

# POLICY AND RESOURCES COMMITTEE

Date: 13 July 2020

Venue: Virtual Meeting

Time: 11am

Present: Councillors: Richard Lewis (Chairman)  
Glenvil Greenwood-Smith (Vice Chairman)  
Steven North (Leader of the Council)  
David Jenney (Deputy Leader of the Council)

Tony Boto  
David Brackenbury  
Wendy Brackenbury  
Val Carter  
John Farrar

Helen Harrison  
Dudley Hughes JP  
Andy Mercer  
Sarah Peacock

## 83. CONFIRMATION OF CHAIRMAN

### RESOLVED:

That Councillor Richard Lewis be confirmed as Chairman of the Committee for 2020/21.

## 84. CONFIRMATION OF VICE CHAIRMAN

### RESOLVED:

That Councillor Glenvil Greenwood-Smith be confirmed as Vice Chairman of the Committee for 2020/21.

## 85. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Roger Glithero.

## 86. MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 24 February 2020 were approved as a correct record, subject to:

Minute No. 417 – Northamptonshire Reducing Gang-related Violence and Exploitation Strategy

4<sup>th</sup> paragraph, final sentence now to read “The Chief Executive of ENC was the NCSB lead for the strategy and the partnership lead for **tackling** serious organised crime.”

## 87. DECLARATIONS OF INTEREST

The following declarations of interest were made:

Councillor	Item	Nature of Interest	DPI	Other Interest
Sarah Peacock	Minutes of Finance and Performance Sub-Committee on 06 July 2020	Is Chairman of the Greenway Board		Yes

## 88. QUESTIONS UNDER COUNCIL PROCEDURE RULE 10.3

No questions were submitted under Procedure Rule 10.3.

## 89. MINUTES OF SUB-COMMITTEES AND WORKING PARTIES

### a) Personnel Sub-Committee – 02 March 2020

The minutes of the meeting of the Personnel Sub-Committee held on 02 March 2020 were received (see pages 44 to 45).

### b) Personnel Sub-Committee – 24 March 2020

The minutes of the meeting of the Personnel Sub-Committee held on 24 March 2020 were received (see pages 46 to 47).

### c) Personnel Sub-Committee – 15 June 2020

The minutes of the meeting of the Personnel Sub-Committee held on 15 June 2020 were received (see pages 48 to 53).

### RESOLVED:

That delegated authority be given to the Chief Executive to authorise variations to the hours of individual employees where those variations do not create a proposed increase to the budget or to the establishment and do not have the potential to trigger a redundancy.

*(Reason: To ensure the efficient operation of the officer scheme of delegation in line with changing business needs.)*

### d) Community Facilities Fund Working Party – 04 March 2020

The minutes of the meeting of the Communities Facilities Fund Working Party held on 04 March 2020 were received (see pages 54 to 56).

### e) Finance and Performance Sub-Committee – 24 March 2020

The minutes of the meeting of the Finance and Performance Sub-Committee held on 24 March 2020 were received (see pages 57 to 58).

**f) Finance and Performance Sub-Committee – 06 May 2020**

The minutes of the meeting of the Finance and Performance Sub-Committee held on 06 May 2020 were received (see pages 59 to 66).

**g) Finance and Performance Sub-Committee – 26 May 2020**

The minutes of the meeting of the Finance and Performance Sub-Committee held on 26 May 2020 were received (see pages 67 to 70).

**h) Finance and Performance Sub-Committee – 06 July 2020**

The minutes of the meeting of the Finance and Performance Sub-Committee held on 06 July 2020 were received (see pages 71 to 78).

**RESOLVED:**

- (i) That the revenue carry forward requests be approved.  
*(Reason: For formal approval to carry forward expenditure into the revenue budget for 2020/21.)*
- (ii) That the capital carry forward requests be approved.  
*(Reason: For formal approval to carry forward expenditure into the capital budget for 2020/21.)*
- (iii) That the 2019/20 underspend be set aside within a new Covid-19 Risk reserve.  
*(Reason: For formal approval to incur expenditure in 2020/21 and to strengthen reserves to mitigate the financial risks of the Covid-19 pandemic.)*
- (iv) That the draft reserves outturn position, including the use of capital receipts as indicated in sections 3.5-3.8 of the report, be approved.  
*(Reason: For formal approval of strengthened reserves to mitigate future financial risk.)*
- (v) That authority be delegated to the Chief Finance Officer, following consultation with the Chairman of the Finance and Performance Sub-Committee, to make changes necessary to the outturn and reserves position that arise as a result of completing year end accounting entries which will be reported back to Finance and Performance Sub-Committee as necessary.  
*(Reason: To ensure the Council meets its statutory deadline that the draft Statement of Accounts is published by 31 August 2020.)*

**R.1 RESOLVED TO RECOMMEND TO FULL COUNCIL:**

- (vi) To approve an increase of £16,518 in the 2020/21 approved capital programme in relation to Disabled Facilities Grants to be funded from capital grants.  
*(Reason: To bring the approved capital programme in line with capital Disabled Facilities Grants received in 2019/20 and 2020/21.)*

## **90. ADJOURNMENT OF MEETING**

Due to technical issues, the meeting adjourned at 11.25am and reconvened at 11.40am.

**Councillor Steven North left the meeting at 11.50am during consideration of the following item.**

## **91. CLOSED-CIRCUIT TELEVISION (CCTV) POLICY**

The Executive Director (Growth and Infrastructure) presented a report which sought approval for a Closed-Circuit Television (CCTV) Policy. A policy was required to provide a framework for installing and operating CCTV systems within the Council's operating buildings, in other property it owned and through remote use as part of service delivery.

The main reason for using CCTV was to improve the safety of staff, members and customers using the Council's buildings and services. It was evident that, with developments in data protection legislation, there were a number of issues associated with privacy that needed to be considered with the design, installation and operation of a CCTV system, which this Policy would address.

During debate on the item, Members raised a question as to who would be responsible for deciding what was an 'exceptional circumstance' for using surveillance cameras in areas where there was an expectation of privacy. It was accepted that issues around safety and privacy did not often coincide and Members felt that some sort of Member oversight was needed. In response, officers noted the concerns which had been raised and undertook to revise the wording of paragraph 10.4 of the Policy. It was suggested that once a decision had been made to use surveillance cameras in exceptional circumstances that the decision be reported to the Governance and Audit Committee for them to review.

### **RESOLVED:**

- (i) To approve the CCTV Policy, subject to paragraph 10.4 being amended to include that any decision made to use surveillance cameras in exceptional circumstances be reported to the Governance and Audit Committee for review.
- (ii) That delegated authority be given to the Head of Economic and Commercial Development, in consultation with the Chairman of the Policy and Resources Committee, to finalise the Policy for publication.

*(Reason: To ensure the design, installation and operation of CCTV by ENC adheres to current legislation.)*

## **92. EXCLUSION OF PRESS AND PUBLIC**

### **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.

**Councillor John Farrar left the meeting at 12.40pm and Councillor Steven North returned to the meeting at 12.45pm during consideration of the following item.**

### **93. SUPPORT FOR FREEDOM LEISURE**

The Chief Finance Officer presented a report which detailed the impact that the Covid-19 pandemic had had on Freedom Leisure and the support they had requested from the Council to maintain the business and the future of East Northamptonshire Council's Leisure Services Contract.

The report was not for publication in accordance with paragraph 3 of Part 1 of Schedule 12A of Section 100A of the Local Government Act 1972.

#### **R.2 RESOLVED TO RECOMMEND TO FULL COUNCIL:**

- (i) To agree to meet the additional business critical costs of £72,035 incurred by Freedom Leisure for the period 20 March to 20 July 2020, subject to final approval via the open book accounting reconciliation process.
- (ii) To agree to meet Freedom Leisure's business critical costs of £24,542 that cannot be mitigated for the period 21 July to 31 July 2020, subject to final approval via the open book account reconciliation process.
- (iii) To agree to a full opening of all leisure centres from 25 July or as soon thereafter as possible, to allow Freedom Leisure to activate their recovery plan and to support the Council's Health and Active Lifestyles Strategy and Public Health Agenda.
- (iv) To agree to meet Freedom Leisure's estimated income deficit of between £212,305 and £280,009 for the period 1 August to 31 October 2020, subject to final approval via the open book accounting reconciliation process.
- (v) To forego the monthly management fee due to the Council of £12,083 for the period 1 August to 31 October 2020, totalling £36,249.
- (vi) To agree that funding recommendations (i), (ii), (iv) and (v) will come from the Covid-19 Grant from government, the Covid-19 earmarked reserve or, if successful, further government Covid-19 funding.
- (vii) To agree to a further update being brought forward at the next Council meeting on 12 October 2020 to review the existing support and to consider any future support for the period 1 November 2020 onwards.

