



POLICY, FINANCE AND ADMINISTRATION COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

4 DECEMBER 2012

PRESENT:-

Councillors J.B.Rhodes (Chairman),
M. Barnes; G. Bush, P. Cumbers,
E. Hutchison, M. O'Callaghan,
P.M. Posnett, D.R. Wright, J. Wyatt

Chief Executive, Strategic Director (KA),
Head of Central Services, Head of Communications,
Head of Regulatory Services, Corporate Property Officer,
Committee Support Officers (LS and JR).

P40. APOLOGIES FOR ABSENCE

No apologies for absence were received. Councillor O'Callaghan apologised that due to another commitment, he would need to leave the meeting in half an hour.

P41. MINUTES

Subject to an amendment to minute P.37 to reflect that the cost of a new Sun Server was £28,602, not £28,000 as recorded due to "rounding", the minutes of the meeting held on 25 September 2012 were confirmed and authorised to be signed by the Chairman.

P42. DECLARATIONS OF INTEREST

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

Councillor Rhodes declared a pecuniary interest in minutes P52 and P55 by virtue of being a Lead Member on the County Council for the issues contained in the reports, however in accordance with the exemption contained in paragraph 13(3) (g) of the Code of Conduct, he would remain in the meeting, further he indicated he would continue to chair the meeting for these items but would abstain from voting.

P43. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other committees.

P44. UPDATE ON DECISIONS

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

Councillor O'Callaghan referred to the update on Electronic Working for Members and asked when the new equipment on order was expected. The Head of Central Services undertook to ensure that Councillor O'Callaghan received an update on the expected delivery date.

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

P45. EMERGENCY MANAGEMENT ARRANGEMENTS

The Head of Regulatory Services submitted a report previously circulated which informed Members of proposals for the provision of Emergency Management responsibilities and sought authority to join the 'Leicestershire Resilience Partnership'. The Committee was reminded that Emergency Management arrangements had been delivered since 2007 on a partnership basis with neighbouring councils in order to secure effective delivery of emergency planning responsibilities. This partnership also fulfilled the Council's responsibilities under the Civil Contingencies Act 2004 to prepare the Council for a response to a major incident.

The partnership had been successful in providing a comprehensive and robust service to the partner Authorities and it was now proposed to reconstitute it to provide the service for all of the Local Authorities in Leicestershire (including the City and County Councils. Leicestershire County Council had agreed to 'host' the partnership and the proposed Partnership Agreement and staffing arrangements were appended to the report. The Head of Regulatory Services explained at this stage the Agreement was still a draft and had yet to be finalised. Accordingly, he sought delegated authority to officers to sign up to the final Agreement providing this did not deviate significantly from the draft document.

A Member raised a query regarding the contribution by this Council which was the same as that made by other, larger districts. The Head of Regulatory Services explained that most of emergency management was not size sensitive and that it was not related to the geographical area or head count but based on the risks within an area. After the Chief Executive had outlined the previous basis for contribution the Chairman moved the recommendations with the additional appropriate delegation which was seconded by Councillor Posnett. Following a vote, it was

RESOLVED

- (1) to note the report;
- (2) to authorise the participation in the Resilience Partnership in accordance with the terms set out in Appendix A to the report subject to delegation to the Chief Executive, in consultation with the Chairman, to agree the final version of Partnership Agreement.

P46. CAPITAL PROGRAMME 2012-2017

Members had before them a report prepared by the Head of Central Services which asked the Committee to determine the Committee's Capital Programme for 2012-17 based on a review of spending in the current year's programme and schemes included in the programme for later years. The Head of Central Services drew attention to the changes that had been made to the Capital Programme, highlighting that a number of IT schemes had been removed as these had been superseded by the IT Strategy, and the business case submitted in relation to the Oracle financial system upgrade. Members were provided with an update to the figures contained within the business case in relation to the costs incurred by Rutland County Council for their financial package.

A Member suggested that the Council undertake some publicity regarding the Countywide Broadband access as there was some scepticism within the rural areas about this project. The Chairman advised that the European Union had just approved the UK system and that a briefing would be held at County Hall the following day. The project would be undertaken in 2013 but not necessarily all completed within next year.

