



POLICY, FINANCE AND ADMINISTRATION COMMITTEE

PHOENIX HOUSE, MELTON MOWBRAY

29 JUNE 2010

PRESENT:-

Councillors M.C.R. Graham MBE (Chairman)
N.R.G. Angrave, R. Marks, M. O'Callaghan,
P.M. Posnett, J.T. Orson, J.B. Rhodes, D.R. Wright

As Observer
Councillor J. Wyatt

Chief Executive
Assistant Chief Executive (AT), Assistant Chief Executive (CW)
Head of Financial Services
Head of Social and Economic Development
Chief Accountant
Senior Democracy Officer

P5. APOLOGY FOR ABSENCE

An apology for absence was received from Councillor Jackson.

P6. MINUTES

- (a) The minutes of the meeting held on 21 April 2010 were confirmed and authorised to be signed by the Chairman.
- (b) It was noted that the minutes of the Special Meeting held on 11 June 2010 would be presented to the next meeting of the Committee.

P7. DECLARATIONS OF INTEREST

Councillors J.T. Orson, Posnett and Rhodes each declared a personal and non-prejudicial interest in any items relating to the Leicestershire County Council due to their roles as County Councillors.

P8. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other committees.

P9. UPDATE ON DECISIONS

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

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

P10. POTENTIALLY VIOLENT PEOPLE PROCEDURE

The Assistant Chief Executive (AT) submitted a report (copies of which had previously been circulated to Members) which presented the Potentially Violent People Incident Reporting Procedure.

RESOLVED that

- (1) the Potentially Violent People Incident Reporting Procedure be approved;
- (2) the Assistant Chief Executive (AT) be granted delegated authority to revise the procedure in line with current employment/health and safety legislation and best practice.

P11. WORKFORCE STRATEGY

The Assistant Chief Executive (AT) submitted a report (copies of which had previously been circulated to Members) which presented the Workforce Strategy.

RESOLVED that

- (1) the Workforce Strategy be approved;
- (2) the Assistant Chief Executive (AT) be granted delegated authority to revise the strategy in line with current employment legislation and best practice and to take forward with regard to the identification of key competencies in consultation with Management Team and the recognised trade unions.

P12. TASK GROUPS

Award of Merit Task Group

The Committee was requested to

- (a) reconstitute and appoint Members to the Award of Merit Task Group;
- (b) agree the following terms of reference in respect of the Award of Merit Scheme:-
 - To consider nominations and select up to 5 persons/organisations to receive an Award of Merit and a Young Citizen Award
 - To select from the nominations, the recipient of the 'Councillor Robert

Hyslop Most Outstanding Service to the Community Award'

- (c) agree the following terms of reference in respect of the Melton Borough Award :-
- To consider nominations and select up to 3 persons to receive a Melton Borough Award. This award being for those who do not meet the criteria of the Award of Merit but deserve recognition

Extraordinary Efficiency Task Group

The Committee was requested to

- (a) reconstitute and appoint Members to the Extraordinary Efficiency Task Group;
- (b) agree the following terms of reference :-
- To oversee the development of an Efficiency Programme within the Council to inform the successive budget creation and settlement
 - To recommend for approval to the Policy Finance and Administration Committee efficiency measures and proposals following consideration of a business case, this to include "Invest and Save" proposals.
 - The Council Business Development Sub-Committee receive updates as required dealing with efficiency measures which may impact upon or assist in the planning, development or provision of the New Build of the Council's offices.

RESOLVED that

- (1) the Award of Merit Task be reconstituted with no change to the Terms of Reference and Membership as follows :-

Mayor – Councillor Moore
Councillor Chapman
Councillor Cumbers
Councillor Freer
Councillor Holmes
Councillor Marks
Councillor Slater

- (2) the Extraordinary Efficiency Task Group be reconstituted with no change to the Terms of Reference and Membership as follows :-

Councillor Dungworth
Councillor Jackson
Councillor Marks
Councillor D.E. Orson
Councillor J.T. Orson
Councillor Sheldon
Councillor Wyatt

P13. ANNUAL REPORT

The Assistant Chief Executive (CW) submitted a joint report with the Corporate Director (copies of which had previously been circulated to Members) which invited the Committee to approve the Annual Report 2010.

Members requested some minor changes to the report and that the word 'Honours' on page 11 be changed to 'Achievements'.

