



## Finance Sub-Committee

**Minutes of a meeting held on Monday 26 June 2017 at 11.00am, East Northamptonshire House, Thrapston**

**Present:** Councillors: Roger Glithero JP  
Glenvil Greenwood-Smith  
Glenn Harwood MBE  
David Jenney  
Richard Lewis  
Steven North

Councillor Sylvia Hobbs attended as an observer.

Officers:	David Oliver	(Chief Executive)
	Glenn Hammons	(Chief Finance Officer)
	Julia Smith	(Head of Community and Customer Services)
	Michelle Drewery	(Finance Manager)
	Carol Conway	(Housing Strategy and Delivery Manager)
	David Bennett	(Business Transformation Manager)
	Richard Hadden	(Revenues Manager)
	Jacqui Pell	(Senior Benefits Officer (Fraud & Overpayment))

### **1.0 APPOINTMENT OF CHAIRMAN**

#### **RESOLVED:**

That Councillor Steven North be appointed Chairman of the Finance Sub-Committee for the year 2017/18.

### **2.0 APPOINTMENT OF VICE-CHAIRMAN**

#### **RESOLVED:**

That Councillor Richard Lewis be appointed Vice-Chairman of the Finance Sub-Committee for the year 2017/18.

### **3.0 APOLOGIES FOR ABSENCE**

3.1 Apologies for absence were received from Councillor David Brackenbury.

#### **4.0 MINUTES**

- 4.1 The minutes of the meeting of the Finance Sub-Committee held on 8 May 2017 were approved and signed by the Chairman.

#### **5.0 DECLARATIONS OF INTEREST**

- 5.1 No interests were declared.

#### **6.0 QUESTIONS UNDER PROCEDURE RULE 10.3**

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

#### **7.0 RESPONSE TO QUERIES RAISED ON BUDGET MONITORING DRAFT OUTTURN REPORT 2016/17**

- 7.1 The Finance Manager presented a report providing additional information in response to Members' queries on the Budget Monitoring Draft Outturn Report for 2016/17, which had been considered by the Sub-Committee at its last meeting. These related to a breakdown of the Housing Benefit Subsidy deficit and utilisation of the salary savings achieved through the Vacancy Factor.
- 7.2 The use of salary savings to fund the cost of carrying out a feasibility study and consultancy on the ICT Strategy was queried by the Sub-Committee and it was considered that underspends should have been used to cover these costs instead and that the principle of using salary savings only for staff-related items of expenditure would be applied in future.

#### **RESOLVED:**

That the report be noted.

*(Reason: To respond to queries raised by Members on the draft outturn report for 2016/17)*

#### **8.0 BUDGET MONITORING TO 31 MAY 2017 (HIGH LEVEL REVIEW ONLY)**

- 8.1 The Finance Manager presented a report providing an overview on the forecast revenue position against the approved budgets for the period ended 31 May 2017, highlighting any significant under or overspending and identifying the impact on the year end position. The estimated outturn for services for the year was an underspend of approximately £147,500, arising principally from the income generated by the recent acquisition of retail premises at Eaton Walk, Rushden.

#### **RESOLVED:**

The latest estimate on the revenue position for 2017/18 be noted.

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

## **9.0 REVIEW OF CAPITAL PROGRAMME AND DEVELOPMENT POOL 2017/18**

- 9.1 The Finance Manager reported that the Medium Term Financial Strategy had been approved by the Council on 1 March 2017. This included approval of the Capital Programme and Development Pool budget, although it had been agreed that, due to declining capital resources and recent significant changes to the capital programme, the approval would be subject to a review of the programme by the Finance Sub-Committee and the Corporate Management Team. This would ensure that sufficient justification was made for all items to be included in the Capital Programme.
- 9.2 The report set out where changes had been proposed and the revised position of the Capital Programme and Development Pool should all proposals be approved.
- 9.3 Following evaluation of the tenders received during the previous week for the replacement of the telephony system, it had not been possible to calculate the overall cost at this stage due to the presentation of the data. However, the total cost was likely to exceed the £50,000 estimated in the Development Pool.
- 9.4 With regard to the consideration of the fire protection detectors being deferred until 2018/19, it was noted that this was for the replacement of the detectors and the existing detectors were adequate in the meantime.
- 9.5 It was noted that the provision in the Development Pool for works to a shop and flat on High Street, Rushden which was owned by the Council, had been included in the Development Pool to cover the cost of these works until an options appraisal was carried out and a report would be submitted in due course.
- 9.6 The need for a car park strategy was acknowledged which might enable car park maintenance to be managed as part of the revenue maintenance budget although the provision of £30,000 should remain in the Development Pool until such a strategy was in place.