Concern was raised at the amount of the Council's contribution to the Cattle Market scheme to which the Head of Central Services responded that Phase 1 involved the buying out of the abattoir which had been heavily grant funded. Concern was raised that the level of income received by the Council compared to the asset value was low. Another Member pointed out that the Council's percentage received from the business operations of the Cattle Market were substantial. Councillor Wright moved the recommendations contained in the report and this was seconded by Councillor Posnett. After a vote, it was

RESOLVED

- (1) to note the Capital Programme for 2012-2017;
- (2) the schemes being submitted in 2012-17 (as set out in Appendix A to the report) for funding as part of the budget setting process be approved as meeting the Council's priorities;
- (3) to approve the project mandate and documentation including a business case in respect of the upgrade/re-implementation of Oracles financials project for inclusion in the capital programme;
- (4) to approve a supplementary estimate of £53K from capital receipts to cover the costs of the Oracle financials project in 2012/13.

P47. CAPITAL PROGRAMME MONITORING TO 31 OCTOBER 2012

In her report previously circulated, the Head of Central Services updated the Committee on the progress of schemes within the Capital Programme to 31 October 2012. The financial implications for each scheme were set out in an appendix to the report. The Head of Central Services explained that the overall forecast was broadly in line with budget with schemes progressing although expenditure had yet to be incurred.

Members were reminded of the Committee previous decision at its meeting on 25 January 2012 to contribute £10K towards enhancement works proposed in Melton Mowbray Market Place. The scheme was now complete and approval was sought to increase the approved budget to £28,500 to reflect the Council's £10K contribution plus the release of the contributions from the County Council's Better Places team (£17.5K) and the Melton Town Centre Partnership (£1K) which had previously been paid to this Council.

A question was raised on the scheme to replace the bus shelter on Asfordby Road in the town. The Head of Central Services replied that this was a special expense area capital scheme which fell within the responsibility of the REEA Committee. She undertook to refer this to the officer representative on the Town Area Working Group. Accordingly the recommendations contained in the report were endorsed.

RESOLVED that

- (1) the progress made on each capital scheme be noted;
- (2) the increase to the approved amount in respect of the Market Place Enhancement Scheme and its associated funding as outlined in para 5.3 of the report be approved.

P48. LATEST POSITION REVENUE BUDGET 2012/13 AND 2013/14

Members had before them a report prepared by the Head of Central Services which summarised the activity of the Budget and Strategic Planning Working Group with regard to the scrutiny of the 2012/13 estimated year end position and the 2013/14 estimates. The report also advised on the latest position on the current year's revenue budget (2012/13) and the current position with regard to 2013/14 which included some of the issues still to be resolved regarding 2013/14.

The Head of Central Services highlighted that the confirmation of the Formula Grant was to be much later this year and the announcement for individual local authorities was not due until late December 2012 and may even be early January. The final figures could not be predicted with any degree of certainty at this point in time but an assumption of loss of grant of 10% had been assumed in the estimates. Despite the latest estimated position, the Head of Central Services urged caution due to the

level of uncertainty over finances for next year and the need to keep tight control over spending.

The Chairman endorsed the officer's comments and referred to the Chancellor of the Exchequer's statement due the following day which might give some indication for the future on a national level.

Reference was made to the New Homes Bonus and the wish expressed that this would be used for this purpose rather than propping up the budget. The Head of Central Services explained that the New Homes Bonus was a flexible grant which could be used for revenue or capital expenditure. The Council had approved £1m for the local authority mortgage scheme and explained why it would be more appropriate to use capital receipts as this was restricted to capital expenditure.

