



Finance Sub-Committee

Minutes of a meeting held on Monday 11 September 2017 at 7.00pm, East Northamptonshire House, Thrapston

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

Officers: David Oliver (Chief Executive)
Greg Macdonald (Head of Economic and Commercial Development)
Julia Smith (Head of Community and Customer Services)
Michelle Drewery (Finance Manager)

1.0 APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillor David Brackenbury.

2.0 MINUTES

2.1 The minutes of the meeting of the Finance Sub-Committee held on 26 June 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 JULY 2017

5.1 The Finance Manager presented a report providing an overview on the forecast revenue position against the approved budgets for the period ended 31 July 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 £102,000.

- 5.2 The savings to date on the vacancy factor were below expectations to meet the full year target of £200,000. This would be kept under review during the course of the financial year.
- 5.3 The estimated underspend had arisen mainly as a result of the rental income in the region of £234,000 from the commercial property purchased at Eaton Walk, Rushden. This was offset largely by an estimated shortfall of approximately £100,000 in the Housing Benefit Subsidy following the outturn from 2016/17 where there had been insufficient budget provision made and the Sub-Committee was provided with a breakdown of the Housing Benefit Subsidy budget.
- 5.4 At the request of the Sub-Committee, the commercial property elements of the capital programme would be set out separately in future reports to the Sub-Committee.

RESOLVED: That

- i) the latest revenue, capital and reserves positions for 2017/18 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)

- iii) the transfer of £25,000 from the Development Pool into the Approved Capital Programme in respect of the refurbishments to the properties at Duck Street (paragraph 3.9 of the report) and that the remainder of £15,000 be left in the Development Pool subject to a further report following the Compulsory Purchase of a property in Carnegie Street.

- iv) the continuation of the current business rates pooling arrangement in 2018/19 as set out in paragraph 2.24. of the report be noted.

(Reason: To advise members about the continuation of this arrangement)

RESOLVED TO RECOMMEND TO FULL COUNCIL: That

- i) the Approved Capital Programme budget be increased by £10,000 in respect of the purchase of additional wheeled bins, to be funded through an additional revenue contribution to capital (paragraph 3.5 of the report).

- ii) £33,589 be removed from the overall programme (as set out at paragraph 3.7 of the report) as no longer being required and the funds be reverted back to Capital Reserves.

(Reason: To follow the formal process for approval of the amendment to the Capital Programme Budget for 2017/18)

6.0 TREASURY MANAGEMENT REPORT TO 31 JULY 2017

- 6.1 The Finance Manager presented a report outlining the Treasury Management position for the period ended 31 July 2017.

- 6.2 It was noted that a report on the Council's investment principles and plans for higher return investments would be submitted to the next meeting of the Sub-Committee.

RESOLVED:

That the Treasury Management performance for period up to 31 July 2017 in financial year 2017/18 be noted.

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

7.0 CIPFA CONSULTATIONS ON PRUDENTIAL CODE AND TREASURY MANAGEMENT

- 7.1 The Finance Manager reported that two consultations had been released by the Chartered Institute for Public Finance and Accountancy (CIPFA) in relation to the Prudential Code for Capital Finance and the Treasury Management Code.
- 7.2 The Prudential Code for Capital Finance had been developed by CIPFA as a professional code of practice to support Local Authorities in taking decisions. Local Authorities were required by Regulation to have regard to the Prudential Code when carrying out their duties under Part 1 of the Local Government Act 2003 and the Code had last been updated in 2011.
- 7.3 The Treasury Management Code provided a framework for effective treasury management in public sector organisations and this had also last been updated in 2011.
- 7.4 Initial consultations had been carried out in February 2017 and had closed in April 2017. CIPFA were now seeking responses to the proposed changes arising from the initial consultation responses received. This consultation would close on 30 September 2017 with the intention of publishing the revised Code towards the end of the year for 2018/19 implementation, although authorities were being encouraged to consider earlier implementation.
- 7.5 A summary of the issues raised in the consultation document was submitted and it was noted that it was proposed to remove the current indicator for impact on Council Tax. However, the Sub-Committee considered that this indicator should be retained and the Finance Manager confirmed that Capita also shared this view.

RESOLVED:

That the contents of the report be noted and, subject to the response stating that the indicator for impact on Council Tax should be retained, the remainder of the report be used as the basis for the response to the CIPFA consultation.

(Reason: To raise Members' awareness of current proposals for the Prudential Code and Treasury Management Code).

8.0 PAYMENT SURCHARGES

- 8.1 The Head of Customer and Community Services reported that the Payment Services Regulations 2017 no longer permitted 'surcharging' (where a charge was made to allow a service to be paid for by either a credit or debit card) and HM Treasury had stated that from 13 January 2018, the Council would no longer be able to apply card

surcharging to consumer payments by credit or debit card. The financial implications to the Council of this change were submitted.

RESOLVED:

That the changes to the ability to apply a surcharge to card payments, and the subsequent financial impact of £4,590 from January 2018, be noted.

(Reason: In accordance with new legislation no longer allowing surcharges to be applied to card payments)

The following item of business was added to the published Agenda with the consent of the Chairman in accordance with Section 100B(4)(b) of the Local Government Act 1972 in order to take advantage of potential European Union funding which had time limited availability.

9.0 EAST NORTANTS ENTERPRISE CENTRE

- 9.1 The Head of Economic and Commercial Development presented a report seeking approval for a final concept for the East Northants Enterprise Centre as the basis for appointing a specialist project manager to help with developing a business case, assembling a site, securing a funding package, obtaining all the necessary permissions and procuring expertise to design, build and operate the Centre.
- 9.2 It had become apparent that there was a potential funding opportunity through the European Regional Development Fund (ERDF) to support up to 50% of the construction costs. To take advantage of this opportunity a bid would need to be submitted by June 2018 and the Council would therefore need an interest in a site by the end of 2017 so that planning permission could be secured before the bid deadline date.
- 9.3 An outline of the proposal was set out in a brochure circulated with the report and the next steps to the point of ERDF bid submission in June 2018 were reported.
- 9.4 It was noted that a progress report would be produced every month for review by the project team and Corporate Management Team and an interim business case (which would include an assessment of costs, cash flow, risk and market conditions) would be presented to the next meeting of the Finance Sub-Committee in December 2017. This would form the basis for seeking funding to secure a site, obtain planning permission and develop an ERDF bid. This interim business case would also present a total funding package including an indication of the expected level of investment required from the Council. All of the above would be incorporated into a final business case which would be reported to the Council during April and May 2018.

RESOLVED: That

- i) the proposal detailed in the brochure attached to the report be approved.
- ii) the procurement of a specialist consultant project manager to support the next phase of project development and delivery be approved.

(Reason: To drive forward the delivery of the Enterprise Centre to the next phase of development)

10.0 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.

11.0 ASSET MANAGEMENT – AUGUST 2017 UPDATE

- 11.1 The Head of Economic and Commercial Development presented a report providing an update on the Council's asset management; the review of the Asset Management Strategy and seeking delegated authority to agree and finalise a new Lease for the Rushden Centre.

RESOLVED:

That the Chief Executive, in consultation with the Chairman of this Sub-Committee, be authorised to agree and sign the lease for the Rushden Centre.

(Reason: To secure a tenant and income for the Rushden Centre)

Chairman