



## Finance Sub-Committee

**Minutes of a meeting held on Monday 19 December 2016 at 7.00pm, East Northamptonshire House, Thrapston**

**Present:** Councillors: Steven North (Chairman)  
David Brackenbury  
Val Carter  
Roger Glithero JP  
Glenvil Greenwood-Smith  
Glenn Harwood MBE  
Richard Lewis

Officers: David Oliver (Chief Executive)  
Glenn Hammons (Chief Finance Officer)  
Michelle Drewery (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 5 October 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 OCTOBER 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 October 2016.

5.2 The estimated outturn for services for the year was an underspend of £98,000. This was due to an increase in planning application income, together with other efficiencies and pressures, including a reduction in interest receivable.

- 5.3 Details of a number of performance indicators covering several areas of financial activity were reported to the Sub-Committee. A review of total outstanding debt was currently being undertaken and a report would be submitted to the Sub-Committee in February 2017.
- 5.4 Members were pleased to note the estimated underspend. The levels of debt write offs were discussed and officers provided clarification on the process.

**RESOLVED:** That

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

*(Reason: This is for information / monitoring purposes)*

- ii) the collection and write-off performance for sundry debtors, local taxation and benefit overpayments as set out in Appendix 3 to the report be noted.

*(Reason: This is for information / monitoring purposes)*

**6.0 TREASURY MANAGEMENT REPORT TO 31 OCTOBER 2016**

- 6.1 The Chief Finance Officer presented a report outlining the Treasury Management position for the period ended 31 October 2016.
- 6.2 It was noted that Treasury Management Practices (TMPs) had been taken out of the Council's Constitution during 2016 and were required to be incorporated into the Treasury Management Strategy. This would be done with effect from the 2017/18 Strategy and in advance of this, an example of the TMPs which the Council might wish to adopt within the Strategy were set out in the report.

**RESOLVED:** That

- i) the Treasury Management performance for period 7 of 2016/17 be noted.
- ii) the Treasury Management Practices (set out in Appendix 2 to the report) for inclusion in the Treasury Management Strategy from 2017/18 be noted.

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

## **7.0 DRAFT MEDIUM TERM FINANCIAL STRATEGY AND PLAN**

- 7.1 The Finance Manager presented a report setting out the Council's Draft Medium Term Financial Strategy (MTFS) and Plan (MTFP) 2017/18 to 2020/21, the outline Revenue Budget 2017/18, Capital Programme 2017/18 to 2026/27 and Treasury Management Strategy 2017/18 updating the MTFS 2016/17 to 2019/20 approved by Council in February 2016.
- 7.2 The MTFS 2017/18 to 2020/21 had been formulated since the announcement of the Spending Review and the Autumn Statement 2016 and the Finance Manager provided a briefing on the provisional local government finance settlement which had been announced on 15 December 2016.
- 7.3 The main headlines of the settlement announcement were:
- No new funding allocated to local government as part of the provisional settlement but the social care precept to be allowed to rise by up to 3% instead of 2% p.a. on condition that the total increase by 2019/20 does not exceed 6%.
  - New Homes Bonus - national baseline for housing growth of 0.4% introduced where growth below this will not attract a bonus payment. The number of years for which payments are made will change from 6 years to 5 years in 2017/2018, and to 4 years from 2018/2019.
  - Further consultation on New Homes Bonus will be announced to encourage more effective local planning.
  - Business rates pilots in five areas have been announced that will enable aspects of the further business rates retention system to be tested.
  - The top-up and tariff payments for all councils have changed due to the business rates revaluation which comes into force in April 2017.
  - The closing date for responses to the consultation on the provisional finance settlement to DCLG is Friday 13 January 2017 with the final settlement expected to be published in February 2017.
- 7.4 Members discussed the proposed MTFS and the implications of the settlement announcement. There was general consensus that there needed to be a review of the treasury management strategy to ensure maximum return on investments. It was proposed that a report be brought to the February meeting of the sub committee and that the Treasury Management advisor be invited to attend.

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

- Draft Medium Term Financial Strategy (MTFS)
- Draft Revenue Budget 2017/18
- Draft Capital Programme for 2017/18-2026/27 (subject to the on-going review of schemes within that programme)

*(Reason: To ensure that the Council complies with its constitution in setting its Budget)*

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

## **9.0 ASSET MANAGEMENT – SALE OF LAND AND BUILDINGS PROGRESS UPDATE**

- 9.1 The Chief Executive presented a report providing 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 update report be noted.

*(Reason: To note the progress on the sale of assets)*

## **10.0 INVESTMENT OPPORTUNITY / LAND ACQUISITION**

- 10.1 The Chief Executive presented a report regarding a site within the District which had recently been put on the market for sale. Due to the strategic location of the site and its potential to generate income it was considered an appropriate investment opportunity for the Council.
- 10.2 The Chief Executive provided the sub committee with a verbal update and advised that the site in question had been withdrawn from the market. However, members agreed that it highlighted the need for an appropriate decision making process to be in place for such matters that may arise in the future.
- 10.3 Members noted that a budget virement of £40,000 to meet the cost of professional advice, agreed under urgency procedures within the Financial Procedure Rules, would not now be required.

**RESOLVED:** That the content of the report and the intention to produce a further report to consider an appropriate procedure for any future issues of this nature, be noted.

*(Reason: To provide an effective decision making process that supports the Council's commercialisation aspirations.)*

**Chairman**