RESOLVED that the Annual Report 2010 be approved subject to the minor changes requested by Members including that the word 'Honour's be replaced by the word 'Achievements' on page 11 and the Assistant Chief Executive (CW) be granted delegated authority to complete the report for publication on completion and availability of the Annual Statement of Accounts and performance benchmarking.

P14. SERVICE PLANS 2010/11

The Assistant Chief Executive (CW) submitted a report (copies of which had previously been circulated to Members) which provided Members with an opportunity to comment on and agree Service Plans for 2010/11.

There was a discussion relating to management of garage sites in the Social and Economic Development Service Plan and the intention of Members to dispose of Council garages. The Head of Social and Economic Development stated that the Service Plan would be amended once Members had agreed a new garage management strategy which was currently being developed. Members considered that when the Council had approved the new strategy, it would be courteous to give good notice of the Council's intention to dispose of garages even though only 1 week's notice was required.

RESOLVED that the Service Plans for 2010/11 be approved.

P15. REVENUE BUDGET 2009/10 – PROVISIONAL YEAR END POSITION

The Head of Financial Services submitted a report (copies of which had previously been circulated to Members) which provided information on

- (a) the provisional year end position subject to external audit approval for 2009/10;
- (b) the implications for the Council's balances and reserves.

There was a discussion on the amount of the working balance in 2010/11 due to reduced income including the discontinuation of the Housing and Planning Delivery Grant and other grants. The variations in budgets as identified during budget monitoring was discussed such as various benefits budgets which were considered to be a factor and the Head of Financial Services explained that this could fluctuate both ways due to under and overpayment issues and the rights of claimants to retain overpayments rather than these being recovered.

There was concern at the level of the corporate priorities reserve and that this

should be increased as soon as possible. It was noted that the only way to increase the balance was to reduce expenditure as Council Tax had been frozen by the Government.

The Chairman thanked the Head of Financial Services and her team for finalising the accounts on time.

RESOLVED that

- (1) the provisional year end position, variations to the 2009/10 approved budget and the resultant effect on the Council's balances and reserves as set out in the report be noted;
- (2) supplementary estimates be approved for those services which are overspent against the approved budget.

P16. ANNUAL REPORT ON THE TREASURY MANAGEMENT ACTIVITIES AND ACTUAL PRUDENTIAL INDICATORS 2009-10

The Head of Financial Services submitted a report (copies of which had previously been circulated to Members) which stated that

- (a) the Annual Treasury Report was a requirement of the Council's reporting procedures and provided a summary of the Treasury activities in 2009-10. The report also covered the actual position on the Prudential Indicators in accordance with the Prudential Code;
- (b) the report met the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council was required to comply with both codes through Regulations issued under the Local Government Act 2003.

RESOLVED that

- (1) the Treasury Management Annual Report 2009-10 be approved.
- (2) the actual position on Prudential Indicators for 2009-10 be noted.

P17. ITEMS FOR APPROVAL UNDER FINANCIAL PROCEDURE RULES

The Head of Financial Services submitted a report (copies of which had previously been circulated to Members) which submitted requests for approval of this Committee under Financial Procedure Rules and provided information on amounts approved under delegated powers and reported the impact of these on the Council's reserves and balances.

RESOLVED that

- (1) the virements approved under delegated powers be noted;
- (2) the budget reduction approved under delegated powers be noted;

- (3) the supplementary estimate request of £5k for the I-Procurement Project be approved and be funded from capital receipts;
- (4) the supplementary estimate request of £40k for Waterfield Leisure Pool revenue budget be approved and be funded from the Corporate Priorities Reserve;
- (5) the funding of the Waterfield Leisure Pools – Project Management/Consultation/Investigation Capital Project for 2010/11 be reduced by £40k and the resultant saving on the Corporate Priorities Reserve be used to fund the supplementary estimate. Delegated authority be also granted to the Head of Financial Services to switch the anticipated funding in the capital programme in order to release the saving.

P18. STATEMENT OF ACCOUNTS 2009-10

The Head of Financial Services submitted a report (copies of which had previously been circulated to Members) which submitted the Statement of Accounts for 2009-10 for approval which had been prepared in accordance with the Audit Commission Act 1998 and the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendments) Regulations 2004 and informed the Committee of the key issues within the accounts.

RESOLVED that

- (1) the Statement of Accounts for 2009-10 be approved and signed by the Chairman;
- (2) the Financial Services Section be thanked for providing the Statement of Accounts within the statutory deadline.