A question was raised about consultation with the Town Area Working Group and a request was made for the minutes of those meeting to be circulated in draft form as soon as possible after the meeting. The Head of Central Services confirmed she would raise these issues with the appropriate Head of Service. Members were updated on the latest position with regard to the inclusion of special expenses within the grant for local preceptors and the implications of this on eligibility for the council tax freeze grant, after which it was

RESOLVED

- (1) to note the estimated year end position for 2012/13 as set out in para 3.2 of the report;
- (2) to note the position with regard to the 2013/14 estimates at this stage in the process and the issues yet to be resolved as set out in para 3.3. of the report

P49. ITEMS FOR APPROVAL UNDER FINANCIAL PROCEDURE RULES

Members had before them a report prepared by the Head of Central Services previously circulated with the agenda which set out requests for approval under Financial Procedure Rules and provided information on amounts approved under delegated powers and the impact of these on the Council's reserves and balances. A Member commended the Choose How You Move scheme, the business case for which was appended to the report. Accordingly, it was

RESOLVED

- (1) that the virements approved under delegated powers as set out in the report at para 3.1.1 be noted;
- (2) the budget reductions approved under delegated powers as set out in the report at para 4.1 be noted;
- (3) the supplementary estimate approved under delegated powers as set out in the report at para 5.1.1 be noted;

- (4) the business cases outlined in para 6.1.1. be approved for inclusion in the capital programme and the supplementary estimate from capital receipts of £90K approved by the Chief Executive in consultation with Lead Members under urgency powers in respect of Snow Hill roof repairs be noted;
- (5) to approve the virements set out in para 7.1 within the Housing Revenue Account capital programme in 2012-13 be approved as requested by the Community and Social Affairs Committee;
- (6) to approve a supplementary estimate from the Corporate Priorities Reserve for the works on the Squires Monument in the sum of £2,000 as outlined in para 7.2 and as requested by the Rural Economic and Environmental Affairs Committee.

[Councillor O'Callaghan here left the meeting at 7.05pm]

P50. ASSET MANAGEMENT PLAN AND CAPITAL STRATEGY 2012/13 – 2014/15 UPDATE

The Corporate Property Officer submitted a report jointly prepared with the Head of Central Services which had previously been circulated. The report reviewed the progress made on the Asset Management Plan and Capital Strategy 2012/15 since it was approved by Members in July.

The Corporate Property Officer highlighted how the licence arrangements and service charge model for the occupation of Parkside was now being used by Partner organisations elsewhere within the county. The officer then went on to refer to the Parkside main contractor, Hallams, which had recently gone into administration. Officers had taken legal advice on the impact of this on the Council and confirmed that it was not obliged to pay the retention monies and could employ other firms to carry out the remedial works. A strategy was currently being put together on the way forward. The Corporate Property Officer then outlined the main elements of the repairs and maintenance programme and capital programme.

A Member asked about the prospects for letting Phoenix House and what maintenance it would need. The Corporate Property Officer advised that Sainsburys were due to start work on the adjacent site soon which might have a positive impact on attracting tenants. There had been some interest from potential occupiers but it was a difficult market at present. There was a possibility that Sainsburys' sub-contractors may wish to use the ground floor during construction of the supermarket.

Advice was sought on the Council's position about the retention payment having regard to Hallams going into administration. The Chief Executive advised that the Council's retention payment was relatively small compared to figures owed by the company to other parties and therefore the Council would respond publicly to that effect.

After the Chairman had commended the plan and the report for clearly setting out all the issues, it was

RESOLVED

- (1) to note the progress made on the Asset Management Plan and Capital Strategy 2012/15 and the updated Action Plan and to approve the concept of a 25 year capital replacement programme for assets and the impact of this on the Capital programme;
- (2) to note the position regarding Hallams, Parkside main contractor, and that officers are taking advice on how residual matters should be dealt with.

P51. **CORPORATE ISSUES**

The Chief Executive presented her report which had previously been circulated to advise Members on a series of corporate issues, in particular the development of co-location at Parkside, improved Member management of Elections and Equalities issues together with an update on “Turning the Tanker” and the Big Society. The Chief Executive went through the background to each of her recommendations in turn.

Reference was made to the Transformational Change Programme, which was the subject of a separate report on the agenda. A Market Place event had been held for staff on 29 November in the Council Chamber at which all the projects had been represented. The Chief Executive was pleased to report that this had been a huge success with lots of staff volunteering to get involved by employing their knowledge, skills, and interest. She highly commended to Members the enthusiasm and commitment of this Council’s staff following which Members endorsed the recommendations before them.

