



Finance and Performance Sub-Committee

Minutes of a meeting held on Monday 8 July 2019 at 10.00 am, at East Northamptonshire House, Thrapston

Present:	Councillors:	Roger Glithero JP Glenvil Greenwood-Smith David Jenney Richard Lewis Steven North
	Officers:	Glenn Hammons Executive Director (Resources and Commercial) Michelle Drewery Head of Resources Greg Macdonald Head of Economic and Commercial Development Julia Smith Head of Customer & Community Services Amy Eyles Finance Manager Katherine Hayward Assistant Finance Manager Lucy Hogston Revenue & Benefits Manager Samantha Jeffrey Performance Officer Stacey Parker Corporate Support Manager Sandie Williams Project Finance Manager Allyson Allfrey Rockingham Forest Trust

1.0 APPOINTMENT OF CHAIRMAN

RESOLVED:

That Councillor Steven North be appointed Chairman of the Sub-Committee for the Municipal Year 2019/20.

2.0 APPOINTMENT OF VICE-CHAIRMAN

RESOLVED:

That Councillor Richard Lewis be appointed Vice-Chairman of the Sub-Committee for the Municipal Year 2019/20.

3.0 URGENT ITEM

- 3.1 The Chairman reported that he had agreed to the consideration of the following item as urgent, in view of the need to arrange a special meeting of the Sub-Committee before the next scheduled meeting:-

Minutes of the East Northamptonshire Enterprise Centre Working Party – 5 July 2019

RESOLVED:

That the minutes of the meeting of the East Northamptonshire Enterprise Centre Working Party held on 5 July 2019 be taken after the Exclusion of the Press and Public from the meeting.

4.0 APOLOGIES FOR ABSENCE

- 4.1 There were no apologies.

5.0 MINUTES

- 5.1 The minutes of the meeting of the Sub Committee held on 7 May 2019 were approved and signed by the Chairman.

6.0 DECLARATIONS OF INTEREST

- 6.1 No declarations of interest were made.

7.0 QUESTIONS UNDER PROCEDURE RULE 10.3

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

8.0 BUDGET MONITORING SUMMARY REPORT TO 31 MAY 2019

- 8.1 The Finance Manager provided an update report on the Revenue and Capital positions against the approved budgets for the period ending 31 May 2019 in the financial year 2019/20.

The report highlighted:-

- A revision - since the budget setting in March 2019 - of the total budget to £11,539,634 to account for net interest receivable;
- Tables showing the actual expenditure to date against budget, and the estimated out-turn for the year with the variance against budget, and high-risk budgets subject to a monthly review;
- A virement of £150k from the corporately held budget to the waste management budget in relation to dry recycling and food waste, following the completion of the

tender process;

- The draw downs of ring-fenced revenue grants and supplementary estimates;
- The final 2018/19 Revenue out-turn position, which showed (a) an increase in overall underspend to £445k (added to the Local Government Reorganisation reserve along with the £396k previously reported) (b) an increase in Business Rates Retention Reserve to £7.2m following technical year end accounting transactions, and (c) a reallocation of £11k within reserves to top up the Asset Management Plan to 2019/20 budgeted levels;
- Capital Programme overview;
- Proposal to transfer scheme from 2019/20 Development Pool into the 2019/20 Capital Programme; and
- Proposal to release Capital Programme budget back to reserves.

It was

RESOLVED:

(1) That the following matters be noted:-

- (a) The latest estimate on the revenue and capital positions as at period 2 for 2019-20.
- (b) The virement of £150k from the corporately held budget to the waste management budget in relation to dry recycling and food waste, as detailed in section 2.10 of the report.
- (c) The draw downs of ring-fenced revenue grants and supplementary estimates, as detailed in section 2.15 of the report.
- (d) The final outturn position for 2018-19, as detailed in section 2.16 of the report.
- (e) The release of £26k from the Capital Programme, as identified in section 3.5 of the report.

(Reason: All the above are for information/ monitoring purposes)

(2) That the transfer of £163.5k from the Development Pool into the Capital Programme in relation to the Asset Management Plan, as identified in section 3.34 of the report, be approved.

(Reason: - This is to progress the delivery of the Asset Management Plan)

9.0 TREASURY MANAGEMENT REPORT TO 31 MAY 2019

9.1 Members considered a report from the Finance Manager setting out the position for

9.1 Treasury Management for the period to 31 May 2019.

Members noted a summary of the economic conditions affecting the Council's investment strategy, details of investments made during the year and a summary of the Council's current investment portfolio.

