

Finance and Performance Sub Committee

Minutes of a Virtual Meeting held on Monday 19 October 2020 at 10.30am

Present:	Councillors:	Steven North (Chairman) David Brackenbury Glenvil Greenwood-Smith David Jenney Richard Lewis
	Officers:	David Oliver Chief Executive Glenn Hammons Chief Finance Officer Kelvin Turner Head of Resources Katherine Hayward Finance Manager Lucy Hogston Head of Customer and Community Services Greg Macdonald Head of Economic and Commercial Development Samantha Jeffrey Corporate Support Manager Matt Lineham Facilities Manager Joe Bailey Healthy and Active Lifestyles Officer Duncan Bisatt LGSS Law

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 09 September 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 **QUARTERLY PERFORMANCE REPORTING – QUARTER 4 (2019-20) AND QUARTER 1 (2020-21)**

5.1 The Corporate Support Manager presented a report which provided high level information about performance across the Council in relation to agreed performance indicators and other statistics that supported the monitoring of performance. The report covered both Quarter 4 (2019/20) and Quarter 1 (2020/21).

5.2 For Quarter 4, 66% of Key Priority Measures were performing at or above the required standards. 15 measures had underperformed but only 11 were recorded and explained in detail as they had underperformed for two or more consecutive periods of reporting, which indicated a longer term issue. Eight of these were annual measures which were only reported in Quarter 4 each year. For Quarter 1, 76% of Key Priority Measures were performing at or above the required standards. Eight measures had underperformed but only three were recorded and explained in detail.

- 5.3 It was noted that there had been a big reduction in the number of days lost by ENC due to sickness, with 87 days lost overall in Quarter 1.
- 5.4 In response to a question as to what the effect had been on service provision with a number of staff working from home, the Chief Executive confirmed that activity levels had remained the same. There had been a lower level of face to face interactions as service users were now using more of the online channels which were being developed.

RESOLVED:

That the Quarter 4 2019/20 and Quarter 1 2020/21 performance reports be noted.

(Reason: To improve service provision against performance measures.)

6.0 BUDGET MONITORING REPORT TO 30 JUNE 2020

- 6.1 The Finance Manager presented a report which provided an update on the forecast revenue and capital positions against the approved budgets for the period ended 30 June 2020 in financial year 2020/21.
- 6.2 Since the budget was set in March 2020, the total budget as at 30 June 2020 had been revised to £12,477,393. Since 1 April 2020, drawdowns from reserves into the revenue budget or budgets funded from ring-fenced grants totalling £413,408 and virements from the corporate contingency budget totalling £211,732 had been approved.
- 6.3 Following a review of the management team structure in Planning Strategy Services, and to simplify budget monitoring and budget setting activities, the Head of Planning Services had now made a request to vire £44,870 from cost centre CDD001 and £33,650 from cost centre CDD002, relating to homelessness administration and housing advice respectively, to cost centre CDG019 relating to strategy services and enabling activities.
- 6.4 The estimated services outturn for the year was an over spend of £1,649k, which was almost entirely attributable to Covid-related pressures. 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 as a result of additional costs and forecast loss of income. A reconciliation of the forecast cost pressures for 2020/21 and reported to MHCLG on 2 October 2020 for COVID-19 pressures was £1,851k.
- 6.5 In response to the COVID-19 pandemic, the Government had made £4.3 billion available to support local authorities in meeting the costs of the activities that they had been asked to deliver and the Council's allocation was £1,125.2k. In July 2020, the Government announced a new local government income compensation scheme for lost sales, fees and charges. This one-off scheme was designed to compensate for irrecoverable and unavoidable losses in the delivery of services. Calculations based on the current forecasts of lost income indicated that the amount the Council may be able to claim under this scheme was up to £208k. On 8 October 2020, the Government confirmed the Council's allocation of Local Authority Enforcement Grant as £37,488. This was additional ring-fenced funding for any activity which would support compliance and enforcement of public health measures, including social distancing, to control the spread of COVID-19 across individuals, businesses and in the community.
- 6.6 When all known sources of funding were considered, the overspend in 2020/21 was forecast to be £376k.
- 6.7 The Council's Capital Programme for 2020/21 of £1,031k was approved by Council in March 2020. Since then, the budget had increased to £3,683k as a result of changes within the financial year. The current budget for the approved capital programme and those projects which remained in the development pool totalled £4,766k. As at 30 June 2020, an overspend of £24k was forecast on the Capital Programme in relation to additional ICT end user devices required as a result of increased home working due to the COVID-19 pandemic.