Subject to the recommendations above:

- (a) To note that regular progress reports on the leisure contract with Freedom Leisure will be made to the Policy and Resources Committee.

*(Reason: To support the continued delivery of a critical contract to implement the Council's Health and Active Lifestyles Strategy which encourages residents to adopt healthier and active lifestyles.)*

**Chairman**



## Personnel Sub-Committee

### Minutes of a Meeting held on Monday 2 March 2020 at East Northamptonshire House, Thrapston

**Present:** Councillors: Roger Glithero (Chairman)  
Sarah Peacock (Vice-Chairman)  
Glenvil Greenwood-Smith  
David Jenney  
Steven North

Officers: David Oliver Chief Executive  
Rob Harbour Executive Director, Growth and  
Infrastructure  
Kelvin Turner Head of Resources  
Samantha Edmunds Health Protection Manager

#### **1.0 APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from Councillors Tony Boto and Val Carter.

#### **2.0 MINUTES OF THE LAST MEETING**

2.1 The minutes of the meeting held on Monday 20 January 2020 were approved and signed by the Chairman.

#### **3.0 DECLARATIONS OF INTEREST**

3.1 No declarations of interest were made by councillors.

David Oliver, Chief Executive declared a personal interest in item 5 on the agenda 'Pay Policy Statement' [*minute 5 below*] as his remuneration was directly referenced within the report, as a Chief Officer.

#### **4.0 QUESTIONS UNDER PROCEDURE RULE 10.3**

4.1 There were no questions submitted under Procedure Rule 10.3.

#### **5.0 PAY POLICY STATEMENT**

5.1 The HR Manager presented a report in accordance with the Council's obligations under Section 38 (1) of the Localism Act 2011 and the Local Government's Transparency Code 2014, to approve an annual Pay Policy Statement relating to Chief Officers.

It was noted that once approved by full council, the statement was required to be published.

The HR Manager advised of two minor updates to the report prior to submission to full council, in that:-

- i) The top of the Chief Executive's pay band was £111,370 per annum, rather than £111,384 as stated in Appendix 1.

- ii) In Section 5.5 of the report, a new sub section (h) be added:

'In exceptional circumstances, Officers below Executive Director level may claim overtime at plain rate only, subject to the prior approval of the Chief Executive.'

**RESOLVED:**

- a) That the report be noted;
- b) That subject to inclusion of the minor amendments as discussed, full Council be recommended to:-

Consider and approve the Pay Policy Statement 2020/21.

*(Reason: An approved statement will enable the authority to publish the statement in accordance with the requirements under the Localism Act 2011.)*

**6.0 EXCLUSION OF PRESS AND PUBLIC**

**6.1 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.

- Environmental Services – Proposed Change to the Health Protection Team

**7.0 ENVIRONMENTAL SERVICES – PROPOSED CHANGE TO THE HEALTH PROTECTION TEAM**

- 7.1 The Health Protection Manager presented a report which sought permission to change the vacant part time post of Health Protection Officer to a full time Health and Wellbeing Officer. The report was not for publication by virtue of paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

**RESOLVED:**

That the request to recruit a full time Health and Wellbeing Post as outlined in section 4.3 of this report, be approved.

*[Reason – To ensure staff are properly supported by the proactive promotion of health and wellbeing. This will help to ensure the council will be better able to meet its statutory responsibilities and ensure maximum benefit for customers].*

**Chairman**



## Personnel Sub-Committee

**Minutes of a Meeting held on Tuesday 24 March 2020 at East Northamptonshire House, Thrapston**

<b>Present:</b>	<b>Councillors:</b>	Roger Glithero (Chairman) Glenvil Greenwood-Smith David Jenney
	<b>Officers:</b>	Mike Deacon                      Head of Environmental Services Glenn Hammons                Executive Director Rob Harbour                    Executive Director, Growth and Infrastructure Greg Macdonald                Head of Economic and Commercial Development Kelvin Turner                    Head of Resources

### **1.0 APOLOGIES FOR ABSENCE**

1.1 An apology for absence was received from Councillors Tony Boto, Val Carter, Sarah Peacock and Steven North.

### **2.0 MINUTES OF THE LAST MEETING**

2.1 The minutes of the meeting held on Monday 2 March 2020 were approved and signed by the Chairman.

### **3.0 DECLARATIONS OF INTEREST**

3.1 The following Declarations of Interest were made:

- Councillor Glenvil Greenwood-Smith was Chairman of the Enterprise Centre Working Party and the Disabled Facilities Grants Panel
- Councillors David Jenney and Roger Glithero were members of the Enterprise Centre Working Party.

### **4.0 QUESTIONS UNDER PROCEDURE RULE 10.3**

4.1 There were no questions submitted under Procedure Rule 10.3.

### **5.0 EXCLUSION OF PRESS AND PUBLIC**

#### **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.

- **Economic and Commercial Development – Staffing Changes**
- **Private Sector Housing Team – Disabled Facilities Grants, Environmental Services**
- **Urgent Item – Settlement Agreement**



## **6.0 ECONOMIC AND COMMERCIAL DEVELOPMENT – STAFFING CHANGES**

6.1 The Head of Economic and Commercial Development presented a report which sought approval for a number of staffing changes within the Economic and Commercial Development service as the basis for improving service delivery within the context of Local Government Reform, emerging strategic economic agendas, delivery of the Enterprise Centre East Northants (ECEN) project, commercialisation and a dynamic economic climate.

### **RESOLVED:**

(1) That the proposed staffing changes as detailed at 8.1 of the report be approved.

*(Reason – To improve service delivery within the ECD service).*

(2) That delegated authority be given to the Head of Economic and Commercial Development, in consultation with the Chair of this Committee, to deliver all aspects of the proposed staffing changes, including formal consultation with all affected staff.

*(Reason – To ensure effective and timely delivery of the proposed staff changes).*

## **7.0 PRIVATE SECTOR HOUSING TEAM – DISABLED FACILITIES GRANTS, ENVIRONMENTAL SERVICES**

7.1 The Head of Environmental Services presented a report detailing the proposal to extend the shared Disabled Facilities Grant (DFG) resources between Kettering Borough Council (KBC) and East Northamptonshire Council (ENC); by extending the ENC 0.5 FTE shared resource with KBC to 3 x 0.5 FTEs.

### **RESOLVED:**

(1) That the creation and recruitment of a shared Technical Officer and Trainee Technical Officer resource with Kettering Borough Council be approved

*(Reason: To enable a more effective delivery of mandatory DFGs).*

## **8.0 URGENT ITEM**

8.1 The following item of business had been added to the published agenda with the consent of the Chairman in accordance with Section 100B(4)(b) of the Local Government Act 1972 as a decision was required before the next meeting of the Sub-Committee. All officers with the exception of the Head of Resources and Democratic Services Officers left the meeting.

## **9.0 SETTLEMENT AGREEMENT**

9.1 The Head of Resources gave a verbal report requesting the Sub-Committee's approval that a compensatory payment be issued to an employee.

### **RESOLVED:**

That the compensatory payment outlined in the report be made to the employee concerned.

