirmed that a detailed report on Council Tax debt write off would be submitted to the next meeting of the Sub-Committee.
- 5.7 With regard to the Asset Management Plan Reserve, Officers were asked to consider the feasibility of recovering the costs of electrical hard wire testing at the Rushden Centre from the tenant and carrying out white line remarking at the car park in Rushden.

RESOLVED: That

- i) the latest revenue, capital and reserves positions for 2016/17 be noted.

(Reason: This is for information / monitoring purposes)

- ii) the current position on the Asset Management Plan Reserve be noted and the transfer of £80,700 back into the Council Improvement Reserve be approved.

(Reason: To manage resources efficiently and strengthen reserves to mitigate some future financial risk)

- iii) the transfer and change of use of £15,000 from the Development Pool into the Approved Capital Programme in respect of works to the Pemberton Centre (set out in section 4.7 of the report) be approved.

(Reason: To follow the formal process for approval of the amendment to the Capital Programme Budget for 2016/17)

6.0 TREASURY MANAGEMENT REPORT TO 31 JULY 2016

- 6.1 The Chief Finance Officer presented a report outlining the Treasury Management position for the period ended 31 July 2016.

- 6.2 The Sub-Committee noted that investment returns continued to fall and there was a projected shortfall in income of £46,770 for 2016/17. Options for Council investments would be discussed with the Council's advisors before the investment policy was considered for adoption next year.

RESOLVED: That

the Treasury Management performance for the period 1 April 2016 to 31 July 2016 be noted.

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

7.0 RESPONSE TO DCLG CONSULTATION ON SELF-SUFFICIENT LOCAL GOVERNMENT: BUSINESS RATES RETENTION

- 7.1 The Chief Finance Officer reported that the Department of Communities and Local Government had launched its consultation document on proposals for each local authority to retain all of the business rates it raised by 2020.

- 7.2 The Sub-Committee considered the issues raised in the consultation document and the Local Government Association's briefing on the proposals.

RESOLVED: That

- i) the contents of the report and the principles set out below be approved and reflected in the response
 - Responsibilities to be transferred should be expanded to include more at lower tier level so that burdens can be shared equally e.g. disabled facilities grant or housing regeneration
 - Upper tier responsibilities should also be considered to transfer to lower tier authorities so that the advantages of the new system are more equitable to all
 - The system should be fair, transparent and simple
 - There should be strong incentives and reward for growth, which also reflects the growth achieved by local authorities in recent years
 - There should be opportunity for changing pressures over time to be accommodated into the system
 - The appropriate level of funding of statutory demand-led services now and in the future
 - The system should include a level of protection from the volatility of appeals
 - Local authorities should have more involvement in decisions on local business rates with disincentives for frivolous appeals being made

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- and local authorities should have the right to provide input into the appeals process
- There should be more autonomy given in the setting of business rates e.g. can mandatory reliefs be made discretionary
 - There should still be a system of pooling which would allow two-tier authorities to be treated equally to unitary authorities but also create opportunities for members of the pool to work together
- ii) the Chief Finance Officer, in consultation with the Chairman of the Finance Sub-Committee, be authorised to finalise the response to be submitted to DCLG by 26 September 2016.

(Reason: To provide a response to national consultation which seeks views and ideas on a series of proposals relating to the reform of the Business Rates Retention system).

8.0 **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 and 5 of Part 1 of Schedule 12a of the Local Government Act 1972, may be disclosed.

9.0 **FINAL UPDATE ON LAND CHARGES SEARCH REFUNDS**

- 9.1 The Chief Executive presented a report providing the Sub-Committee with an update on the settlement of legal actions relating to requests for refunds for Land Charges search fees which had arisen following the abolition of personal search fees in 2010.

RESOLVED: That

the contents of the report be noted and the proposal to close the Land Charges Refunds reserve as part of the 2017/18 Budget Setting process be approved.

(Reason: To remove a Reserve which is no longer needed)

Chairman