- 6.8 When the Council set its budget in March 2020 it included a £91k contribution from reserves. The forecast revenue reserves from service expenditure outturn as at 31st March 2021 was £18.9m which was earmarked for specific priorities or to mitigate risks associated with the Council's operations.
- 6.9 Since being approved by Full Council on 2 March 2020 there had been some minor corrections and legislative amendments to the published Fees and Charges schedule for 2020/21. These changes were:
- Planning Services - Development Management, Enforcement and Conservation – legislative changes to fees
 - Planning Services – Building Control: Correction - Reference to Statutory Instrument corrected to Statutory Instrument 2010 No.404
 - Planning Services – Building Control: Correction - Regularisation charge wording revised to remove reference to 140% hourly rate
 - Central Licensing Administration Unit – Amendment required due to Case Law update: Houses in Multiple Occupation: Remove variation fees
- 6.10 In responses to questions from members, officers confirmed that the financial support for Freedom Leisure had been included in the service pressures for Customer and Community Services. We would be unable to claim for commercial income losses but could claim for the loss of the management fee. Officers undertook to provide members with details of how much had been spent on rough sleeping. With reference to the funding of the Enterprise Centre, it was noted that a report would be taken to the next meeting of the Enterprise Centre Working Party.
- 6.11 The Sub-Committee requested that their thanks to Kelvin Turner, Katherine Hayward and the Finance Team be recorded for providing an excellent report during these unprecedented times.

RESOLVED to:

- (i) note the revenue, capital and reserves positions for 2020/21 as at 30 June 2020
(Reason: For information/monitoring purposes.)
- (ii) note the supplementary estimates approved since 1 April 2020.
(Reason: For information/monitoring purposes.)
- (iii) note the virements from the corporate contingency approved since 1 April 2020.
(Reason: For information/monitoring purposes.)
- (iv) approve the virement within Planning Services of £44,870 from cost centre CDD001 and £33,650 from cost centre CDD002, relating to homelessness administration and housing advice respectively, to cost centre CDG019 relating to strategy services and enabling activities.
(Reason – for formal approval of the budget virement request)
- (v) note the collection and write off performance for sundry debtors, local taxation and benefit overpayments.
(Reason – This is for information / monitoring purposes)
- (vi) note the amendments to the published Fees and Charges schedule.
(Reason – This is for information / monitoring purposes)

7.0 TREASURY MANAGEMENT REPORT TO 30 JUNE 2020

- 7.1 The Finance Manager presented a report which noted the current position for Treasury Management for the period to 30 June 2020.
- 7.2 The Treasury Management Strategy for 2020/21 was approved as part of the Medium Term Financial Strategy (MTFS) in March 2020. An amendment to the Strategy was

approved by Full Council on 13 May 2020 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 HM Treasury (Debt Management Office) counterparty limit from £10m to unlimited if required due to exceptional circumstances.

- 7.3 The estimated outturn was based on the current forecast that Bank Rate would remain at the historic low of 0.10% for the duration of the 2020/21 financial year. Although the average return on the Council's portfolio for the period to 30 June 2020 was 0.39%, maturing investments would have to be re-invested at much lower rates of return due to changes in the market as a result of the reduction in Bank Rate. The forecast investment return for 2020/21 was:

Investment Return Budget vs. Estimated Outturn			
	Budget	Estimated Outturn	(Surplus)/Deficit
	£	£	£
Investment income	£150,000	£75,000	£75,000

- 7.4 The delegation to the Chief Finance Officer to temporarily increase the HM Treasury (Debt Management Office) counterparty limit was invoked once in Quarter 1 2020/21 on 8 June 2020. Following consultation with the Chairmen of the Finance and Performance Sub Committee and the Governance and Audit Committee the HM Treasury (Debt Management Office) counterparty limit was temporarily increased from £10m to £12m for the period from 8 June to 22 June 2020. The counterparty limit of £3m with the Council's bank Barclays plc was breached for one day on 29 June 2020 when the overnight balance was £3.56m due to technical operational reasons. The balance with Barclays was returned to within counterparty limits on 30 June 2020.
- 7.5 In response to questions from members, officers confirmed that the Treasury's decision to no longer allow local authorities to borrow money from the PWLB to purchase commercial property to generate an income stream would not prevent undertaking projects such as the Enterprise Centre as schemes to develop job creation and growth were not included and the decision solely related to purchasing property to gain a commercial income.
- 7.6 The Sub-Committee congratulated the Treasury Management Team on getting a better rate of return on the Council's portfolio than the LIBID rate.

RESOLVED:

That the Treasury Management performance for the period to 30 June 2020 be noted.