*(Reason: to provide a resolution to the matter)*

**Chairman**



## Personnel Sub-Committee

### Minutes of a Meeting held on Monday 15 June 2020 (Virtual Meeting)

**Present:** Councillors: Roger Glithero (Chairman)  
Sarah Peacock (Vice-Chairman)  
Glenvil Greenwood-Smith  
David Jenney  
Steven North  
Tony Boto  
Val Carter

Officers: David Oliver Chief Executive  
Stella Jinks HR Shared Services Manager  
Glenn Hammons Chief Finance Officer  
Bhupinder Gill Monitoring Officer  
Kelvin Turner Interim Head of Resources

#### **1.0 CONFIRMATION OF THE CHAIRMAN**

1.1 Councillor Roger Glithero was confirmed as the Chairman of the Committee for 2020/21.

#### **2.0 CONFIRMATION OF THE VICE CHAIRMAN**

2.1 Councillor Sarah Peacock was confirmed as the Vice Chairman of the Committee for 2020/21.

#### **3.0 URGENT ITEM**

3.1 The Chairman agreed to the addition of one exempt urgent item:

- Backfilling for Unitary Appointments

#### **4.0 APOLOGIES FOR ABSENCE**

4.1 No apologies for absence were received.

#### **5.0 MINUTES OF THE LAST MEETING**

5.1 The minutes of the meeting held on Tuesday 24 March 2020 were approved.

#### **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 PERSONNEL SCHEME OF DELEGATION**

8.1 The HR Shared Services Manager presented a report setting out proposals to amend the officer scheme of delegation in respect of minor changes to the workforce. It was proposed to provide delegated powers to the Chief Executive to authorise minor staffing variations. All changes would need to be within existing council staff budget provisions and must not exceed

the establishment.

8.2 Members requested that the wording of the recommendation be amended, to provide clarity as to what would constitute a minor variation.

8.3 **RESOLVED:**

- a) To recommend to Policy and Resources Committee that delegated power be given to the Chief Executive to authorise variations to the hours of individual employees where those variations do not create a proposed increase to a budget or to the establishment and do not have the potential to trigger a redundancy.
- b) That update reports be brought back to this Committee as and when the Chief Executive has exercised the delegation.

*(Reason: to ensure the efficient operation of the officer scheme of delegation in line with changing business needs.)*

*A copy of the report considered by the Personnel Sub-Committee is attached to these minutes.*

9.0 **EXCLUSION OF PRESS AND PUBLIC**

9.1 **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.

- Interim Head of Customer and Community Services
- Workforce Statistics
- Backfilling for Unitary Appointments

10.0 **HEAD OF CUSTOMER AND COMMUNITY SERVICES**

10.1 The Chief Finance Officer presented a report which provided an update on the interim arrangements for the Head of Customer and Community Services role, and put in place arrangements until 31 May 2021.

The report was not for publication by virtue of paragraph 2 of Part 1 of Schedule 12A of the Local Government Act 1972.

10.3 **RESOLVED:**

- a) That the highly successful tenure of the interim Head of Customer and Community Services in the period to 31 May 2020 be noted and
- b) That the extension of the appointment of the current holder of the interim Head of Customer and Community Services post until 31 March 2021 be approved

*(Reason – To ensure that the council has the right senior management capacity for the period between now and the unitary Vesting Day of 1<sup>st</sup> April 2021).*

11.0 **WORKFORCE STATISTICS**

11.1 The HR Shared Services Manager presented a report setting out the end of year workforce data, benchmarked against the other two partners in the HR Shared Service.

11.2 **RESOLVED:**

- a) That the report be noted

## **12.0 BACKFILLING FOR UNITARY APPOINTMENTS**

12.1 The Chief Executive gave a verbal report on recent appointments made to the North Northamptonshire Shadow Authority. It was noted that these would have an impact on capacity, particularly surrounding both the Monitoring Officer and Democratic Services areas. It was therefore proposed to bring in an interim Monitoring Officer.

### **12.2 RESOLVED:**

That it be noted that:

- i) an individual would be brought in to support operations in a Deputy Monitoring Officer role;
- ii) the Monitoring Officer appointed Barbara Morris as Deputy Monitoring Officer;
- iii) the costs of the Deputy Monitoring Officer's services would be met by the Future Northants programme; and
- iv) the Chief Executive would circulate information to Members regarding the appointment of a Deputy Monitoring Officer

**Chairman**



## Personnel Sub Committee 15<sup>th</sup> June 2020

### Purpose of report

To propose an amendment to Section 3.2 (C) of the Council's Constitution relating to the officer scheme of Delegation in respect of minor variations in the workforce.

#### 1.0 Background

- 1.1 Section 3.2 (C) the Council's constitution is currently silent in respect of delegated authority relating to minor variations to the workforce, such as an increase or decrease in hours.
- 1.2 It was resolved at the meeting on 20<sup>th</sup> January 2020 that a report be brought to the next meeting of the Personnel Sub-Committee setting out proposals to amend the officer scheme of delegation in respect of changes to staff working hours.

#### 2.0 Proposed changes to the Scheme of Delegation

- 2.1 This report proposes to establish delegated powers to the Chief Executive (Head of Paid Service) to authorise minor staffing variations.
- 2.2 The Council has adopted a range of policies that support work life balance. Under these policies, employees can make an application to vary their working hours to support their changing life circumstances.
- 2.3 Additionally, as employees leave the council, this is an ideal time to revisit the needs of the team prior to recruitment, as opposed to assuming a like for like recruitment will meet the changing needs of the business.
- 2.4 It is proposed to seek approval to update the constitution to provide delegated powers for the Chief Executive to approve variations to the hours of individual employees where those variations do not create a proposed increase to a budget or to the establishment and do not have the potential to trigger a redundancy.
- 2.5 All such variations must be within existing council staff budget provisions.

#### 3.0 Important issues to consider

- 3.1 Delegated authority would permit expedience to resourcing issues that currently need deciding through the availability of a committee.
- 3.2 All changes would need to be within existing council staff budget provisions. Where a variation creates a proposed increase to a budget, or has the potential to trigger a redundancy, this would require committee approval.

#### 4.0 Equality and Diversity Implications

- 4.1 An initial Equality Impact is not necessary for the purpose of an officer delegation.

#### 5.0 Privacy Impact Implications

- 5.1 There are no privacy impact implications as requests to vary contractual hours are expressly

given by the employee. All other variations will relate to vacant posts.

## **6.0 Health Impact Assessments**

6.1 There are no health implications associated to this report

## **7.0 Legal Implications**

7.1 There are provisions in employment legislation that permit the application of variation to working hours. These statutory rights are managed under the Council's policies.

## **8.0 Risk Management**

8.1 In the absence of delegated powers, responsive decision making to changes in the workforce can create disruption to service provision or reduce staffing efficiencies where minor variations need approval via a committee cycle.

8.2 Risks will be managed under the delegated scheme by ensuring the delegation is limited to establishment variations that are within existing budgets. Where there is a risk of a potential costs, such as redundancy or pension strain this variation will still require committee approval.

## **9.0 Resource and Financial Implications**

9.1 Delegated authority would be limited to decisions that can be afforded within existing budget provisions.

## **10.0 Constitutional Implications**

10.1 The report proposes an extension of officer delegated powers which would form an amendment to Part 3.2 of the Council's Constitution, the Scheme of Delegation.

## **11.0 Implications for our Customers**

11.1 This report has no direct impact on our customers.

## **12.0 Corporate Outcomes**

12.1 Workforce changes are constant and the need to respond to these changes effectively and efficiently can increase staff morale, ensure the workforce is appropriately resourced and customer service is uninterrupted.

The Corporate Outcomes are:

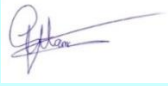

- Good Quality of Life – through the consideration of flexible working requests that support an employees work life balance?
- Good Value for Money – by ensuring that recruitment needs are evaluated against business needs, instead of recruiting on a like for like basis?
- Effective Management – expedite decisions more quickly enabling the workforce to adapt and change in line with business needs

## **13.0 Recommendation**

13.1 The Sub Committee is recommended to:

- a) To recommend to Policy and Resources Committee that delegated power be given to the Chief Executive to authorise variations to the hours of individual employees where those variations do not create a proposed increase to a budget or to the establishment and do not have the potential to trigger a redundancy.
- b) That update reports be brought back to this Committee as and when the Chief Executive has exercised the delegation.

