



POLICY, FINANCE AND ADMINISTRATION COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

03 December 2013

PRESENT:-

Councillors J.B. Rhodes (Chairman)  
M. Barnes, M.M. Gordon, E Hutchison, J. Moulding,  
M. O'Callaghan, P.M. Posnett, J. Simpson,  
D.R. Wright

Chief Executive, Strategic Director (KA),  
Head of Central Services, Head of Communications,  
People Manager (RB), Financial Inclusion Officer (MS)  
Employment & Skills Officer (GR), Change Manager (CC)  
Committee Support Officers (GMcL and JR)

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P39. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Wyatt. Apologies were received from Councillor Gordon, who attended the meeting late due to prior commitments in her role as Mayor. Apologies were received from Councillor Barnes who attended the meeting late.

P40. MINUTES

The minutes of the meeting held on 7 October 2013 were confirmed and authorised to be signed by the Chairman.

P41. DECLARATIONS OF INTEREST

Councillor Rhodes and Councillor Posnett declared personal and non pecuniary interests in any matters relating to Leicestershire County Council, due to their roles as County Councillors.

Minute P46 – Localising Support for Council Tax

Councillor Rhodes declared a personal and non pecuniary interest in agenda item 8, should detailed discussion take place relating to the second home aspect.

Minute P47 – Annual Update to the Asset Management Plan & Capital Strategy

Councillor Simpson declared a personal and non pecuniary interest due to her role on the Development Committee. Councillor Simpson indicated that she would leave the room when the item was discussed.

(Councillor Barnes here entered the meeting)

P42. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other committees.

P43. UPDATE ON DECISIONS

The Chief Executive submitted an update on decisions from previous meetings of the Committee.

The Chairman noted that two figures are recorded on the document. Clarification on these figures is to be sought from the Head of Regulatory Services and the final figure notified to Members via email.

**RESOLVED** that the Update on Decisions document be updated to reflect progress and work completed.

P44. PHOENIX HOUSE – ME AND MY LEARNING SKILLS CENTRE

The Strategic Director (KA) submitted a report (copies of which had previously been circulated to Members) which outlined the progress made in the development of a Learning and Skills Centre, within Phoenix House, with particular reference to submitting a bid for European Social Fund (ESF) money by 31<sup>st</sup> December 2013.

In highlighting the work achieved by Officers, in particular building on the work achieved with Sainsbury's, the Strategic Director explained how the progress be built upon in order to support people in the community, to maximise their chances of becoming more independent. Members were advised that the deadline for the European Social Fund Bid is 31<sup>st</sup> December 2013, with the initial funding being sufficient to run through to June 2015. Work is required to investigate future ways of further sustainability after this time.

Officers outlined the proposed Housing Foyer Project to support Young People with Education, Training and Life skills, to enable them to lead independent lives. Members were advised of a possible triage process within Me and My Learning, which will ensure that residents get the right service for their needs.

A Member expressed concern over whether any partners would be involved with the delivery of education. Officers stated that several partners, including Brooksby College, Learn Direct, the Adult Learning Centre, Citizens Advice Bureau, National Careers Service and Remploy have been consulted. However, it was emphasised that Life skills are the main focus of the project.

The Strategic Director advised Members that a total of £490k has been identified for possible use to match fund ESF monies.

The Council has accepted a formal written notice, from East Midland Councils, to quit Phoenix House from April 2014. There will, therefore, be vacant possession of the first floor, other than Learn Direct, whose work compliments the proposed Learning & Skills Centre. A successful ESF bid would ensure that any lost income

would be covered. A budget of £22k would enable the first floor space to be adapted for the change of use. This figure has been adjusted from £15k and is noted as an amendment to recommendation 2.1(d).

The Strategic Director explained how providing access to courses, for those aged between 19–64 years, would assist in them becoming more ready for work or ready for better paid work. The Department for Works & Pensions has identified a large gap in life skills which needs to be filled. It is hoped that the Me and My Learning work will compliment the more traditional services and assist residents with life skills.