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

8.0 DEBT WRITE OFFS AND OUTSTANDING DEBT

- 8.1 The Head of Customer and Community Services presented a report which set out the amount of debt that had been written off during the financial year 2019/20 and provided an analysis of outstanding debt as at 31 March 2020.
- 8.2 It was essential that all monies due to the Council were collected effectively; however a small proportion of the overall income may not be collectable due to matters outside of its control. When a debt was assessed to be irrecoverable it was subject to a write-off process. The decision to write off debt was always a last resort after all other methods of collecting the debt had been exhausted. There were no write off requests exceeding £25k during 2019/20.
- 8.3 A summary of write-offs for 2019/20 was:

Debt Type	Total Collected £	Total Write-Off £	% of Total Collected
Council Tax	57,909,274	204,311	0.3%
Non Domestic Rates	34,447,632	47,282	0.1%
Housing Benefit Overpayments	484,155	51,947	11%
Sundry Debtors	4,231,394	14,726	0.35%
TOTAL	97,072,455	318,266	0.33%

- 8.4 For 2019/20 the arrears outstanding equated to 2.4% of the total council tax for the year. Around £377k (14%) of the outstanding debt was being recovered through various arrangements agreed at various stages of the recovery process. These included repayment plans, attachment to earnings and deductions from benefit payments.
- 8.5 Business rates arrears totalled just over £638k and the arrears for 2019/20 equated to 1.2% of the total NNDR for the year. There were a high number of accounts in arrears going back to 2015 due to the decision of a national appeal which meant that one business rates assessment was split into approximately 1,500 individual assessments. The effective date for the decision was 2015 and therefore bills were generated for every year from that date onwards. Notification of the decision was received from the Valuation Office Agency late in the financial year therefore recovery action was not in place as at 31 March 2020.
- 8.6 In response to questions from members, officers confirmed that due to the Covid-19 pandemic enforcement of debts by bailiffs had been suspended. During that time, the existing plans with enforcement agents had not defaulted but no new cases had yet been referred to the bailiffs. The issuing of statutory reminders had recommenced last week but soft reminders had been used before that. The Government's furlough scheme would be ending at the end of the month and any impact that would have would start to be seen during November.

RESOLVED:

That the position of debts written off for the financial year 2019/20 and the latest information on outstanding debts at 31 March 2020 was noted.

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

9.0 ECONOMIC RECOVERY PROSPECTUS

- 9.1 The Head of Economic and Commercial Development presented a report which provided an update on the last three months and an overview of the Phase 2 proposals in order to continue to address the impact of the economic shock resulting from the Covid-19 pandemic.
- 9.2 £29 million of Government funding had been provided to businesses through ENC to help ease the immediate impact of the lockdown. Although this funding was essential, the focus had quickly moved towards supporting individuals and businesses to adapt to new market conditions.
- 9.3 A new collaboration, including local and strategic partners, had already helped local people and businesses by:
- Putting in place a new local one stop hub for business support based at the University of Northampton
 - Refocusing the current business support programme provided by Building Business to meet the emerging needs of business

- Incentivising the membership of local business support organisations including the Federation for Small Business and the local chamber of commerce so as to encourage business networking
- Recruiting a dedicated Enterprise Officer to support, drive and extend the reach of the service to the Borough of Wellingborough
- Securing support from ENC and the Shadow North Northamptonshire including investing £250,000 to support and drive delivery
- Setting up a Recovery Hub at the new Enterprise Centre to be at the heart of the recovery process
- Convening a number of conversations across ENC services to help start the development of a new refocused Business Charter to ensure council services remain relevant and supportive through the recovery process
- Working with Town Councils to open up the high streets safely
- Commencing work with the Northamptonshire COVID 19 Economic Cell, SEMLEP and the Oxford Cambridge Arc to develop a strategic approach to economic recovery and shaping a future strategy and action plan which would be driven through and by the new North Northamptonshire Council

9.4 The next phase of the project was to accelerate Phase 1, with a particular focus on extending the focus to cover employment matters and exploring further opportunities to extend the reach of the project to support as many local businesses and residents as possible.

9.5 The focus over the next 6 months would be to:

- Continue to promote, develop and deliver the business support offered in partnership with the University of Northampton, SEMLEP, local business networks, Building Business and other local and strategic partners including other local authorities
- Work with the Job Centre Plus and other partners to develop a new employment service initiative to support those local people facing unemployment
- Continue to utilise the Enterprise Centre East Northants facility to drive and deliver the support programmes at the heart of the business community
- Extend the out reach work by putting in place a shop front to increase the coverage and reach of the support programme
- Produce and publish a refocused Business Charter to ensure local services were firmly aligned to support local people and businesses
- Contribute to strategic economic development work with a particular focus on the SEMLEP Recovery Plan and the Oxford Cambridge Arc Economic Prospectus
- Seek to extend the coverage of Recovery Through Enterprise initiative across North Northants with agreement from the Borough Council of Wellingborough already in place
- Work with our local authority and strategic partners to start the process of producing an economic development strategy and action plan for the new North Northants Council.