(Reason – to ensure the efficient operation of the officer scheme of delegation in line with changing business needs)

<b>Legal</b>	Power: Council Constitution Scheme of Delegation				
	Other considerations: None				
<b>Background Papers:</b> None					
<b>Person Originating Report:</b> Stella Jinks, Human Resources Manager ☎ 01536 464655 ✉ stella.jinks@east-northamptonshire.gov.uk					
<b>Date:</b> June 2020					
<b>CFO</b> 03/06/20			<b>MO</b>		<b>CX</b> 03/06/20
					

# Community Facilities Fund Working Party

**Draft** Minutes of meeting held on  
Wednesday 4 March at 2pm at Heritage Halls and Chapel, 20-28 Park Road, Rushden

**Present:**

<b>Councillors:</b>	Councillor Steven North (Chair)	Cllr SN
	Councillor Richard Lewis	Cllr RL
	Councillor Janet Pinnock	Cllr JP
	Councillor Peter Wathen	Cllr PW
<b>Officers:</b>	Lucy Hogston, Interim Head of Customer & Community Services	LRH
	Tracy Wright, Assistant Finance Manage	TW
	Lucy Hawes, Community Development Officer	LH
<b>Minutes:</b>	Charlie Christmas, Democratic Services and Corporate Support <a href="mailto:cchristmas@east-northamptonshire.gov.uk">cchristmas@east-northamptonshire.gov.uk</a>	CC

**ACTION**

1. **Apologies**

- 1.1. Apologies were received from Councillors Annabel De Capell Brooke and Roger Glithero, Katherine Hayward, and Mike Greenway.

2. **Minutes of previous meeting held on 4 December 2019**

- 2.1. The minutes of the previous meeting were agreed as a true and accurate record.

3. **Declarations of interest**

3.1

Councillor	Item	Nature of Interest	DPI	Other
Lewis	Eligibility Applications	Associations with: Rushden Town Council, Rushden Historic Transport Society, Rushden and Higham Cricket Club, Rockingham Forest Trust, Heritage Chapel and Halls and Serve.		Yes
Pinnock	Eligibility Applications	Associations with: Rushden Town Council, Rushden Historic Transport Society, Heritage Chapel and Halls.		Yes
Wathen	Eligibility Applications	Association with Raunds Library and Raunds Conservative Club.		Yes

4. **Financial position update**

- 4.1. TW provided an update, advising that the funding committed to date for Rounds 1-7 totalled £2.382m. Of that, £2.037m had been paid so far. An additional £200k was approved by Policy and Resources Committee for Round 8 on 4<sup>th</sup> November 2019. Of the original funding committed, a total of £72k would be released back into the reserves for streams 2 and as it was no longer required by projects.



The balances to be claimed from Rounds 5 to 7 totalled £272k. Outstanding balances totalling £173,079 still to be claimed were: Round 6: Warmington Parish Council, Newton Road School, Hope Methodist Church and St James Church Thrapston. Round 7: Rushden Historical Transport Society. The Working Party noted the update.

## 5. Update on projects

- 5.1. LH provided an update on projects from previous rounds, noting that the majority had been given a deadline to spend their funding of 31<sup>st</sup> January 2020 and were completed and awaiting an evaluation request. Those still outstanding were noted at 4.1 of the minutes.

## 6. Report – Eligibility Applications

- 6.1 LH presented a report detailing the evaluation of applications submitted for Round 8, which was launched in December 2019. Unlike previous rounds, applicants were invited to register their interest and discuss their applications by 31<sup>st</sup> January 2020, with a total of 59 received. The final deadline for submission of applications was 14<sup>th</sup> February 2020 at 5pm, with a total of 43 applications being received. Announcements of successful awards would be made on 20<sup>th</sup> March 2020.
- 6.2 The total amount being sought by the applications was £232,374.59 and therefore exceeded the ring-fenced amount of £200k. The Community Development Officer assessed each of the applications to determine which project could receive a minimum donation. The revised figure resulting from this was £210,741 which was further reduced during the meeting due to the revised score given to application 3. The final total figure of funding sought was £208,417.

## 7. Confirmation of recommendation for funding awards

- 7.1 A total of 43 applications were received, with those scoring 20 points and above being presented for consideration to the Working Party. Any funding awarded would be required to be spent by 31<sup>st</sup> January 2021, with no extensions to this date being permitted.

No.	Application	Decision	Award given
4	Brigstock Village Hall		£5,450
6	Wellingborough and District Nene Angling Club		£10,000
7	Rockingham Forest Trust		£3,000
8	Woodford Reading Rooms		£10,000
9	Benefield Village Hall		£9,680
11	Thurning Village Hall		£10,000
12	Woodford Sports Club		£6,190
13	Easton on the Hill Parish Council		£10,000
16	Rushden Historical Transport Society		£10,000
17	Raunds Saxon Bowlers		£1,756.96
19	Deene and Deenethorpe Village Hall		£8,301
20	Oundle Golf Club		£9,065.99

**ACTION**

21	Thrapston Bowls Club		£6,531
22	I-Grow		£3,070
25	Raunds Conservative Club		£9,592.19
26	Higham Ferrers Town Council		£7,500
27	Rushden and Higham Cricket Club		£6,840
28	Titchmarsh Church		£3,000
29	Oundle Bowls Club		£2057
30	Thrapston Town Council		£10,000
31	Brigstock Cricket Club		£7,476.60
32	Thrapston Tennis Club		£10,000
34	Stanwick Village Hall		£9,939
35	Raunds Community Library		£10,000
36	Cotterstock Village Hall		£9,939
37	Rushden Town Council		£10,000
42	Nassington Parish Council		£10,000
			<b>£208,417 Total</b>

7.2 The Working Party **Resolved to Recommend** to Finance and Performance Sub Committee at its next meeting (date to be confirmed) that

- (a) The award of grant funding totalling £208,417 to the projects as outlined in 7.1 above be approved

8. **Date of next meeting**

8.1 The next meeting was scheduled to take place Wednesday 24<sup>th</sup> June, 2pm. Venue to be confirmed

*The meeting concluded at 3.30pm*



## Finance and Performance Sub Committee

**Minutes of a meeting held on Tuesday 24 March 2020 at 11.55am, at East Northamptonshire House, Thrapston**

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

Officers: Glenn Hammons Executive Director  
Rob Harbour Executive Director  
Kelvin Turner Interim Head of Resources  
Greg Macdonald Head of Economic and Commercial Development

### **1.0 APOLOGIES FOR ABSENCE**

1.1 Apologies for absence were received from Councillors David Brackenbury and Steven North.

### **2.0 Minutes**

2.1 The minutes of the meeting held on 17 February 2020 were approved as a correct record.

### **3.0 DECLARATIONS OF INTEREST**

3.1 The following declarations of interest were made:

<b>Councillor</b>	<b>Item</b>	<b>Nature of Interest</b>	<b>DPI</b>	<b>Other</b>
Richard Lewis	Minutes of the Community Facilities Fund Working Party	Has an association with Rushden Town Council, Rushden Historic Transport Society, Rushden and Higham Cricket Club, Rockingham Forest Trust, Heritage Chapel and Halls and Serve.		Yes
Glenvil Greenwood-Smith	Minutes of the Community Facilities Fund Working Party	Is Trustee of Raunds Community Library and was an advisor to Oundle Golf Club		Yes

### **4.0 QUESTIONS FROM MEMBERS**

4.1 There were no questions received from members.

**5.0 MINUTES OF THE COMMUNITY FACILITIES FUND WORKING PARTY HELD ON WEDNESDAY 4 MARCH 2020**

5.1 The minutes of the meeting of Community Facilities Fund Working Party held on Wednesday 4 March 2020 were received.

**RESOLVED:**

The award of grant funding totalling £208,417 to the following projects:

<b>No.</b>	<b>Application</b>	<b>Award given</b>
4	Brigstock Village Hall	£5,450
6	Wellingborough and District Nene Angling Club	£10,000
7	Rockingham Forest Trust	£3,000
8	Woodford Reading Rooms	£10,000
9	Benefield Village Hall	£9,680
11	Thurning Village Hall	£10,000
12	Woodford Sports Club	£6,190
13	Easton on the Hill Parish Council	£10,000
16	Rushden Historical Transport Society	£10,000
17	Raunds Saxon Bowlers	£1,756.96
19	Deene and Deenethorpe Village Hall	£8,301
20	Oundle Golf Club	£9,065.99
21	Thrapston Bowls Club	£6,531
22	I-Grow	£3,070
25	Raunds Conservative Club	£9,592.19
26	Higham Ferrers Town Council	£7,500
27	Rushden and Higham Cricket Club	£6,840
28	Titchmarsh Church	£3,000
29	Oundle Bowls Club	£2057
30	Thrapston Town Council	£10,000
31	Brigstock Cricket Club	£7,476.60
32	Thrapston Tennis Club	£10,000
34	Stanwick Village Hall	£9,939
35	Raunds Community Library	£10,000
36	Cotterstock Village Hall	£9,939
37	Rushden Town Council	£10,000
42	Nassington Parish Council	£10,000
		<b>£208,417 Total</b>

**Chairman**



## Finance and Performance Sub Committee

### Minutes of a Virtual Meeting held on Wednesday 6 May 2020 at 7pm

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

Officers: David Oliver Chief Executive  
Glenn Hammons Executive Director  
Kelvin Turner Interim Head of Resources  
Katherine Hayward Finance Manager  
Lewis Gabb Business Transformation Manager

#### **1.0 APOLOGIES FOR ABSENCE**

1.1 Apologies for absence were received from Councillor Roger Glithero.

#### **2.0 MINUTES**

2.1 The minutes of the meeting held on 24 March 2020 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 TREASURY MANAGEMENT STRATEGY STATEMENT 2020/21 UPDATE**

5.1 The Executive Director (Resources and Commercial) presented a report which proposed a recommendation to the Council's Treasury Management Strategy Investment Strategy to enable it to manage its cash resources effectively during the unprecedented situation arising from the Covid-19 coronavirus emergency.

5.2 The Council had approved its Treasury Management Strategy Statement at the Council meeting on 2 March 2020. A core element of the Strategy Statement was the Investment Strategy which set out how the Council's surplus cash resources were managed.

- 5.3 The Council primarily invested its surplus monies with counterparties, which included a range of financial institutions, other local authorities, money market funds and government. The Council maintained a counterparty list which included limits on the amount of cash that could be invested with any given organisation. The limit was based on the creditworthiness of that organisation, for example, our limit for a “high” credit rated financial institution or fund was £3m and for government was £10m.
- 5.4 In response to the Covid-19 situation, the government had announced unprecedented levels of support for businesses and individuals and councils had been the conduit through which the government had allocated this support. The impact of the payment of these monies was a change in the level of cash balances being held by the Council on a temporary basis before they were paid out to businesses and individuals, for example, the level of cash investments in late March and early April had been up to £50m. The current counterparty limits cannot support these elevated cash balances and the Council had breached its counterparty limits from 27 March. To mitigate this breach, excess monies were placed with the highest credit rated counterparty the Council was able to invest with, the Debt Management Office.
- 5.5 The current elevated levels of cash balances were anticipated to continue until the Council had paid out the grants to businesses and individuals. However, there is the potential that further government support in response to the Covid-19 emergency response may be needed for businesses and individuals and to manage such situations the Council needed to ensure its Investment Strategy was flexible enough to cope.
- 5.6 A number of options had been considered and it was proposed to provide a delegation to the Chief Finance Officer, or their nominee, following consultation with the Chairmen of the Finance and Performance Sub-Committee and Governance and Audit Committee, to temporarily increase the Debt Management Office counterparty limit from £10m to unlimited if required due to exceptional circumstances. This would:
- Provide the ability for the Council to keep its cash secure in the highest level of creditworthiness available in the UK;
  - Follow the principle that security of monies was the highest priority in the Investment Strategy;
  - Provide a pragmatic solution.

**RESOLVED TO RECOMMEND TO FULL COUNCIL** that it:

- (i) Delegates to the Chief Finance Officer (or their nominee), following consultation with the Chairmen of Finance and Performance Sub-Committee and the Governance and Audit Committee, to temporarily increase the Debt Management Office counterparty limit from £10m to unlimited for a specified period of time due to exceptional circumstances.
- (ii) Approves the amended wording to Appendix E of the Treasury Strategy Statement 2020/21 as set out in Annex 1 to these minutes.

*(Reason: To ensure that the Council is able to operate within its Investment Strategy at a time of extraordinary circumstances in response to the coronavirus (Covid-19) emergency.)*

## **6.0 FINANCE IMPACT OF CORONAVIRUS (COVID-19) ON THE COUNCIL**

- 6.1 The Executive Director (Resources and Commercial) provided a verbal update on the financial impact of Covid-19 on the Council. Covid-19 had had an unprecedented effect on the finances and resources of the Council which would need to be monitored for the remainder of the year.
- 6.2 The Council had been a key conduit in providing support for businesses and individuals by issuing relief and grants, including:
- Additional Business Rate Relief – 332 reliefs totalling £11.8m
  - Business Support Grants of £10k or £25k – 1052 grants totalling £12.9m
  - All businesses who had either applied or been contacted had been paid grants and the remaining businesses would be contacted.
  - There had been a balance in making quick payments and being diligent in not paying any fraudulent claims.
  - Hardship Grants for individuals - £440k had been allocated with £150 awarded to people in receipt of Council Tax Support. Pre Covid-19, 2050 people were receiving Council Tax Support but there had now been a further 770 Universal Credit claims which may lead to more claims for support.
- 6.3 There would be an impact on the budget during the year, particularly in areas such as homelessness, waste, PPE costs, public health funerals, enabling staff to work from home and holding virtual meetings. However, the biggest impact would be on the income budget, including planning/building control fees and licensing fees. There was an immediate pressure on the leisure centres and the Council was currently considering possible financial support with the operator. Almost £1m had been received from the government but it was too early to say if this would cover the pressures. There would also be an impact on future years and any deficits would be incorporated into the 2021/22 budget, which could be a risk to the start up resources available to the new unitary authority.
- 6.4 In conclusion, there would be an impact on the budget but it was not year clear what the full impact would be, there would also be an impact on income streams and whilst additional funding had been welcomed if this was not sufficient there would be an impact in year.
- 6.5 Members welcomed the efforts of all staff in adapting to new ways of working. Particular thanks were given to Revenues and Benefits staff who had worked hard to process the various grants which had been introduced.

### **RESOLVED:**

That the verbal update be noted.

## **7.0 EXCLUSION OF PUBLIC AND PRESS**

### **RESOLVED:**

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

## **8.0 OFFICE TRANSFORMATION PROGRAMME AND ASSOCIATED WORKS**

- 8.1 The Business Transformation Manager presented a report which sought authorisation for the funding needed to deliver all elements of Phase 2 of the Office Transformation Programme and Associated works, the Customer Experience Enhancement Programme and Future Northants development.

### **RESOLVED:**

That the recommendations as documented in paragraph 11.8 of the report and recommendations 1-14 in the supplementary paper be approved.

*(Reason: To drive delivery of the OTP programme and associated projects and works.)*

**Chairman**



## Extract from Treasury Management Strategy Statement 2020/21

[Proposed new wording is highlighted]

### Appendix E

#### CRITERIA TO BE USED FOR CREATING/ MANAGING APPROVED COUNTERPARTY LISTS/LIMITS

1. The Chief Financial Officer will formulate suitable criteria for assessing and monitoring the credit risk of investment counterparties and shall construct a lending list comprising time, type, sector and specific counterparty limits.
2. Treasury Management staff will add or delete counterparties to/from the approved counterparty list in line with the policy on criteria for selection of counterparties.
3. The Council will use credit criteria in order to select creditworthy counterparties for placing investments with and will take advice as appropriate from the Council's external Treasury Advisors.
4. Credit ratings will be used as supplied from one or more of the following credit rating agencies: -
  - Fitch
  - Standard & Poor's
  - Moody's Investors Services
5. Selection criteria for approved investment counterparties.
  - Published credit ratings for financial institutions (minimum long term rating of A- or equivalent for counterparties; A+ or equivalent for non-UK sovereigns).
  - Credit Default Swaps
  - Economic fundamentals (Net Debt as a percentage of GDP)
  - Share Prices
  - Corporate Developments, news, market sentiment and momentum
  - Subjective overlay

#### The Councils Bank

The Council banks with Barclays Bank. If their credit rating does not meet the minimum credit criteria specified in this Investment Strategy, Barclays Bank will continue to be used for the short term liquidity requirements (overnight and weekend investments) only to ensure business continuity arrangements are maintained.