9.2 In response to a question from Councillor Jenney, the Executive Director (Resources and Commercial) confirmed that although the Council had approved a borrowing requirement for the financing of the Enterprise Centre, it had not yet been decided to externalise borrowing or alternatively, to run down balances. The situation would be kept under review.

RESOLVED:

That the treasury management performance for the period up to 31 May 2019 in the financial year 2019/20 be noted.

(Reason – to provide an update for Members on Treasury Management activities in accordance with CIPFA guidance and best practice.)

10.0 DEBT WRITE OFFS AND OUTSTANDING DEBT

10.1 Consideration was given to a report from the Finance Manager outlining the amount of debt written off during the financial year 2018/19 and providing an analysis of outstanding debt at 31 March 2019.

The report also set out the reasons for recommending the write-off of debt.

10.2 The write-offs for 2018/19 were as follows:-

Debt Type	Total Collected £	Total Write-Off £	% of Total Collected
Council Tax	54,926,075	166,907	0.3%
Non-Domestic Rates	33,797,096	59,232	0.2%
Housing Benefit Overpayments	483,130	61,739	12.8%
Sundry Debtors	3,615,082	199	0.0%
TOTAL	92,821,383	288,077	0.3%

10.3 The total outstanding debt was as follows:-

Council Tax	£2,288,084 (2.2% of total tax for 2018/19)
Non-Domestic Rates	£628,991 (0.7% of total NNDR for 2018/19)
Housing Benefit Overpayments	£1,234,869 (12% of value of invoices raised)
Sundry Debtors	£12,513.

- 10.4 Members acknowledged that the outstanding Council Tax debt was likely to fluctuate during the year.

RESOLVED:

That the position of debts written off for the financial year 2018/19 and the latest information on outstanding debts at 31 March 2019 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)

11.0 QUARTERLY PERFORMANCE MONITORING - QUARTER 4 - 2018/19

- 11.1 The Performance Officer presented a report detailing the performance of the Council in respect of agreed indicators and other statistics for Quarter 4 in 2018/19.

- 11.2 The key points were:-

- 65% of Key Priority Measures were performing at or above the required standards.
- Fifteen measures under-performed in the quarter, but only seven were recorded and explained in detail as they had underperformed for two or more consecutive periods of reporting, indicating a potential longer-term issue.
- Planning measures with a Government target were all within tolerance or over-performing
- Staff absence figures continued to under-perform - in part due to instances of long-term sick leave.

- 11.3 Members made a number of comments and raised several questions

RESOLVED:

That the report be noted

(Reason – To improve service provision against performance measures)

12.0 STANWICK LAKES – REPLACEMENT OF SLUICE GATES

- 12.1 Members considered a report from the Project Finance Manager updating them on the position presented at the meeting of the Sub-Committee on 11 February 2019 and seeking approval for the proposed hydropower scheme at Stanwick Lakes, replacing the existing sluice gates, now that the conditions imposed at that meeting had been met.

- 12.2 Rockingham Forest Trust (RFT) – which would have the responsibility for the gates after the Environment Agency (EA) had transferred ownership to the Council and would also receive funding envisaged at £265,000 from the EA – was seeking the Council's permission to replace the sluice gates with an Archimedes Screw that would generate electricity to the site and create a surplus, which would be sold back to the grid providing

RFT with cost savings and an income stream.

- 12.3 ENC and RFT had worked together to produce a detailed business case and this was now submitted to the Sub-Committee.
- 12.4 The works included the installation of a concrete plinth in the river which would provide the foundation required for the Archimedes Screw and remove the need for separate costly engineering works, thus reducing the cost of the hydro by around £40,000.

RESOLVED:

- (1) That the progress with the delegations resolved at the meeting of the Sub-Committee on 11 February 2019 be noted.
- (2) That authority be delegated to the Chief Finance Officer, following consultation with the Chair of this Sub-Committee to legally accept responsibility for the sluice gates upon confirmation that the final commuted sums are confirmed and deemed to be adequate, and all funding is in place and verified.
- (3) That authority be delegated to the Head of Customer and Community Services, following consultation with the Chair of this Sub-Committee to sign the updated lease with RFT once satisfied with the relevant legal documentation and all other delegations have been implemented.

(Reason: To ensure ongoing maintenance of one of the council's main assets)

13.0 MINUTES OF THE COMMUNITIES FACILITIES FUND WORKING PARTY

- 13.1 The minutes of the meeting of the Communities Facilities Fund Working Party held on 26 June 2019 (**attached as an Appendix to these Minutes**) were received.
- 13.2 The Head of Customer and Community Services submitted further clarification on application 16, received from Henry Chichele.

