



## Finance and Performance Sub Committee

Minutes of a meeting held on Monday 17 February 2020 at 7.00pm, at East Northamptonshire House, Thrapston

**Present:** Councillors: Steven North, in the chair  
Roger Glithero JP  
Glenvil Greenwood-Smith  
David Jenney  
Richard Lewis

**Officers:** Carol Conway Housing Strategy and Delivery Manager  
Michelle Drewery Head of Resources  
David Oliver Chief Executive  
Katherine Hayward Finance Manager  
Lucy Hogston Interim Head of Customer and Communities  
Greg Macdonald Head of Economic and Commercial Development

### **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 meetings held on 16 December 2019 were approved as a correct record.

### **3.0 DECLARATIONS OF INTEREST**

3.1 No declarations of interest were made.

### **4.0 QUESTIONS FROM MEMBERS**

4.1 There were no questions received from members.

### **5.0 CHANGE TO THE ORDER OF BUSINESS**

5.1 The Chairman, with the agreement of the Committee changed the order of business to that previously set out in the agenda for the meeting.

## **6.0 HOMELESSNESS FUNDING**

- 6.1 The Housing Strategy and Delivery Manager presented a report advising the Sub-Committee of additional Government funding for homelessness and of proposed accounting arrangements and spend.

It was noted that as a result of additional duties and complexity in delivering homelessness prevention and relief arising from the Homelessness Reduction Act 2017, additional funding had been made available to councils.

The Subcommittee discussed a number of proposals with which to spend this additional grant to assist homelessness prevention and relief in East Northamptonshire. It was queried whether some of the surplus funds could benefit the Rushden Full Gospel Church's Sanctuary Night Shelter. The Housing Manager undertook to bring an options paper back to spend surplus funds for potential projects at a future meeting.

It was noted that future funding from the Ministry of Housing, Communities and Local Government would be consolidated and allocated to the new unitary council from 1 April 2021. Members considered it important that the particular challenges faced in delivering homelessness services in a rural area be taken into account.

### **RESOLVED:-**

- a) That the proposal to draw up a supplementary estimate of £18,907 in 2019/20, fully funded by Cold Weather funding be noted;
- b) That the Rough Sleeper Initiative Funding allocation of £48,494 in 2020/21, included in the 2020/21 budget subject to approval by full Council as part of the 2020/21 budget setting process; and
- c) That the proposed use of ring-fenced homelessness reserves and grant income in 2020/21 be noted, subject to approval by full Council as part of the 2020/21 budget setting process.  
*(Reason – To ensure best use is made of available funding for homelessness prevention and relief.)*

## **7.0 BUDGET MONITORING TO 31 DECEMBER 2019**

- 7.1 The Finance Manager provided an update on the forecast Revenue and Capital positions against the approved budgets for the period ended 31 December 2019 in financial year 2019/20.

It was noted that the revised revenue budget for the 2019/20 financial year was £12,024,853 and the forecast services outturn for the year was a saving of £338,027.

In respect of table 3 on page 2 of the report it was queried why in respect of planning services it was indicated that less than half of the budget had been spent or committed after 9 months of the financial year had elapsed. The Finance Manager undertook to update all members of the Sub-Committee on the background to this, following the meeting.

**RESOLVED:-**

- a) That the latest revenue, capital and reserves positions for 2019/20 be noted;

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

- b) Note That the supplementary estimates approved since period 7 be noted;

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

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

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

**8.0 TREASURY MANAGEMENT REPORT TO 31 DECEMBER 2019**

- 8.1 The Finance Manager provided an update on the current position for Treasury Management for the period to 31 December 2019 in financial year 2019/20.

In respect of Treasury Management position and performance, it was noted that over the course of the financial year to date, the opportunity for the council to invest its surplus cash for periods of more than six months had been limited, mainly due to uncertainties in the Brexit negotiations in the lead up the UK leaving the European Union.

The average return during this period on the council's portfolio of investments had been 0.73%, 0.16% above the average London Interbank Bid Rate (LIBID) of 0.57% but below the budgeted rate of 0.8%.

**RESOLVED:-**

That Treasury Management performance for the period to 31 December 2019 in financial year 2019/20 be noted.