It is anticipated that an event could be arranged for Members to meet people who have benefited from the employment and skills project. It would be an opportunity to hear directly how people's lives have been changed for the better. A number of Members supported the organisation of an event that would showcase these life changing stories.

Approval of the items for consideration was moved by Councillor Posnett and seconded by Councillor Wright.

**RESOLVED:**

- (1) that the progress to date be noted and support confirmed for the European Social Fund Bid, which has a deadline for submission of 31.12.13;
- (2) that consideration is given to organisation of an event to enable members to hear first-hand some of the life changing stories from people who have worked with the employment and skills project;
- (3) that the linked working between Me and My Learning and the Housing Foyer Project is noted; and
- (4) to note that East Midlands Councils has served notice to quit and to approve plans for the proposed change of use on the first floor of Phoenix House to Me and My Learning, together with a budget of £22k to enable space to be made fit for purpose.

(Councillor Gordon entered the meeting during consideration of the previous item)

**P45. UPDATE ON TRANSFORMATION PROJECT**

The Strategic Director (KA) submitted a report (copies of which had previously been circulated to Members) which updated members on the progress in developing a methodology to validate and track the 2016/17 revenue savings target of the Transformation Change Programme.

The Strategic Director outlined the two key themes of the transformation project as being to deliver significant channel shift through the delivery of digital services, and to reduce overall demand on relative services through a more positive focus on vulnerable people. The Customer Interaction Analysis depicts that those customers who interact with Melton Borough Council most, are those 'least-likely' to self-serve, indicating that these customers may benefit most from initiatives within the project. The top 15 workflows account for 80% of the demand into Customer Services, with

74% currently being delivered through channels that are most suited to channel shift. The top 15 will be worked on to deliver the anticipated savings and enhanced customer participation. The outline programme commits the Council to the delivery of a range of redesigned services which have the potential to significantly reduce costs whilst increasing customer satisfaction. The intention in Phase 2 is to commence work on the top 15 workflows, as indicated in the table.

The Strategic Director stated that there are some risks involved, including limited availability of resources, ICT issues and customer and staff expectations. However, it is anticipated that there would be a significant reduction of costs in other areas resulting from more efficient services. Members welcomed this, whilst recognising that it would have challenges. The Change Manager stated that they are currently looking at particular customer groups to prioritise through 'My Account'. It was noted that there may be a need to invest in the development of 'My account' and should sufficient detail be available in time for the budget considerations a proposal would be put forward, with a mandate to follow at a later meeting.

There was subsequent discussion, where members highlighted that a survey had concluded that 20,000 customers (2/5 of people) within the Borough currently contact us through the internet and several suggestions were made by Members regarding local groups being involved in developing this potential.

Councillor Rhodes moved that the Recommendations be approved, seconded by Councillor Wright.

**RESOLVED that Members note:**

- (1) the predicted savings of the Transformational Change Programme as shown in Table 2, section 5;
- (2) the top 15 workflows will be targeted for channel shift;
- (3) that the analysis of demand indicates that there is failure demand in the system;
- (4) the high level workstreams identified in Section 3.10 and Appendix A which are required in order to achieve the savings target for channel shift.

(Councillor Gordon indicated, at this point, that she may have a Personal Interest in the following item by virtue of being a Council Tax Benefit claimant and left the room.)

**P46. LOCALISING SUPPORT FOR COUNCIL TAX**

The Head of Central Services submitted a report to seek approval for a revised Council Tax Support (CTS) scheme for the financial year 2013/14 (Year 2 of the CTS) and this to be passed to Full Council for approval.

The Head of Central Services described to Members how Melton Borough Council's scheme had met the criteria set by Central Government, the key element of which was a benefit liability cap of 91.5% for people of working age and had, therefore, benefited from the grant. The funding would not be available, however, for 2014/15.

The report outlines the detail and findings of a review of the scheme. The main recommendation is that the maximum paid by those of working age is 12%. Other Leicestershire authorities are proposing a maximum charge of 15% with the exception of Hinckley and Bosworth who were also proposing 12%.