6. Investment limits for each counterparty:

Credit Rating	Banks Unsecured	Bank Secured	Government	Corporate	Registered Providers
UK Govt	n/a	n/a	£10m [unlimited in exceptional circumstances] 50 years	n/a	n/a
AAA	£3m 5 years	£3.5m 20 years	n/a	£2m 20 years	£2m 20 years
AA+	£3m 5 years	£3.5m 10 years	n/a	£2m 10 years	£2m 10 years
AA	£3m 4 years	£3.5m 5 years	n/a	£2m 5 years	£2m 10 years
AA-	£3m 3 years	£3.5m 4 years	n/a	£2m 4 years	£2m 10 Years
A+	£3m 2 years	£3.5m 3 years	n/a	£2m 3 years	£2m 5 years
A	£3m 13 months	£3.5m 2 years	n/a	£2m 2 Years	£2m 5 years
A-	£3m 6 months	£3.5m 13 months	n/a	£2m 13 months	£2m 5 years
BBB+	£1m 100 days	£1.5m 6 months	n/a	£1m 6 months	£2m 2 years
B or BBB-	Next day only	Next day only	n/a	n/a	n/a
None	£1m 6 months	n/a	n/a	£50,000 5 years	£1m 5 years
Pool funds	£3m per fund				

7. The maximum value for any one investment transaction will be as shown in the table above.
8. Sterling denominated only.
9. Sovereign rating of any non-UK counterparty will not be less than the current UK Sovereign rate.
10. When exceptional circumstances (e.g. Covid-19 emergency response) lead to elevated cash balances there is a delegation in place for the Chief Finance Officer (or their nominee), in consultation with the Chairs of Finance & Performance Sub Committee and Governance & Audit Committee, to temporarily increase the Debt Management Office counterparty limit from £10m to unlimited for a specified period of time.

Below is an explanation of the headings used:

*Credit Ratings and Risk Assessment:* Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn (on the next working day) will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

*Banks Unsecured:* Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. Unsecured investment with banks rated BBB or BBB- are restricted to overnight deposits at the Authority's current account bank.

*Banks Secured:* Covered bonds, reverse repurchase agreements and other collateralized arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

*Government:* Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is an insignificant risk of insolvency. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

*Corporate:* Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

*Registered Providers:* Loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the Homes and Communities Agency and, as providers of public services; they retain a high likelihood of receiving government support if needed.

*Pooled Funds:* Shares in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and aim for a constant net asset value will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.



# Finance and Performance Sub Committee

Minutes of a Virtual Meeting held on Tuesday 26 May 2020 at 1.30pm

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

Officers: David Oliver Chief Executive  
Glenn Hammons S151 Officer and Executive Director  
Kelvin Turner Interim Head of Resources  
Katherine Hayward Finance Manager  
Rob Scott ICT Business Support Manager

## 1.0 CONFIRMATION OF THE CHAIRMAN

### 1.1 **RESOLVED:**

That Councillor Steven North be confirmed as Chairman of the Sub-Committee for 2020/21.

## 2.0 CONFIRMATION OF THE VICE CHAIRMAN

### 2.1 **RESOLVED:**

That Councillor Richard Lewis be confirmed as Vice Chairman of the Sub-Committee for 2020/21.

## 3.0 APOLOGIES FOR ABSENCE

3.1 Apologies for absence were received from Councillor Roger Glithero.

## 4.0 MINUTES

4.1 The minutes of the meeting held on 06 May 2020 were approved as a correct record.

## 5.0 DECLARATIONS OF INTEREST

5.1 No declarations of interest were made.

## **6.0 QUESTIONS FROM MEMBERS**

6.1 There were no questions received from members.

## **7.0 BUDGET WORKING GROUP**

7.1 The Chief Finance Officer presented a report which sought Members' approval of the Terms of Reference for the Budget Working Group.

7.2 The Budget Working Group had been set up by the Sub-Committee in December 2019 for the purpose of reviewing the draft Budget 2020/21 and Medium Term Financial Strategy. It was the intention for the Budget Working Group to remain in existence to review any specific financial issues arising during the 2020/21 financial year.

7.3 Covid-19 was having an impact on the Council's financial position and the Working Group was ideally positioned to provide the interface between the financial challenges arising at a service level and the formal decision making process through the Council's governance structure.

### **RESOLVED:**

That the Terms of Reference for the Budget Working Group be approved, as set out in Appendix 1 of these minutes.

*(Reason: To enable the financial impact on the Council of Covid-19 to be assessed.)*

## **8.0 EXCLUSION OF PUBLIC AND PRESS**

### **RESOLVED:**

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

## **9.0 ICT DEVELOPMENT POOL SCHEME**

9.1 The Interim Head of Resources presented a report which sought authorisation for the funding needed to deliver the replacement of the ICT Network Provision Contract.

### **RESOLVED:**

- (i) To approve Option 3, as outlined in the report, to award a new contract to MLL/ Eastnet to provide the Council's ICT Network Provision Contract in accordance with the procurement framework used by Northamptonshire County Council in 2018; and
- (ii) To approve the movement of ICT capital funding totalling £39,815 from the Development Pool into the Capital Programme.

*(Reason: To deliver the replacement of the Council's ICT Network Provision Contract.)*

**Chairman**

## **Terms of Reference Budget Working Group**

### **1.0 Purpose**

- 1.1 This Working Group has been created to monitor and investigate specific areas of the Council's budget as required.
- 1.2 The Working Group will be councillor led but will include key officers tasked with providing information. It will provide a forum for discussion and distillation of options and approaches and for ensuring the responses are compiled in a timely manner.
- 1.3 The Working Group has no statutory role and has no formal decision making powers. It will make recommendations to Finance and Performance Sub-Committee.

### **2.0 Membership**

- 2.1 The Working Group will comprise of three councillors drawn from the Finance and Performance Sub Committee and will consist of the Leader, the Deputy Leader and one other councillor.
- 2.2 It will be advised by the Chief Finance Officer, Head of Resources and Finance Manager, together with other officers as appropriate.
- 2.2 The Working Group will be serviced by East Northamptonshire Council.

### **3.0 Meetings**

- 3.1 Working Group meetings will take place when required. The business of the meeting shall be set out in an agenda and notified to members of the Working Group five days in advance of the date of the meeting. At least two members of the Working Group will need to be present for the meeting to be quorate.
- 3.2 The Working Party will chaired by the Leader, with the Deputy Leader acting as Vice Chair.
- 3.3 Items for inclusion on the agenda will be agreed with the Chair and should be submitted for consideration at least 7 days prior to the date of the meeting.
- 3.4 The minutes of the previous meeting shall be submitted for agreement at the start of every meeting.
- 3.5 In order to provide for free and frank discussions, reports and minutes will be confidential to the Working Group until otherwise agreed by the Working Group.

### **4.0 Members' Responsibilities**

- 4.1 Councillors and officers must declare at the start of any meeting an interest in any matter for discussion in which they have a personal interest or involvement.

## **5.0 Voting**

- 5.1 The Working Group will work towards securing mutual agreement on all aspects for consideration, but should a vote be necessary each Councillor will have a single vote and decisions will be made on the show of hands. In the event of a tie in the number of votes, the Chair will have a second, or casting, vote.

## **6.0 Variation of the Terms of Reference**

- 6.1 These Terms of Reference may be altered by vote at Finance and Performance Sub-Committee.