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

**9.0 DRAFT MEDIUM TERM FINANCIAL STRATEGY AND PLAN**

- 9.1 The Finance Manager presented a report, the purpose of which was to set out the council's Medium Term Financial Strategy (MTFS) 2020/21 to 2024/25, and outline the Revenue Budget 2020/21, Capital Programme 2020/21 to 2029/30, Treasury Management Strategy 2020/21 and Capital Strategy 2020/21.

The main changes to the draft MTFS presented to the Sub-Committee were highlighted, these included:-

- i) The MTFS had been prepared on the basis that the council would continue in its current form in the short to medium term. However, the Structural Changes Order to approve the unitary council restructure had been made in Parliament on 14 February 2020. Whilst this meant the Council would now cease to exist from 1 April 2021, the basis for the preparation of robust council and service area

budgets was the same as in previous years, whilst also recognising the expected forecast costs of the move to Unitary in the reserves forecast;

- ii) Final local government financial settlement figures had been received on 6 February 2020 which, as expected, had constituted a 'roll-forward' of the 2019/20 settlement, with more significant reforms to be delayed until 2020/21. This now removed some of the uncertainty around the budget for the year ahead;
- iii) The Budget Working Party had met a number of times since the draft MTFS had been presented on 16 December 2019, its recommendations and government announcements on homelessness and council tax support grants having resulted in a net increased budget requirement of £111k. The final local government settlement figures and the calculation of the final collection fund surplus had resulted in a net reduction of £20k in funding for 2020/21 as compared to the draft budget presented on 16 December 2019. A net transfer from earmarked reserves of £91k is required to balance the proposed 2020/21 revenue budget;
- iv) In terms of the capital programme, the Corporate Management Team and the Budget Working Party had reviewed and updated the capital programme and development pool in line with current and future service planning, with £416k having been brought forward from the 2021/22 development pool and £536.5k added to the development pool for 2020/21.

**RESOLVED:-**

- a) That the contents of this report be noted;
- b) That the report be referred to the Policy and Resources Committee for consideration at its meeting on 24 February 2020;

*(Reason: To ensure that the Sub-Committee is aware of the forecast financial position; so that in due course the council complies with its constitution in setting its budget.)*

**10.0 CAPITAL STRATEGY 2020/21**

10.1 The Finance Manager presented a report setting out the Capital Strategy 2020/21.

It was noted that the revised Prudential Code 2017 introduced the requirement in 2019/20 for councils to publish a capital strategy.

**RESOLVED:-**

- a) That the draft Capital Strategy for 2020/21 be noted.
- b) That the report be referred to the Policy and Resources Committee for consideration at its meeting on 24 February 2020.

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

## **11.0 DRAFT TREASURY MANAGEMENT STRATEGY**

- 11.1 The Finance Manager presented a report, the purpose of which was to set out the Treasury Management Strategy Statement (TMSS) for 2020/21.

It was noted that the report had been updated since it was last presented on 16 December 2019 to reflect the proposed changes in the capital programme [as indicated in 7.1 above].

### **RESOLVED:-**

- a) That the Treasury Management Strategy Statement for 2020/21 be noted.
- b) That the report be referred to the Policy and Resources Committee for consideration at its meeting on 24 February 2020.

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

## **12.0 REPORT BY CHIEF FINANCE OFFICER ON ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES**

- 12.1 The Head of Resources (and Deputy Chief Finance Officer) presented a report advising on the robustness of the estimates in the budget and the adequacy of the proposed financial reserves before recommending to Council the Medium Term Financial Strategy 2020/25, Capital Strategy, Revenue Budget 2020/21, Capital Programme 2020/30, Reserve Levels and Treasury Management Strategy 2020/21.
- 12.2 Members noted that the budget had been set at a time it faced a range of issues to contend with which included national economic, local government and local factors. The MTFS had been set in the context of continuing to operate as a sovereign council, however following approval of the Structural Changes Order on 14 February 2020, the council would now need to feed into and contribute to the budget setting process for the new unitary over the course of the next financial year.

The Subcommittee further noted that a range of key assumptions, risks and mitigations, presented in detail by the Head of Resources, underpinned the MTFS.

Overall, it was noted that the opinion of the Chief Finance Officer was that based on the assumptions made in its Budget 2020/21 and MTFS 2020/25 for income and expenditure, the Council could set a balanced budget for 2020/21, although there were a number of risks, which included local government reorganisation, local government funding levels and the Enterprise Centre.