RESOLVED

- (1) to note the progress of the Strategic Parkside Group;
- (2) to note the localisation of the Community Organiser Programme and that a further report will be made to the Community & Social Affairs Committee during the second/third cycle of meetings in 2013/14;
- (3) that the arrangements for a Big Society Conference be not pursued;
- (4) that an annual report on Elections be required to be presented to the Governance Committee during the second/third cycle of meetings in each financial year;
- (5) that Full Council be requested to amend the Delegation Arrangements for Committees to delegate oversight and Member management of Equalities to the Governance Committee;
- (6) to note progress with respect to “Turning the Tanker”.

P.52 SOCIAL FUND

Members had before them a report prepared by the Chief Executive which proposed new arrangements for the running of the 'Social Fund' within Leicestershire. The report, which had been previously circulated with the agenda, set out the background to the Government's transfer of funding currently used to provide Community Care Grants and Crisis Loan Schemes to all top tier Authorities in England. In doing so, the Government had indicated it did not expect Council's to replicate the current schemes but encouraged them to develop a new provision that was suitable and appropriate to the meet the needs of local communities.

Leicestershire County Council had approached the districts to consider providing the fund in their localities as they were seen to have the necessary experience and offer a highly localised service. To that end the district councils had been working with the County Council, Department for Works and Pensions, and Voluntary Action Leicestershire to develop an approach to localise delivery of the Social Fund by the implementation deadline of 1 April 2013. The report went on to outline the principles upon which the Fund would be provided, including districts being able to determine their own delivery model that best aligns to their existing arrangements for other relevant services. The current development of the scheme by Melton was appended to the report. Officers of this Council supported the localisation of the Social Fund and recommended this for approval subject to satisfactory settlement of the outstanding issues, particularly adequate funding. The local delivery of the Fund was seen as a key additional assistance to the Council's approach to support vulnerable people by providing integrated and holistic local services to them.

The recommendation in the report was moved by Councillor Wright and seconded by Councillor Posnett.

RESOLVED to approve the Locality Management of the Social Fund by Melton Borough Council from 1 April 2013, subject to agreement as to reimbursement of reasonable costs.

[The Chairman requested his abstention from voting on the above item be recorded.]

P.53 TRANSFORMATIONAL CHANGE PROGRAMME

In his report previously circulated to Members, the Strategic Director (KA) asked Members to give consideration to the approval of business cases and release funding for two of the projects within the scope of the Council's Transformation Programme, and reported on progress within the Programme as well as providing some clarity on deliverables and programme milestones.

Before going through the key points, the Strategic Director drew Members' attention to some amendments to the report before them:

- in paragraph 3.6 reference was made to the aim of making the new Council Tax Support service digital by default from April 2013. It was subsequently recognised that this was too ambitious a target and therefore had been

replaced with a revised target to have completed a review of all those on the new scheme in April/May next year. This would then provide the learning to take the project forward;

- in the table at page 5 the estimate total cost over 3 years for the Digital Channels (Website) Development was £75K not £105K;
- in paragraph 5.5 the reference to years 2012/13 should read 2013/14, and year 2013/14 should read 2014/15
- the second part of Appendix C concerning the business case for the Enterprise Document Management project had been circulated separately after the agenda despatch.

Members were advised that since the strategic business case for the transformation change programme was approved by the Committee in July, work on the original projects in scope had started with an additional project being added for the implementation of the Social Fund from April 2013. Project summaries outlining the key aims were appended to the report and were all inter-related; assistance from SOCITM had helped to identify the linkages within the programme, map the key milestones, and balance the resources across different aspects of the programme.

As well as the work on the prototype digital process, the initial phase of the programme would primarily focus on the introduction of the Northgate product suite of e-revenue, e-benefits, and e-service. A summary of key benefits from achieving this was appended to the report.

The Strategic Director emphasised the recognition that this ambitious programme needed to be underpinned by complex cultural changes. It was vital to ensure that these new processes actually worked for people as part of this channel shift. He drew Members' attention to appendix G which set out the draft service standard for a digital by default transactional service; this would need to be amended as the programme progressed but would represent the standard model.

The Strategic Director then outlined each of the recommendations in his report. A Member referred to the 'estimated' costs and expressed concern that these could be significantly greater than those contained in the report. The Strategic Director acknowledged that the figures were the best estimates at this moment but he was confident that they would not change significantly as the programme progressed. He referred to recommendation 2.5 which stated that a further report would be presented to the Committee at its next meeting on a payment by results approach.