9.6 Members congratulated the Team for all of their work in delivering Phase 1 of the programme. In response, the Head of Economic and Commercial Development advised that it had been an excellent team effort across all parts of the Council. Members were advised that ENC had been nominated for a Rose of Northamptonshire Award in recognition of the business support which had been delivered during the health crisis.

RESOLVED TO RECOMMEND TO POLICY AND RESOURCES COMMITTEE:

That Full Council be recommended to:

- (a) Note progress to date on the Economic Recovery Prospectus Phase 1
(Reason: To ensure effective member oversight of the initiative.)
- (b) Approve the Economic Recovery Prospectus Phase 2 and associated work streams (Appendix 1).
(Reason: To put in place measures to support and accelerate economic recovery across the district to address the economic crisis resulting from the

pandemic.)

10.0 EXCLUSION OF PUBLIC AND PRESS

RESOLVED:

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

11.0 FINANCIAL SUPPORT REQUIRED BY FREEDOM LEISURE

11.1 The Healthy and Active Lifestyles Officer presented a report which provided an update on the impact of the Covid-19 pandemic on Freedom Leisure and the support that they had requested from the Council to maintain the business and the future of East Northamptonshire Council's Leisure Services Contract and to propose further support for the period 1 November 2020 to 31 January 2021.

RESOLVED TO RECOMMEND TO FULL COUNCIL that they:

- (i) agree to meet Freedom Leisure's estimated contract deficit of between £106,224 and £144,801 for the period 1 November 2020 to 31 January 2021, subject to final approval via the open book accounting reconciliation process.
- (ii) forego the monthly management fee due to the Council of £12,083 for the period 1 November 2020 to 31 January 2021, totalling £36,249.
- (iii) forego the monthly management fee due to the Council of £4287.52 for the period 21 July to 31 July 2020 (omitted from the previous report to Council).
- (iv) agree the funding recommendations (i), (ii) and (iii) will come from the Covid-19 Grant from Government, the Covid earmarked reserve or, if successful, further Government Covid funding.
- (v) agree to a further update being brought forward at the Full Council meeting scheduled for 25 January 2021, to consider any future support for the period 1 February to 31 March 2021.
- (vi) note that a progress report on the leisure contract with Freedom Leisure will be made to the Policy and Resources Committee meeting scheduled for 18 January 2021 to review the existing support and consider any future support for the period 1 February to 31 March 2021.

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

12.0 SUSPENSION OF COUNCIL PROCEDURE RULE 8

12.1 At 12.30pm, it was proposed that Council Procedure Rule 8 (Duration of Meeting) be suspended to enable the Committee to continue the business on the agenda. On being put to the vote, it was

RESOLVED:

That Council Procedure Rule 8 be suspended to enable the Committee to continue the business on the agenda.

13.0 ASSET MANAGEMENT UPDATE

13.1 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 relation to specific assets.

RESOLVED:

- (i) That the updates in the asset tracker be noted.
(Reason: To deliver and monitor the Asset Management Strategy.)
- (ii) With regards to the new lease at Eaton Walk, to provide delegated authority to the Chief Executive, Section 151 Officer and Head of Economic and Commercial Development, in consultation with the Chairman of the Finance and Performance Sub-Committee, to complete the negotiations and thereafter exchange and complete the contract.
(Reason: To ensure effective and timely delivery of the Facilities Management and Property Audit Action Plan.)
- (iii) To defer a decision with regards to 4 St James Close, Rushden, until a future meeting.
(Reason: To ensure effective and timely delivery of the Facilities Management and Property Audit Action Plan.)
- (iv) With regards to the Enterprise Centre East Northants project, to approve the future governance arrangements for member oversight of the operational phase of the project and as landlord, to allow training uses subject to planning permission.
(Reason: To ensure effective and timely governance of a key council project.)
- (v) With regard to 103 High Street, Rushden, agree the timing for taking forward the implementation of the improvements to connect through to Eaton Walk following demolition of the building.
(Reason: To ensure effective and timely delivery of the Facilities Management and Property Audit Action Plan.)
- (vi) With regards to the Toetector site, approved the transfer of £16,337 from the development pool into the Facilities Management budget following the outcome of the tender process.
(Reason: To ensure effective and timely delivery of the Facilities Management and Property Audit Action Plan.)

14.0 MINUTES OF THE ENTERPRISE CENTRE EAST NORTHANTS WORKING PARTY HELD ON 28 JULY 2020

- 14.1 The minutes of the Enterprise Centre East Northants Working Party held on 28 July 2020 were noted.

15.0 MINUTES OF THE BUDGET WORKING GROUP HELD ON 16 SEPTEMBER AND 08 OCTOBER 2020

- 15.1 The minutes of the Budget Working Group held on 16 September and 08 October 2020 were noted.

Chairman