



Finance Sub-Committee

Minutes of a meeting held on Monday 08 May 2017 at 11.10am, East Northamptonshire House, Thrapston

Present: Councillors: Steven North (Chairman)
David Brackenbury
Glenvil Greenwood-Smith
Richard Lewis

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

1.0 APOLOGIES FOR ABSENCE

1.1 Apologies for absence had been received from Councillors Val Carter, Roger Glithero and Glenn Harwood MBE.

2.0 MINUTES

2.1 The minutes of the meeting of the Finance Sub-Committee held on 5 April 2017 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 MARCH 2017

5.1 The Finance Manager provided an update on the revenue and capital positions against the approved budgets for the year ended 31 March 2017.

5.2 The estimated services outturn for the year was an underspend of £455k. This was due to an increase in planning application income, garden waste income and recycling credits, together with other contractual efficiencies and pressures, including a reduction in interest receivable and a shortfall against the vacancy savings budget.

- 5.3 Members expressed their disappointment that during the year the Sub-Committee had been asked to consider a number of requests to use reserves due to lack of resources, but at the end of the year there were still underspends. It was also noted that at the last meeting of the Sub-Committee, it had been reported that the estimated underspend would be £174k. In response to questions from Members, the Finance Manager advised that the increase in the underspend was due to a number of reasons including a number of grants being received which had not been forecast and reimbursement from LGSS of S106 legal fees. The deficit in housing benefits was due to more payments being made than income being received during the year. This was assumed to be due to administration costs; however, the Finance Manager had asked for more information to confirm this.
- 5.4 During the last two years, the Council had included a vacancy factor of £200k in the budget. The savings for 2016/17 were below expectations of achieving the full £200k; however, salary savings had been used to fund additional pressures within the Council. If these savings had not been used to fund additional posts or pressures, salary savings of £297k would have been achieved. It was requested that a report be brought to a future meeting of the Sub-Committee explaining what the salary savings had been utilised for.
- 5.5 To ensure that best use was made of the underspend it was recommended that a proportion was utilised to create additional earmarked reserves to strengthen the financial position and protect the Council against specific future uncertainties. Members welcomed the opportunity to highlight areas on which to utilise the underspend, including supporting the Women's Tour. Any areas highlighted for consideration would be subject to a future paper to the Sub-Committee once they had been fully assessed. It was proposed that the remaining balance of the underspend should be split into both the Delivering the Corporate Plan and Projects & Other Investment Opportunities reserves.
- 5.6 The Council still faced significant funding challenges for the capital programme over the medium to long term. The review of the Capital Programme would continue into 2017/18 to ensure that the Council had a programme which was financially sustainable and supported the Council in achieving its objectives. As part of the review, the use of reserves would be reviewed with a view to utilising them to provide the most financially advantageous position for the Council's position on reserve levels.
- 5.7 Performance data on a number of financial activities was submitted for the Sub-Committee's information, including debt write-off. A report would be submitted to the next meeting of the Sub-Committee on outstanding debt.

RESOLVED:

- (i) That the latest revenue, capital and reserves positions for 2016/17 be noted; and
- (ii) That the collection and write off performance for 2016/17 sundry debtors, local taxation and benefit overpayments, as outlined in Appendix 6 of the report, be noted.

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

RECOMMENDATIONS TO POLICY AND RESOURCES COMMITTEE

- (iii) That the revenue carry forward requests, as outlined in Appendix 2 of the report, be approved;

(Reason: For formal approval to carry forward expenditure into the revenue budget for 2017/18).

- (iv) That the capital carry forward requests, as outlined in Appendix 5 of the report, be approved;

(Reason: For formal approval to carry forward expenditure into the capital budget for 2017/18).

- (v) That the use of the 2016/17 underspend, as outlined in Appendix 3 of the report, with the remaining balance to be split between the Projects and Other Investment Opportunities and Delivering the Corporate Plan Reserves be approved; and

(Reason: For formal approval to incur expenditure in 2017/18 and strengthen reserves).

- (vi) That the reserves position, as set outlined in Appendix 4 of the report, be approved.

(Reason: For approval of strengthened reserves to mitigate some future financial risk).

RECOMMENDATION TO FULL COUNCIL

- (vii) That the increase of £5.7k to the Approved Capital Programme budget for the items set out at paragraph 8.4 of the report, which will be funded through an additional revenue contribution to capital, 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 MARCH 2017

- 6.1 The Chief Finance Officer presented a report outlining the Treasury Management position for the period to 31 March 2017.

RESOLVED:

That the Treasury Management performance for the period to 31 March 2017 in financial year 2016/17 be noted.

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

7.0 CAPITAL PROGRAMME 2017-18 – REQUESTS FOR TRANSFER FROM DEVELOPMENT POOL TO APPROVED CAPITAL PROGRAMME

- 7.1 The Chief Finance Officer presented a report which sought authorisation to transfer a number of projects from the Development Pool to the Approved Capital Programme.
- 7.2 ICT had requested that funding for licences was now transferred into the Approved Capital Programme so that the necessary licences required for 2017/18 could be purchased. There was currently £139,500 in the Development Pool in 2017/18 for licences, from which the following amounts were being requested for approval:

| Licence | Amount £ |
|--------------------------------------|---------------------|
| Citrix | 8,151 |
| Mimecast Email Filtering & Archiving | 10,953 |
| Capita Cash Receipting | 19,023 |
| Lagan CRM | 28,642 |
| IDOX Planning & Building Control | 29,020 |
| Xpress Elections System | 9,886 |
| Total | 105,675 |

RESOLVED:

That the transfer of £105,675 for the cost of ICT licences from the Development Pool to the Approved Capital Programme be approved and that the changes shown in the revised Capital Programme for 2017/18 be noted.

(Reason: For formal approval to transfer monies from the Development Pool to the Approved Capital Programme.)

Chairman