The Chairman commended the report to Members stating this was the way forward for the Council to deliver better services and substantial reductions in overheads. No other authority had yet succeeded in delivering such an ambitious programme and to do so would require considerable commitment. In commending the vision for the programme as set out in appendix A, a Member asked what the timescale was for completion. The Strategic Director replied that it was expected that the bulk of the work would be completed by the end of year 3 but opportunities would be taken to review the steps along the way. The recommendations contained in the report were moved by Councillor Wright and seconded by Councillor Barnes, and following a vote, were carried.

RESOLVED

- (1) to note progress to date for the transformational change programme as a whole and approve two business cases attached at Appendix C to the report and update the Capital Programme accordingly;
- (2) to authorise the release of £20K from the approved capital budget for immediate work on the Digital Channels (Website) Project and £25K as a supplementary estimate for immediate work on the Enterprise Document Management Project, the supplementary estimate to be funded from the corporate priority reserve;
- (3) that the anticipated total cost of the programme, as shown in the table at para 5.4 of the report, be taken into account at the forthcoming budget away day and Full Council for the allocation and approval of funding of appropriate capital reserves;
- (4) that a further report be submitted for drawdown of funding in respect of the website Content Management System (CMS) once the Leicestershire County Council procurement process has concluded, which is expected to be in March 2013;
- (5) that officers be asked to explore the potential for developing a payment by results approach to support the ambitions within the programme and bring a further report back to Members;
- (6) that officers be asked to develop a localised version of the digital service standard for adoption in respect of Melton Borough Council services;
- (7) that Members receive and consider a further major progress report before proceeding with the next Phase of the Transformational Change Programme;
- (8) that any above the line risks are monitored and managed through the Corporate Risk Management arrangements.

The Chairman agreed to take the following item as a matter of urgency as the issue had been requested by Members after the despatch of the agenda.

P.54 IMPLEMENTATION OF THE LIVING WAGE

The Head of Communications submitted a report which outlined a proposal for Melton Borough Council to adopt the Living Wage for its employees which at current rates would result in the establishments of a minimum wage of £7.45 per hour with effect from 1 December 2012. The minimum rate currently paid by this Council was £6.30 per hour. Members were advised that since its establishment in 2000, the Living Wage had been adopted by a number of local authorities in addition to private sector firms. The Council was committed to tackling poverty and worklessness in Melton Mowbray and implementation of the Living Wage would

make an important contribution to achieving this goal. If the Council were to adopt the Living Wage 12 employees would benefit, the cost could be accommodated within existing budgets and incorporated into the 2013/14 budgets.

After a Member commented on the fact that majority of the employees who would be affected by this proposal at this Council were female, the recommendations were moved by Councillor Barnes and seconded by Councillor Wright and carried following a vote.

RESOLVED:

- (1) that the lowest paid employees in Melton Borough Council receive a minimum level of pay in line with the Living Wage as part of its commitment to tackle poverty and worklessness in Melton Mowbray backdated to 1 December 2012;
- (2) that the costs of implementing the Living Wage for Melton Borough Council employees be met as set out in section 5 of the report;
- (3) to refer the decision to the Head of Communications, in consultation with the Joint Staff Working Group, to consider the implications and necessary revisions to related HR policies and terms and conditions.

EXCLUSION OF THE PUBLIC

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

P55. **REVIEW OF IT SERVICES**

Members had before them a report prepared by the Head of Central Services the purpose of which was to make recommendations relating to the future provision of IT services and outline the ongoing and transitional financial implications of the proposed option.

After the Head of Central Services had responded to Members' questions, Councillor Wright moved the recommendations before the Committee and these were seconded by Councillor Posnett.

With the exception of the Chairman who abstained from voting having regard to his pecuniary interest declared at the start of the meeting, it was unanimously

RESOLVED to approve the recommendations contained in the report and associated delegations to the Chief Executive, Head of Central Services, and the Head of Communications with respect to their implementation.

The meeting which commenced at 6.30 p.m., closed at 7.55 p.m.

Chairman