RESOLVED:

That the recommendation contained in Minute 7.2 (grant funding of £155, 828) be approved.

14.0 EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

That the public and press be excluded from the meeting during consideration of the following items of business in accordance with Section 100A of the Local Government Act 1972, because exempt information may be disclosed:

- Asset Management Update;
- Enterprise Centre: East Northants – Update; and
- Minutes of the meetings of the East Northamptonshire Enterprise Centre Working Party held on 7 May, 11 June and 5 July 2019.

15.0 ASSET MANAGEMENT UPDATE

15.1 The Head of Economic and Commercial Development presented a report providing an update on the Council's asset management and which sought approval for various actions to be taken in relation to specific sites.

15.2 The asset update had been restructured into two sections:

- Section 2 - Current asset matters requiring a decision
- Section 3 - Asset tracker to review progress on all historical asset matters reported to this Sub Committee.

15.3 The following comments were made:

- The Asset Tracker should be more comprehensive – not all outstanding assets were currently shown
- In relation to the Red Brick Building –
 - (a) the designated and secure outside space would probably not be required;
 - (b) Members asked for clarification of
 - (i) the estimated cost of utilities and business rates and buildings insurance as part of the proposed rent and
 - (ii) a landlord break clause.

The report was not for publication under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

RESOLVED:

(1) That the updates in the report be noted and the new reporting format focused on tracking all asset related matters considered through this reporting process since June 2018 be welcomed but future reports include all outstanding items.

(Reason: To deliver and monitor the Asset Management Strategy)

(2) That the advice in the report regarding the position of the commercial premises at Raunds and Kings Cliffe be accepted and be submitted to a future meeting of this Sub-Committee on options for their use in relation to the Enterprise Centre, East Northants.

(Reason: To deliver the Asset Management Strategy)

(3) That, subject to the comments above, the draft heads of terms for leasing the whole of the Red Brick building to Progress Schools be agreed and the Head of Economic and Commercial Development, in consultation with the Chair of this Sub Committee, be authorised to agree the final lease (subject to planning permission and listed building consent) as the basis for signing.

(Reason: To deliver the Asset Management Strategy and in particular provide the pay back for the Office Transformation Project)

It was further

RESOLVED TO RECOMMEND TO POLICY AND RESOURCES COMMITTEE:

That the sale of the Ditchford site - as detailed and at the price outlined in the report to the Sub-Committee - be agreed, noting the reference to previous resolutions to include a covenant to protect the current use of the site whilst capturing any potential future uplift in value.

(Reason: To deliver the Asset Management Strategy)

16.0 ENTERPRISE CENTRE: EAST NORTHANTS (ECEN)

(a) Update

- 16.1 The Head of Economic and Commercial Development presented an update on progress with a particular focus on awarding the Operator contract, which it was noted, would now be considered at an additional meeting of the Sub-Committee. Members were asked to consider the governance and management arrangements regarding the operation of the ECEN.

The report was not for publication under paragraph 3 of Part 1 of Schedule 12 A of the Local Government Act 1972.

RESOLVED:

That the following matters be noted:-

- The project update
- The budget update
- The risks highlighted, and
- The operational risks.

(Reason – To provide project oversight on behalf of the Council)

It was further

RESOLVED TO RECOMMEND TO THE POLICY & RESOURCES COMMITTEE:

That the governance and management arrangements regarding the operation of ECEN – as the outlined in Appendix 3 of the report - be agreed.

(Reason: To ensure effective delivery and oversight)

(b) Minutes of the Working Party – 7 May, 11 June and 5 July 2019

- 16.2 The minutes of the meetings of the East Northants Enterprise Centre Working Party held on 7 May, 11 June and 5 July 2019 were considered.

The minutes were not for publication under paragraph 3 of Part 1 of Schedule 12 A of the Local Government Act 1972.

RESOLVED:

- (1) That the minutes be received, subject to the following changes to the minutes of the meeting on 5 July 2019:-
 - The addition of the name of Glenn Hammons to the list of persons present at the meeting, and
 - The deletion of all words after “15 July” in the recommendation in minute 5.1 and the substitution of the words “at 6.30pm before the Policy & Resources Committee”.
- (2) That the recommendation contained in minute 5.1 of the meeting on 5 July 2019 (as amended above) be approved (Additional meeting of the Sub-Committee on 15 July).
- (3) That the recommendation contained in minute 11 of the meeting on 11 June 2019 be approved (Terms of Reference Amendments).

Chairman