### **RESOLVED:** That

- i) the contents of the report and the outcomes of discussions following review of the Capital Programme and Development Pool for 2017/18 be noted.

*(Reason: To update Members on outcome of review of Capital programme and Development Pool for 2017/18)*

- ii) the transfer of £86,000 from the Development Pool to the Approved Capital Programme be approved so that works relating to the boiler replacement as set out in paragraph 3.16 and Appendix 2 of the report can be progressed and that the decision to award the works be delegated to the Head of Economic and Commercial Development in consultation with the Leader or Deputy Leader and Chairman of the Policy and Resources Committee.

*(Reason: To follow correct approval process for transfers to the Approved Capital programme from the Development Pool)*

- iii) the transfer of up to £50,000 from the Development Pool to the Approved Capital Programme be approved so that works relating to the replacement of the telephony system as set out in paragraph 3.8 of the report can proceed.

*(Reason: To follow correct approval process for transfers to the Approved Capital programme from the Development Pool)*

- iv) the total amount of £348,589 relating to ICT projects (as set out in paragraph 3.9 of the report) in the Development Pool be redeployed to those projects below (as set out in paragraphs 3.10 and 3.11 of the report)
  - a) Network refresh £130,000
  - b) Meeting room Audio Visual equipment update/refresh £30,000
  - c) Business transformation resource £135,000
- v) the balance of £53,589 be used as required for works relating to the replacement of the telephony system and the Chief Finance Officer, in consultation with the Chairmen of the Finance Sub-Committee and the Policy and Resources Committee, be authorised to approve expenditure from this provision.

*(Reason: To follow correct approval process for amendments to the Capital programme and Development Pool)*

**RESOLVED TO RECOMMEND TO FULL COUNCIL:**

That the following schemes within the Development Pool be amended as follows:

- a) Finance System - remove £15,000 from 2017/18 increase the budget from £15,000 to £20,000 for 2018/19 (paragraph 3.12 of the report).
- b) The budget of £20,000 for upgrading of CCTV to offices and the car park be deferred to 2018/19 (paragraph 3.16 of the report).
- c) £60,000 in total in relation to energy performance improvements to the industrial units be deferred to 2018/19 (paragraph 3.17 of the report).
- d) That costs totalling £73,400 be added to the Development Pool in relation to High Street, Rushden (paragraph 3.17 of the report).
- e) The amount of £10,000 for repairs to Polebrook Cemetery and £10,000 for repairs to Wadenhoe Village Drains be removed from the Development Pool in 2017/18 and replaced by a £20,000 Asset Management Capital Contingency pot and included in future years for potential ad-hoc capital repair works that may arise (paragraph 3.19 of the report).
- f) a car park strategy be commissioned, to be funded from income received from the shop units at Eaton Walk, Rushden acquired by the Council.

*(Reason: To follow correct approval process for amendments to the Capital programme and Development Pool).*

**10.0 TREASURY MANAGEMENT REPORT TO 31 MAY 2017**

- 10.1 The Chief Finance Officer presented a report outlining the Treasury Management position for the period ended 31 May 2017.

**RESOLVED:**

That the Treasury Management performance for period 2 2017/18 be noted.

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

## **11.0 ADJOURNMENT OF MEETING**

- 11.1 The Chairman adjourned the meeting for a period of 10 minutes to enable Members and Officers present to participate in the observance of one minute's silence in remembrance of the person who lost his life in the recent Finsbury Park terrorist incident.

## **12.0 HOMELESSNESS PREVENTION FUNDING AND THE HOMELESSNESS REDUCTION ACT 2017**

- 12.1 The Housing Strategy and Delivery Manager presented a report setting out the work undertaken by the Homelessness Prevention Grants Panel and the Panel's recommendations in respect of the future level and use of Homelessness Prevention Grant funding; the increased duties which would arise as a result of the Homelessness Reduction Act 2017 and the additional funding being made available by the Government for these additional duties together with recommendations for its use.
- 12.2 The Homelessness Prevention Grants Panel had attached a number of requirements in respect of future payments to East Northants Community Services, including that The Recovery House should become self-financing. Accordingly, provision for this funding had been removed from next year's budget.
- 12.3 The Sub-Committee expressed concern at the appropriateness of using a loan scheme as a means to prevent homelessness. It was noted that a report on the establishment of a loan scheme would be prepared and submitted to the Housing Policy Working Group in due course.