A Member expressed concern that there are still people that are adversely affected by the changes and raised a query regarding the Revenue Support Grant (RSG). The Head of Central Services explained that the RSG is a core general fund grant but following the introduction of council tax support an element was being passed to Special and Parish expenses to reflect the financial impact on these funds. The element of grant available to support council tax support would no longer be separately identifiable from 2014/15, as such, it was proposed that a proportion of the grant attributable to Parishes and Special Expenses is reduced, in line with the anticipated reduction in total RSG, this being 25% in 2014/15 and will be adjusted in line with anticipated reductions and/or increases in RSG for future years.

A Member asked whether parishes are aware of this, when putting in their precept and there followed a discussion about the impact on parishes. A Parish Liaison Meeting was held on 19 November 2013. In answering some of the concerns about the financial impact for people within the Borough, the Head of Central Services explained that, in real terms, there was an increase of 68p pence per week per household for Band A properties.

Councillor Wright moved the Recommendations; Councillor Posnett seconded the proposal. On being put to the vote, there were 6 in favour, with 2 against the proposal.

**RESOLVED** that the Committee recommends to Full Council:

- (1) the scheme attached at Appendix A is adopted as the localised Council Tax Support Scheme for Melton Borough Council from 1 April 2014. (The maximum liability for people of working age is 88.0% as recommended by the BSPWG).
- (2) that the portion of the Grant attributable to Parishes and Special Expenses is reduced in line with Melton's anticipated Revenue Support Grant being 25% in 2014/15 and is adjusted in line with anticipated reductions (increases) in Revenue Support Grant for future years.
- (3) that no transition scheme is required following the approval of an increase in the CTS Liability Cap from 8.5% to 12%.

(Councillor Gordon re-entered the meeting.)

Due to the following item having an exempt item at Appendix B which was to be considered and discussed the following exclusion was applied.

### **EXCLUSION OF THE PUBLIC**

**RESOLVED** that the Public be excluded during the consideration of the following item(s) of business in accordance with Part 1 of Schedule 12A of the Local Government Act 1972 (Access to Information: Exempt Information under Paragraph 3).

(Councillor Simpson left the room for the discussion of the following item due to her earlier expressed declaration of interest)

P47. ANNUAL UPDATE TO ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY

The Head of Central Services submitted a report to review progress made since the Asset Management Plan and Capital Strategy 2012-15 was approved by Members on 3 July 2012. The Head of Central Services reminded members that Item B of the Report is an Exempt Item.

A discussion was held regarding the update on the Asset Management Plan & Capital Strategy with associated action plan. Progress was noted.

**RESOLVED**

- (1) that Members note the progress made on the Asset Management Plan and Capital Strategy 2012-15 and the updated Action Plan attached at Appendix A;
- (2) that given the particular circumstances Members guidance is given on the potential disposal as set out in the exempt item Appendix B

(The meeting returned to public session and Councillor Simpson returned to the room.)

P48. ITEMS FOR APPROVAL

The Head of Central Services submitted a report requesting approval and providing information on amounts approved under delegated powers and to report the impact of these on the council's reserves and balances.

The Chairman proposed to approve the recommendations and Councillor Wright seconded the proposal. On being put to the vote, the proposal was approved unanimously.

**RESOLVED**

- (1) that the virements approved under delegated powers (para.3.1.1 refers) be noted;
- (2) that the business cases discussed in Para 4.1.1 be approved and;
- (3) that Members approve a supplementary estimate of £25k from the Special Expense Reserve for the works required at the Cemetery Lodge, as outlined in paragraph 4.1.2 and as requested by the Community and Social Affairs Committee.