It was further noted that provided the Council carefully considered and acted upon the analysis in the report, and officers robustly managed the implementation of the Revenue and Capital budgets, a positive opinion could be given under Section 25 of the Local Government Act 2003 on the robustness of budget estimates and the level of reserves.

### **RESOLVED:-**

- a) That the Sub-Committee notes the Section 151 Officer's opinion set out in Section 11 and has carefully considered the contents of this report prior to recommending

its consideration by the Policy and Resources Committee at its meeting on 24 February 2020;

*(Reason – To ensure the Council complies with statute in setting its budget.)*

- b) That the Sub-Committee recognises the work undertaken over recent years to ensure the Council has a balanced budget and is in a good financial position to face the medium term uncertainties.

*(Reason: To ensure the Council has a stable and sustainable Medium Term Financial Strategy and Plan.)*

### **13.0 STANWICK LAKES – REPLACEMENT OF SLUICE GATES**

- 13.1 The Interim Head of Customer and Community Services presented a report providing an update further to the position presented at the Sub-Committee on 8 July 2019 regarding the replacement of the existing sluice gates and implementation of a hydropower scheme.

The Sub-Committee was supportive of the Council providing funding of last resort in order to ensure the project could move forward, noting that preferred funding and finance facility options would be explored by the Chief Finance Officer.

#### **RESOLVED:-**

- a) That Policy and Resources Committee be recommended to:-
  - i) Agree that this Council will, in principle, act as the funder of last resort for a sum of up to £178k;
  - ii) Agree that the funding for the project is now in place and verified;
- b) That the progress made with the delegations resolved at the Sub-Committee on 11 February and 8 July 2019 be noted;
- c) That authority be delegated to the Chief Finance Officer, following consultation with the Chair of the Finance and Performance Sub-Committee, to explore and assess potential funding options;
- d) That authority be delegated to the Chief Finance Officer, following consultation with the Chair of Finance and Performance Sub-Committee, to implement the preferred funding option in accordance with the conditions set out in paragraph 5.2 of the report.

*(Reason – To support Stanwick Lakes and its future sustainability.)*

### **14.0 EXCLUSION OF PUBLIC AND PRESS**

#### **14.1 RESOLVED:**

That the public and press be excluded from the meeting during consideration of the

following item of business in accordance with Section 100A of the Local Government Act 1972, because exempt information may be disclosed:-

- Asset Management Update;
- Minutes of Meetings of the East Northamptonshire Enterprise Centre Working Party held on 15 January and 10 February 2020.

## **15.0 ASSET MANAGEMENT UPDATE**

15.1 The Head of Economic and Commercial Development provided a report updating on the council's asset management strategy and seeking approval for various actions to be taken in relation to specific assets.

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

### **RESOLVED:-**

a) That the updates detailed in the asset tracker be noted.

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

b) In relation to the Enterprise Centre East Northants project, authority be delegated to the Head of Economic & Commercial Development, or their nominee to:

- agree heads of term for each licence;
- agree the licensee (occupier);
- enter into the licence agreement;
- serve such notices as (s)he deems appropriate to manage the licence agreement or any default arising from or associated with the agreement.

*(Reason: To ensure effective commercial delivery of the ECEN Project)*

c) In relation to the Office Transformation Project, authority be delegated to the Head of Economic & Commercial Development or their nominee, following consultation with the Chair of this Committee to:

- undertake within approved budgets all necessary procurement exercises (inclusive of all stages from agreeing the specification to award).
- *serve such notices as (s)he deems appropriate to manage the effective delivery of the contract(s) outputs relating to all elements of the approved OTP Programme.*

*(Reason: To ensure effective and timely delivery of the OTP)*

## **16.0 MINUTES OF MEETINGS OF THE EAST NORTHAMPTONSHIRE ENTERPRISE CENTRE WORKING PARTY HELD ON 15 JANUARY AND 10 FEBRUARY 2019.**

16.1 The report was not for publication under paragraph 3 of Part 1 of Schedule 12 A of the Local Government Act 1972. It was noted that the minutes of the 10 February meeting of the East Northamptonshire Enterprise Centre Working Party would be submitted to the next meeting of the Sub Committee.

**RESOLVED:-**

That the minutes of the Enterprise Centre Working Party held on 15 January 2019 be noted.

*(Reason – for information purposes only)*

**Chairman**