### **RESOLVED TO RECOMMEND TO THE POLICY AND RESOURCES COMMITTEE:**

That

- i) the Equality Implications relating to this report be noted.
- ii) the increasing pressures as a result of the Homelessness Reduction Act 2017 be noted.
- iii) the Homelessness Grants Panel recommendation that bids for funding should continue to be invited through the Housing Forum be approved.
- iv) the Policy and Resources Committee **resolves to recommend** to Full Council that:
  - a) the Homelessness Prevention Grants Panel recommendation be supported and the retention of Homelessness Prevention Grants Funding at £48,994 be approved and be subject to the usual process of review and consideration as part of the budget setting process each year.
  - b) the additional resources of up to £23,000 in 2017/18 and up to £34,000 in 2018/19 required to enable Midland Heart Housing Association to employ an additional Homelessness Prevention Officer for the remainder of the existing contract be allocated, together with the additional one-off office accommodation costs.

- c) it be noted that a report giving consideration to the establishment of an Invest to Save Homelessness Prevention Loan Fund Policy, to be used to prevent and alleviate homelessness, will be submitted to the Housing Policy Working Group.
- d) the current Bed and Breakfast and temporary accommodation budget be increased from £2,000 to £5,000 for 2017/18 and 2018/19, with any unspent balances being carried forward to future years'
- e) the expenditure incurred under items b) and d) above be funded from the additional ring-fenced Flexible Homelessness Support Grant

*(Reason: To ensure the fair and transparent allocation of the available funding and ensure appropriate funding of statutory duties).*

### **13.0 FUNDING FOR THE EAST NORTHAMPTONSHIRE GREENWAY**

- 13.1 The Head of Community and Customer Services presented a report outlining proposals for using New Homes Bonus (NHB) (stream 3) funds for the East Northamptonshire Greenway programme, initially to support the development of phases 7 and 8, and how NHB might support future phases of the programme.
- 13.2 The NHB was not ring-fenced and receiving authorities had discretion as to how it was utilised. Accordingly, in May 2012 the Policy and Resources Committee had approved a framework for allocating NHB across the three streams. A key aspect of the NHB distribution was a significant investment in community-based projects that contributed to achieving the Council's corporate outcomes.
- 13.3 The Sub-Committee expressed concerns about setting criteria for determining future NHB stream 3 funding as it wished to maintain the ability to determine future applications for funding on their own merits.

#### **RESOLVED:**

That the allocation of up to £130,000 from NHB stream 3, to support the development of Greenway phases 7 and 8, be approved.

*(Reason: To support the delivery of a green corridor for cycling and walking through the District so opportunities to promote active and healthy lifestyles are maximised).*

### **14.0 BUSINESS TRANSFORMATION UPDATE**

- 14.1 The Business Transformation Manager presented a report providing a review of a number of completed Business Transformation Programme projects and an update on on-going projects.

#### **RESOLVED:**

That the report be noted.

*(Reason: To note the savings delivering from recent Business Transformation projects and the work currently under way and planned for the future).*

## **15.0 REPORT ON DEBT WRITE OFFS AND OUTSTANDING DEBT AT 31 MARCH 2017**

- 15.1 The Finance Manager reported that in accordance with the Council's Constitution, the Financial Procedure Rules required that all debt write-offs needed to be reported to the Policy and Resources Committee as part of the regular financial reporting process and the Finance Sub-Committee had also requested additional information on outstanding debts.
- 15.2 An analysis on outstanding debt by year and area of debt was submitted, which also provided information on the stages of recovery and other issues.

### **RESOLVED:** That

- i) the position of debts written off for financial year 2016/17 and the latest information on outstanding debts at 31 March 2017 be noted..

*(Reason: To meet requirements as set out in section 5.46 of the Council's Financial Procedure Rules (Part 4.3 of the Constitution)*

- ii) it be noted that a review of the debt process would be carried out by the Governance and Audit Committee as set out in paragraph 4.14 of the report.

*(Reason: To respond to recommendation by Finance Sub Committee at the last meeting held on 5 April 2017).*

**Chairman**