P49. REVENUE BUDGET 2014-15 COMMITTEE ESTIMATES

The Head of Central Services submitted a report, the purpose of which was to inform members on the latest position of this Committee's revenue budget estimates. She went on to explain that this report sets out the latest position as we

move through the budget process, not to be confused with the next item on the agenda, which sets out the position as a whole. This would give Members an opportunity to input and comment, if they wish to do so, at an early stage in the process. The Head of Central Services stressed that this was still at an early stage of the process and that figures are still being refined. Paragraph 3.4 of the report outlines an overall net position of £2m for 2014/15, which is marginally less than the original estimate for 2013/14 and it was felt that this was a good position as it indicated that inflationary pressures are being contained.

A Member asked whether there are any plans to develop or use the ground floor of Phoenix House. The Head of Central Services explained that they are currently looking at alternatives for this, in consultation with the Planning Department and other experts and exploring potential uses complementary to Sainsbury's. Councillor O'Callaghan expressed an interest in possible use for a School of Rural Food.

The Chairman asked Members to note the latest position with reference to the report.

**RESOLVED** that Members note the latest position on this committee's revenue budget estimates and make comments which can be taken forward through the remainder of the budget setting process.

#### P50. REVENUE ESTIMATES 2014/15 AND MEDIUM TERM FINANCIAL STRATEGY

The Head of Central Services submitted a report to Members on the latest position of this committee's revenue budget estimates. Members were asked to note that this report sets out the position as a whole for General and Special Expenses. The Head of Central Services outlined the estimated current position for the current year 2013/14. The estimates indicate an underspend against 'in year' approvals of £175k, the variances being due to additional income from planning and building control fees and increased benefit subsidy over that already planned for. She explained that areas of overspend include cattle market income and Phoenix House. This was higher than that shown through in year monitoring and the position would be subject to ongoing scrutiny.

Members were asked to note that, with regard to 2014/15, there is an estimated surplus on General Expenses of £288k and on Special Expenses of £55k at the current time. There are still a number of figures to be refined and these are set out in the report with the Finance Settlement still to be received. This will provide the information required to calculate the level of retained business rates and RSG figures. The Finance Settlement is anticipated in late December, with final figures in February 2014.

The Head of Central Services stated that the Budget, Strategic and Planning Working Group (BSPWG) are recommending this Committee recommend to Full Council a 1.5% increase in Council Tax for General and Special Expenses, as well as transferring any surplus on the General Fund to the New Homes Bonus (NHB) reserve and Special Expenses reserve.

The Chairman advised Members that he attended a meeting at Leicestershire County Council, in his role as Leader of Melton Borough Council, where they looked

at their medium-term strategy for the next four years. He stated that the County Council would be looking to identify savings by 2017/18 and, although the position in 2014/15 was not affected, with 1.7 million contributed locally, there is uncertainty for the future. He stated that he felt that the next financial year would be the last of the good years and that a reduction in monies for services is to be expected in future years.

Some Members expressed a preference for a separate Medium Term Financial Strategy.

It was agreed that Recommendation 2.6 should be amended to include the leaders of the two minority groups.

A vote was taken regarding the recommendation to Full Council of a 1.5% increase in Council Tax for General Expenses and Special Expenses. The result was 6 in favour and 3 abstained.

Councillor Rhodes moved the Recommendations and Councillor Posnett seconded the motion.

**RESOLVED:**

- (1) that Members note the estimated year end position for 2013/14 as set out in paragraph 3.2;
- (2) that Members note the position with regard to the 2014/15 estimates and the forward projections for 2015/16 to 2017/18 at this stage in the process and the issues yet to be resolved as set out in paragraph 3.3;
- (3) that the Medium Term Financial Strategy for 2014/15 to 2017/18 be approved as part of the budget for 2014/15;
- (4) that a recommendation be made to Full Council to increase Council Tax by 1.5% for 2014/15 in respect of General and Special Expenses (Melton Mowbray) and at a level that results in a balanced budget for special expenses Frisby and Sproxton;
- (5) that a recommendation be made to Full Council to transfer any surplus on the general expenses revenue budget for 2014/15 to the NHB reserve and the special expenses reserve in respect of special expenses (Melton Mowbray);
- (6) that delegated authority be given to the Head of Central Services in consultation with the Chief Executive, Leader of the Council and Leaders of the two minority groups to withdraw from Leicester and Leicestershire business rates pool should the finance settlement in any year indicate that continued pooling would not be in the best interests of the Council.