P19. REPORT OF THE EXTRAORDINARY EFFICIENCY TASK GROUP

The Chief Executive

- (a) submitted a report (copies of which had previously been circulated to Members) which provided an update from the Extraordinary Efficiency Task Group upon progress and activity since the last meeting of the Committee on 3 March 2010;
- (b) advised that task group's work had impacted on the awareness for pursuing efficiencies across the Council and representatives of the Task Group had attended the Budget Workshops for budget managers and contributed at these briefings;
- (c) reported that there had been an emphasis on training throughout the year via presentations on many Council topics for the task group as well as a Lean training event held on 21 June and a challenge workshop/critical friend training event was to be held next month. The way staff had approached budget management throughout the year had affected the budget outturn and the

ethos and direction of the efficiency work was beginning to spread out across the Council. She further advised that some projects should come to fruition by the end of the year.

The Chair of the Efficiency Task Group, Councillor J.T. Orson, stated that the group was looking for cashable savings. He reminded Members of the Effective Challenge Workshop to be held on 23 July 2010 and encouraged Members to attend.

RESOLVED that the report of the Efficiency Task Group upon activities and actions be noted.

P20. COUNCIL IMPROVEMENT PLAN : MONITORING UPDATE

The Chief Executive submitted a report (copies of which had previously been circulated to Members) which updated upon the Council's Improvement Plan and requested approval to a review of the Plan following the demise of CAA, the impact of any national budget changes, potential amendments to legislation and the deliberations of partners upon these impacts.

RESOLVED that

- (1) the report of performance against the Council's current Improvement Plan be noted;
- (2) a review of the main actions within the Improvement Plan be carried out in the light of the national budgetary and legislative changes which will have a sub-regional and locality impact.

The Chairman, in exercising his statutory powers, agreed that the following two items be considered as matters of urgency due to the issues being raised following despatch of the agenda.

P21. ILL HEALTH EARLY RETIREMENT

The Head of Financial Services submitted a report (copies of which had previously been circulated to Members) which provided an opportunity to consider taking insurance cover to protect against the cost of ill health early retirement.

Upon a proposal for a supplementary estimate of £40,695 effective from 1 August 2010 being put to the vote there were 7 in favour and none against therefore the motion was carried.

RESOLVED that

- (1) insurance cover for the remainder of the 2010/11 financial year be approved;
- (2) a supplementary estimate of £40,695 effective from 1 August 2010 be approved from the working balances.

P22. COUNCIL HOUSING FINANCE REVIEW – HRA REFORM PROSPECTUS

The Heads of Financial Services and Social and Economic Development submitted a joint report (copies of which had previously been circulated to Members) which informed the Committee of the issues arising from the Government's prospectus on the Council Housing Review. A similar report had been considered by the Community and Social Affairs Committee on the same date.

It was considered that as this scheme had been developed by the last government, it was more suited to city councils with costly debts than Councils such as Melton that managed its finances well. There was concern that the term of the scheme was 25 years and it would mean that there could be no stock transfer for a generation. The scheme would require long-term commitment and sound management of the housing budget.

The Head of Social and Economic Development explained that the response at this stage did not commit the Council and there would be further opportunity to decide whether to take up the offer in the autumn and by that time the Council would have more information on the condition of its stock.

It was noted that the coalition had agreed that the consultation continue and they would review their position in the autumn.

It was suggested that the Member of Parliament be contacted by the Chair of the Community and Social Affairs Committee and advised of the Council's discontent at the scheme that it allowed Councils with debt to have these written off and did not reward Councils such as Melton who were financially prudent.

Upon the recommendations being put to the vote, there were 3 in favour, 2 against and 1 abstention therefore the motion was carried.

RESOLVED that

- (1) the suggested response at Appendix B be approved as the final submission to the prospectus entitled 'Council Housing: a Real Future' as issued by Communities and Local Government in March 2010, as informed by the Community and Social Affairs Committee;
- (2) the depreciation charged to the HRA be earmarked specifically for the HRA with the use being determined as part of the annual Treasury Management strategy and HRA budget;
- (3) 100% of Right to Buy receipts be ring-fenced to the HRA to ensure the ongoing stability of the Business Plan
- (4) the Member of Parliament be contacted by the Chair of the Community and Social Affairs Committee and advised of the Council's discontent at the scheme that it allowed Councils with debt to have these written off and did not reward Councils such as Melton who were financially prudent.

(Councillors J.T. Orson and Rhodes requested that their vote against the decision of the preceding item be recorded.)

The meeting which commenced at 6.30 p.m., closed at 7.50 p.m.

Chairman