# Finance and Performance Sub Committee

**Minutes of a Virtual Meeting held on Monday 06 July 2020 at 2.00pm**

**Present:** Councillors: Steven North (Chairman)  
David Brackenbury  
Roger Glithero JP  
Glenvil Greenwood-Smith  
David Jenney  
Richard Lewis

Officers: David Oliver Chief Executive  
Glenn Hammons Chief Finance Officer  
Kelvin Turner Interim Head of Resources  
Katherine Hayward Finance Manager  
Greg Macdonald Head of Economic and Commercial Development  
Matt Lineham Facilities Manager  
Mike Greenway Community Partnerships Manager

## **1.0 APOLOGIES FOR ABSENCE**

1.1 There were no apologies for absence.

## **2.0 MINUTES**

2.1 The minutes of the meeting held on 26 May 2020 were approved as a correct record.

## **3.0 DECLARATIONS OF INTEREST**

3.1 No declarations of interest were made.

## **4.0 QUESTIONS FROM MEMBERS UNDER COUNCIL PROCEDURE RULE 10.3**

4.1 There were no questions received from Members.

## **5.0 BUDGET MONITORING DRAFT OUTTURN REPORT 2019-20**

5.1 The Finance Manager presented a report which provided an update on the Revenue and Capital positions against the approved budgets for the year ended 31 March 2020 and highlighted any significant under or overspending against the budget.

- 5.2 The total budget as at 31 March 2020 had been revised to £12,143,489 which related to incorporating the net interest receivable budget to the service expenditure monitoring, net carry forwards from 2018/19 totalling £249,464 and supplementary estimates totalling £603,855 approved during the year.
- 5.3 The estimated outturn for the year was an underspend of £648k. This was mainly due to an increase in planning income, net housing benefit overpayments recovered of £101k which were not within the budget, the vacancy factor, which had exceeded the budget of £200k by £104k, a saving on the corporate risk budget of £145k, and interest received, which was £121k above the original budget of £105k due to higher cash balances held in year. The draft outturn included a number of items totalling £537k which had been identified for carry forward into 2020/21, as well as movements to and from existing reserves.
- 5.4 The draft outturn for 2019/20 of the capital programme showed an underspend of £1.896m, which was mainly due to a delay in the completion of the Enterprise Centre build, which had been completed in quarter one of 2020/21. When the budget was set in March 2019, it had been anticipated that £970k of capital reserves would be used to fund the capital programme but, to allow more flexibility in the use of reserves, given the Council was facing significant financial risks as a result of the Covid-19 pandemic, it was more prudent to fund more of this year's capital programme directly from capital receipts rather than use revenue reserves.
- 5.5 In order to meet the timescales for the draft outturn report, a number of assumptions and estimates had been required to be made. A delegation was therefore sought to allow the Chief Finance Officer to approve the final outturn and reserves position as part of his statutory role of signing off the Statement of Accounts. Any changes required would be brought back to the Sub-Committee in due course of information.
- 5.6 It had been identified that the capital grant determinations for Disabled Facilities Grants in both 2019/20 and 2020/21 were £508,259 in each year, whereas the budget included in the approved capital programme was only £500k for each year. Approval was now sought to increase the 2020/21 capital programme by £16,518 to bring the approved capital programme in line with the capital grant funding received by the Council in 2019/20 and 2020/21.
- 5.7 Members welcomed the funding which had been provided by the Government to support councils during the current Covid-19 pandemic. In response to a question about benefit overpayments, officers clarified that the Council had a number of claimants whose circumstances had changed during the year and could continue to change during the Covid-19 pandemic. This would be a volatile year which would continue into the unitary arrangements.

**RESOLVED:**

- (i) That the revenue, capital and reserves positions for 2019/20, including the use of capital receipts as indicated in sections 3.5-3.8 of the report, be noted.
- (ii) That the collection and write off performance for sundry debtors, local taxation and benefit overpayments as set out in Appendix 5 of the report, be noted.

*(Reason: For information/monitoring purposes.)*

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

- (iii) That the revenue carry forward requests be approved.

*(Reason: For formal approval to carry forward expenditure into the revenue budget for 2020/21).*

- (iv) That the capital carry forward requests be approved.

*(Reason: For formal approval to carry forward expenditure into the capital budget for 2020/21).*

- (v) That the 2019/20 underspend be set aside within a new Covid-19 Risk reserve.

*(Reason: For formal approval to incur expenditure in 2020/21 and to strengthen reserves to mitigate the financial risks of the Covid-19 pandemic).*

- (vi) That the draft reserves outturn position, including the use of capital receipts as indicated in sections 3.5-3.8, be approved.

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

- (vii) That authority is delegated to the Chief Finance Officer, following consultation with the Chairman of the Finance and Performance Sub-committee, to make changes necessary to the outturn and reserves position that arise as a result of completing year end accounting entries, which will be reported back to Finance and Performance Sub-Committee as necessary.

*(Reason: To ensure the Council meets its statutory deadline that the draft Statement of Accounts is published by 31 August 2020).*

- (viii) That Policy and Resources Committee resolves to recommend to Full Council to approve an increase of £16,518 in the 2020/21 approved capital programme in relation to Disabled Facilities Grants to be funded from capital grants.

*(Reason: To bring the approved capital programme in line with capital Disabled Facilities Grants received in 2019/20 and 2020/21).*

## **6.0 ANNUAL TREASURY MANAGEMENT REVIEW 2019-20**

6.1 The Finance Manager presented a report which provided a review of the treasury management activities and the actual prudential and treasury indicators for the year to 31 March 2020.

6.2 The Council undertook capital expenditure on long term assets and the actual capital expenditure formed one of the required prudential indicators. The Council's underlying need to borrow to finance capital expenditure was termed the Capital Financing Requirement (CFR). The Council had complied with this prudential indicator.

6.3 The Council's investment portfolio at the beginning and the end of 2019/20 was:

INVESTMENT PORTFOLIO	Actual 31.3.19 £	Actual 31.3.19 %	Actual 31.3.20 £	Actual 31.3.20 %
<b>Treasury investments</b>				
Banks	10,634,323	43.2%	12,824,053	49.7%
Local authorities	10,000,000	40.6%	13,000,000	50.3%
DMADF (H M Treasury)	4,000,000	16.2%	-	0.0%
<b>Total managed in house</b>	<b>24,634,323</b>	<b>100.0%</b>	<b>25,824,053</b>	<b>100%</b>
<b>Total managed externally</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>TOTAL TREASURY INVESTMENTS</b>	<b>24,634,323</b>	<b>100%</b>	<b>25,824,053</b>	<b>100%</b>

- 6.4 Investment balances had been kept to a minimum through the strategy of using reserves and balances to support internal borrowing, rather than borrowing externally from the financial markets. External borrowing would have incurred an additional cost, due to the differential between borrowing and investment rates. During 2019-20, the Council maintained an under-borrowed position, which meant that the capital borrowing need was not fully funded with loan debt, as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. Although the Council had taken a cautious approach to investing in 2019-20 the outturn showed a surplus over budget of £121.2k.
- 6.5 In response to the coronavirus pandemic the Government had announced unprecedented levels of support for businesses and individuals, and councils had been the conduit through which the Government had allocated much of this support. The impact of the payment of these monies was a step change in the level of cash balances being held by the Council on a temporary basis before they were paid out to businesses and individuals. The counterparty limits set out in the approved Investment Strategy included in the Treasury Management Strategy were unable to support these elevated cash balances and as a result the Council had breached its counterparty limits from 27 March 2020 for 20 days to 15 April 2020.
- 6.6 To mitigate this breach and to ensure that the Council upheld its priorities as set out in the Investment Strategy, as soon as operationally possible, excess monies were placed with the highest credit rated counterparty the Council was able to invest with, the Debt Management Office, which was part of HM Treasury/UK Government. This decision was taken to ensure the security of Council funds. The Annual Meeting of the Council in May 2020 agreed to provide a delegation to the Chief Finance Officer (or their nominee), following consultation with the Chairmen of the Finance and Performance Sub Committee and the Governance and Audit Committee, to temporarily increase the Debt Management Office counterparty limit from £10m to unlimited if required due to exceptional circumstances.

The delegation was invoked on 8 June 2020 as a result of exceptional circumstances whereby short term investments made by the Council totalling £8m matured and it was not possible to place investments with other local authorities as planned due to market saturation. Following consultation with the Chairmen of the Finance and Performance Sub Committee and the Governance and Audit Committee the Debt Management Office counterparty limit was temporarily increased from £10m to £12m for the period from 8 June to 22 June 2020.