**P51. CAPITAL PROGRAMME MONITORING APRIL – OCTOBER 2013**

The Head of Central Services submitted a report to update the Committee on the progress of schemes within the Capital Programme to 31 October 2013.

The detail for the individual schemes is set out in Appendix A. Members were asked to note that the forecast is broadly in line with the budget, with the main exceptions detailed. A supplementary request is requested, relating to the Oracle financial

upgrade, due to tenders coming in above estimate and the need for additional consultancy to implement the new debtors system which is part of the project.

Councillor Rhodes moved the Recommendations, Councillor Posnett seconded. Members were in unanimous agreement with the proposals.

### **RESOLVED**

- (1) that the progress made on each capital scheme be noted;
- (2) that Members approve a supplementary estimate, to be funded from capital receipts, to cover the additional costs of the Oracle Implementation project as detailed in paragraph 5.3.

### **P52. CAPITAL PROGRAMME 2013-2018**

The Head of Central Services submitted a report, the purpose of which is to determine the Committee's Capital Programme for 2013-18, based on a review of spending in the current year's programme and schemes included in the programme for later years. She explained that the revised programme is contained in Appendix A of the report, with the changes proposed set out in Appendix B. A number of funded schemes are being proposed for deferral to later years and it is recommended that the funding transfer with them. Members were asked to note that no new schemes are being put forward for approval at this stage. There are, however, two IT schemes at an early stage of development and the estimates will be included as part of the 2014/15 budget should they be made available. The Town Area Working Group has met to consider the proposed revenue and capital special expense budget proposals and has requested that the £20k being submitted as part of the capital programme for funding for next year be brought forward to enable the progression of the replacement of the Melton Country Park Pavilion.

Councillor Posnett referred to the temporary closure of the Skate Park and the need to get this into the Capital Programme. The Head of Central Services said that she would obtain an estimate to be presented at the Strategic Planning Away Day in January 2014. A Member commented that financial and physical support could be sought through local community involvement e.g. by larger companies and their local community initiatives.

The Chairman stated that he was very impressed with the new 'Working Dog Sculpture' outside the Melton Borough Council building and asked members to consider whether the additional two sculptures of working dogs, a Labrador and a Spaniel could be commissioned to complete the 'three-dog' arrangement. The total cost amounting to £20,000. The County Council could possibly agree to pay half of the cost.

Councillor O'Callaghan stated that 2020 was the anniversary of Mrs Paulette, who invented Stilton Cheese and that this too may be an opportunity to commemorate our heritage. The Chief Executive stated that the Deputy Mayor has asked to start meeting again with the Civic Society and the Heritage Society. The Chairman asked for this to be noted in the minutes.

The Chairman moved the Recommendations and this was seconded by Councillor Posnett and agreed unanimously by Members.

## **RESOLVED**

- (1) that the Committee notes the Capital Programme for 2013-18;
- (2) that Members consider the schemes being submitted in 2013-18 for funding as part of the budget-setting process to ensure they meet the council's priorities;
- (3) that Members approve to bring forward the 2014/15 Community Facilities Grant allocation into 2013/14 and approve a supplementary estimate for £20,000 from the Special Expenses Reserve as set out in Paragraph 3.2.4

### **P53. CRIME INSURANCE POLICY**

The Head of Central Services submitted a report to provide members with information relating to a Crime Insurance Policy and allow consideration for adopting such a policy.

Members were asked to consider a request to take out a Crime Insurance Policy at a cost of £4,000 per annum. This is a new policy and has been investigated as a result of the recent fraudulent payment. It is proposed that employee dishonesty which replaces the existing fidelity guarantee cover, third party computer fraud & funds transfer and forgery & counterfeiting covers is to be taken up. The Head of Central Services asked Members to note that the insurers have requested full details of the recent incident that has occurred. Until the insurers are satisfied that all reasonable steps have been taken the Account Scams section of the Third Party Computer Fraud & Funds transfer cover will not be activated.

Councillor Barnes moved the motion, Councillor Wright seconded. When put to the vote, the proposal was approved unanimously.

**RESOLVED** that the Crime Insurance Policy is adopted as set out in Paragraph 3.4 of the Report, at a cost of approximately £4,000 plus Insurance Premium Tax (IPT) of 6%.

### **P54. CORPORATE ISSUES**

The Chief Executive submitted a report to bring to Members' attention certain corporate issues which have developed in the intervening period since the last report and to seek approval to the Partnership Evaluation Protocol and the Policy Statement and Procedure Toolkit.

The Chief Executive outlined to Members, the recent ministerial visit by the Minister for Employment, Esther McVey. Job Centre Plus hosted the opening of their co-located services in Parkside, which the Minister attended and then she had a tour of the building to see how the integration between partners works..

The Chief Executive highlighted that 'Melton in Bloom' would like to move toward a 'gold standard' and some work was needed to progress this. A proposal is to be prepared and presented to the Rural, Economic and Environmental Affairs Committee.

The Chief Executive stated that Melton was working towards being a 'Dementia-friendly' Borough, offering training to our staff and partners, to develop a greater understanding of dementia and to become 'Dementia Friends'. Staff are being encouraged to train as Dementia Champions within the Council to promote such awareness as an outreach through services. A Member suggested that a Partnership Charter could be established between a number of Councils to promote their areas as 'Dementia Partnership Boroughs'. The Chief Executive is to move this suggestion forward.

During discussion of the previous item clarification was sought by Councillor Gordon on a possible personal and non-pecuniary interest. The Chair advised that a declaration was not required in this instance.

Councillor Rhodes moved the Recommendations, Councillors Posnett and Wright, seconded.

### **RESOLVED**

- (1) that the Partnership Evaluation Protocol, including the Policy Statement and Procedure Toolkit be approved for use on a three yearly cycle, commencing in the financial year 2014/15;
- (2) that the potential progress with Local Area Co-ordination be noted, and a further report on the matter be reported to the Community and Social Affairs Committee at the appropriate time;
- (3) that further initiatives be noted with reports to the relevant Policy Committees, as required

#### P55. **REDUNDANCY AND REDEPLOYMENT POLICY**

The Chairman stated that the Trade Unions have requested more time to consider this Policy in more detail and Members were, therefore, advised that this Item be deferred and taken forward to the next Policy, Finance and Administration Committee meeting in February 2014.

### **EXCLUSION OF THE PUBLIC**

**RESOLVED that the Public be excluded during the consideration of the following item(s) of business in accordance with Part 1 of Schedule 12A of the Local Government Act 1972 (Access to Information: Exempt Information under Paragraph 3.**

#### P56. **CHANGES TO THE APPROVED ESTABLISHMENT**

The Chief Executive submitted a report, the purpose of which is to request Members to approve the proposals for changing the approved establishment, following a previous report to this Committee on 7<sup>th</sup> October 2013.

The Chief Executive gave an update on the proposed changes to the establishment along with the associated costs and highlighted to Members that this report did not include the Waste Services proposals which are still being considered. The Chair moved the proposal which was seconded by Councillor Posnett.

**RESOLVED**

- (1) that the establishment proposals as set out in section 3 of this report be approved;
- (2) that the voluntary redundancies be approved along with any associated costs for implementing the changes;
- (3) that delegation be given to the Head of Communications in consultation with the Head of Central Services to charge any costs that cannot be met from existing budgets to the Corporate Priorities Reserve.

P57 **PAYMENT FRAUD**

The Head of Central Services submitted a report to update Members on the latest position regarding the payment fraud that occurred in September 2013.

**RESOLVED** that the Committee note the latest position regarding the fraud and subsequent actions

The meeting which commenced at 6.30pm, closed at 8.30pm

Chairman