**RESOLVED:**

- (i) That the Annual Treasury Management Review 2019-20 be noted.

**RESOLVED TO RECOMMEND TO FULL COUNCIL:**

- (ii) That the Annual Treasury Management Review 2019-20 be noted.

*(Reason: To meet the requirements of the CIPFA Code of Practice on Treasury Management).*

**7.0 FINANCIAL MONITORING 2020-21**

- 7.1 The Finance Manager presented a report which provided an update on financial monitoring for the year to 31 March 2021 in light of the exceptional circumstances which the Council faced as a result of the Covid-19 pandemic. It highlighted the forecast significant overspending and loss of income and identified the possible impact on the year end position. The Covid-19 pandemic and resulting economic impacts were forecast to have a significant negative impact on the Council's revenue budget outturn position for 2020/21 and the Council's five year Medium Term Financial Strategy as a result of additional costs and forecast loss of income.
- 7.2 The overall summary of the forecast impact of Covid-19 on the Council's revenue budget for 2020/21 by service area, before any additional funding sources were considered, was:

SUMMARY BY SERVICE AREA OF ADDITIONAL COSTS AND LOST INCOME	Approved Revenue Budget 2020-21	MHCLG Return 19.06.20 2020-21 Pressures	Forecast Outturns After Covid-19 Pressures	Percentage Overspend Against Budget 2020-21
	£	£	£	
Customer and Community Services	1,926,813	708,863	2,635,676	36.79%
Economic and Commercial Development	545,578	304,200	849,778	55.76%
Environmental Services	3,630,931	333,566	3,964,497	9.19%
Resources and ICT	2,693,277	90,000	2,783,277	3.34%
Planning Services	1,847,505	366,620	2,214,125	19.84%
Corporate and Democratic Core	1,707,289	112,500	1,819,789	6.59%
<b>TOTAL</b>	<b>12,351,393</b>	<b>1,915,749</b>	<b>14,267,142</b>	<b>15.51%</b>

- 7.3 The Council had undertaken sensitivity analysis on the potential financial impacts of Covid-19 in 2020/21. This analysis showed that if 'pessimistic' assumptions were made, the costs and lost income in 2020/21 could be £3.0m, which was 24% of the Council's approved revenue budget. 'Realistic' assumptions indicated forecast pressures of £1.9m, or 16% of the approved budget. 'Optimistic' assumptions indicated forecast pressures of £1.4m, or 11% of the approved budget.
- 7.4 In response to the Covid-19 pandemic, the Government had made £3.2 billion available to support local authorities in meeting the costs of the activities that they had been asked to deliver. This funding was non-ringfenced and the Council's allocation of the £3.2 billion funding was £993.4k.
- 7.5 It was anticipated that council tax and business rates collection rates would suffer as a result of the economic impacts of Covid-19. The projected Collection Fund income loss of £5.453m was the total impact on the Collection Fund, of which the expected share for the Council was £1.41m. Due to the high levels of uncertainty around forecasting collection rates and in order to provide a consistent approach across the county, the Council had forecast Collection Fund income losses of 5% council tax and 10% collectable business rates, in line with all other Northamptonshire billing authorities.
- 7.6 Members acknowledged that this was an unprecedented time where the full impact was not yet known. The Chief Finance Officer advised that further announcements were expected from the Government shortly and an update would be provided to the next meeting on the impact of Covid-19 on the Collection Fund.

**RESOLVED:**

- (i) That the update on financial monitoring for the year to 31 March 2020 be noted.

**8.0 EAST NORTHAMPTONSHIRE GREENWAY – POTENTIAL TRANSFER OF FUNDING BETWEEN PROJECTS**

- 8.1 The Community Partnerships Manager presented a report which sought approval for transferring the approved funding for the East Northamptonshire Greenway phases 7 and 8 to a different Greenway project aimed at providing a new access facility.
- 8.2 In June 2018, approval was given to allocate £170k from the Council's Community Projects reserve to make a funding stream of £300k to develop phases 7 and 8 of the Greenway. Developing these phases had required extensive and prolonged negotiations with the landowner to agree the project's proposals but these proposals had now attracted a threat of formal objection from the British Horse Society (BHS) which would likely trigger a public inquiry. Officers had now reviewed alternative options in consultation with the Chairman of the Greenway Programme Board.
- 8.3 It was now being proposed to create a new entrance/exit point at Washbrook Road, Rushden, on Greenway phase 1. A feasibility study had been undertaken and the recommended option was for concrete retaining walls to provide the ground structure for constructing a ramp, with estimated costs at around £250-300k. Other funding options, such as S106, would be looked at.

**RESOLVED:**

- (i) That the Equalities Impact Assessment and the Health Impact Assessment be noted.
- (ii) That the transfer of £300k from Greenway phases 7 and 8 project to the Washbrook Road, Rushden project be approved.

**RESOLVED TO RECOMMEND TO FULL COUNCIL:**

- (iii) That the funding of £300k be included in the Capital Programme 2020/21.

**9.0 EXCLUSION OF PUBLIC AND PRESS**

**RESOLVED:**

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

**10.0 ECONOMIC RECOVERY PROSPECTUS**

- 10.1 The Head of Economic and Commercial Development presented a report which provided an overview of and sought approval for the East Northamptonshire Council Economic Recovery Prospectus (Recovery Through Enterprise) and associated work programme and budget proposal, to address the impact of the economic shock resulting from the Covid-19 pandemic.

The report was not for publication in accordance with paragraph 3 of Part 1 of Schedule 12A of Section 100A of the Local Government Act 1972.

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

That the Committee recommend to Full Council that it:

- (i) Approves the Economic Recovery Prospectus and associated work streams and the budget and sources of funding detailed in the report including a draw down of £195k from the Business Rates Risk Reserve unless an appropriate external funding stream can be identified to cover this cost.

*(Reason: To put in place measures to support and drive economic recovery across the district to address the economic crisis resulting from the pandemic.)*

- (ii) Delegates authority to the Head of Economic and Commercial Development, in consultation with the Chairman of the Finance and Performance Sub-Committee, to finalise and update the detail of the programme as the basis for driving delivery.

*(Reason: To put in place arrangements to ensure effective management.)*

- (iii) Approves the governance process whereby the Finance and Performance Sub-Committee receives regular updates on progress to monitor performance and agrees any significant changes to the programme.

*(Reason: To put in place arrangements to ensure effective monitoring and governance.)*

## **11.0 ASSET MANAGEMENT UPDATE**

- 11.1 The Head of Economic and Commercial Development presented a report which provided an update on the Council's Asset Management Strategy and sought approval for various actions to be taken in respect to specific assets.

The report was not for publication in accordance with paragraph 3 of Part 1 of Schedule 12A of Section 100A of the Local Government Act 1972.

### **RESOLVED:**

- (i) That the updates detailed in the asset tracker be noted.

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

- (ii) In relation to seeking an alternative approach to the joint working with Corby Borough Council, approved:

- a) The transfer of the proposed capital budget of £152,653 from the development pool into the approved capital programme.
- b) The delegation of authority to the Head of Economic and Commercial Development, in consultation with the Chairman of the Finance and Performance Sub-Committee, to undertake the procurement for project management expertise and the associated works including issuing tenders and awarding contracts.

*(Reason: To ensure effective and timely delivery of the Facilities Management and Property Audit Action Plan.)*

- (iii) In relation to the Totector Site, Rushden, approved the proposed work (funding included in Appendix 2 of the report), to demolish the wall and make it safe and delegated authority to the Head of Economic and Commercial Development, in consultation with the Chairman of the Finance and Performance Sub-Committee, to undertake the work to a satisfactory conclusion.

*(Reason: To ensure safety of all council assets.)*

## **12.0 MINUTES OF THE MEETINGS OF THE EAST NORTHANTS ENTERPRISE CENTRE WORKING PARTY**

- 12.1 The minutes of the meetings of the East Northants Enterprise Centre Working Party held on 10 February, 19 May and 9 June 2020 were noted.

**Chairman**