



POLICY, FINANCE AND ADMINISTRATION COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

01 DECEMBER 2015

PRESENT:-

Councillors J.B Rhodes (Chairman), P.M. Posnett (Vice Chair), R.De Burle,
M.Glancy, L. Higgins, E. Holmes, E. Hutchinson, D.R. Wright, J. Wyatt

Chief Executive, Head of Central Services, People and Place Manager,
Committee Support Officers (KW/JR)

P36. APOLOGIES FOR ABSENCE

There were no apologies received.

P37. MINUTES

The minutes of the meeting held on 30 September 2015 were confirmed and authorised to be signed by the Chairman.

P38. DECLARATIONS OF INTEREST

Councillors Rhodes and Posnett declared personal interests in any items related to the County Council due to their positions as County Councillors.

(The Chief Executive entered the meeting at this point.)

P39. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other committees.

P40. UPDATE ON DECISIONS

The Head of Central Services submitted an update on decisions from previous meetings of the Committee regarding P10. Recording Council Meetings – Way Forward.

RESOLVED that

- 1) The Update of Decisions document be updated to reflect progress.

P41. **DISCRETIONARY BUSINESS RATE GRANT SCHEME**

Prior to this meeting and after agenda dispatch it was decided that this report will not be presented but deferred to the next Policy, Finance and Administration Committee Meeting on 26 January 2016.

P42. **ITEMS FOR APPROVAL UNDER FINANCIAL PROCEDURE RULES**

The Head of Central Services presented a report to submit requests for approval under Financial Procedure Rules and to provide information on amounts approved under delegated powers and to report the impact of these on the Council's reserves and balances.

The Head of Central Services drew attention to the title of the "Tree Belt Maintenance" and explained that funding is from the capital budget so the title "Major Tree Belt Improvement" would be more appropriate and reflective of the nature of the works.

A Member was unhappy with the business case regarding the Thorpe Road Toilets as it was felt that the funding required for demolition was too high. In reply it was explained that the cost is high due to asbestos removal. The toilets were originally closed due to inappropriate use and have been closed for a number of years.

A Member questioned why in Appendix A there is a budget titled "HRA-Various" it was felt this was too generalised. It was agreed that this will be adjusted to "HRA-Various Budget Codes." It was explained that this is a complex budget and a more detailed document will be prepared to show the virements within the services.

The Rental Exchange Model was queried and the People and Place Manager explained the software would enable financial checks to be made on tenants, which would allow for early intervention to be made to deter arrears. A presentation giving detail of the Rental Exchange Model will be made to the CSA committee on 27 January 2016. A report will be brought to this committee at a later date.

It was queried as to why the Local Plans virement in Appendix A is a large sum. The Head of Central Services explained that this is the nature of the local plans budget and would endeavour to have more detail provided in future on this report, as appropriate.

All recommendations were moved by Councillor Posnett and Councillor Wright seconded.

All members were unanimously in favour.

RESOLVED that

- 1) The virements approved under delegated powers (para. 3.1.1 refers) be noted.

- 2) The supplementary estimates approved under delegated powers (para. 4.1.1 refers) be noted.
- 3) The budget reductions approved under delegated powers (para. 5.1 refers) be noted.
- 4) The business cases and associated funding outlined in para 6.1 and 6.2 be approved in respect of Thorpe Rd toilets, Major Tree Belt Improvement and the lighting on Burton Road bridge.
- 5) The use of £60,000 from the 2015-16 General Fund underspend to fund the procurement and legal costs of the new Waste contract as outlined in paragraph 7.1, be approved.
- 6) The use of £90,000 from the 2015-16 General Fund underspend to fund an annual £30,000 contribution towards the costs of the Supporting Leicestershire Families service for 3 years until March 2019 as outlined in paragraph 7.2, be approved.

P43. REVENUE BUDGET COMMITTEE ESTIMATES 2016- 17

The Head of Central Services submitted a report to inform members on the latest position of this committee's revenue budget estimates.

The Head of Central Services explained that the report sets out the latest position on this committee's service as it is moved through the budget setting process. This offers Members opportunity to input and comment on the committee's estimates at an early stage in the process. The report summarises the position and the appendices provide more detail for each service of the financial position at this stage in the process. The report is still draft and these are estimates as it is still early in the process and figures are still being scrutinised and refined. As set out in paragraph 3.5 the overall net position is an estimated £1.8m for 2015/16 which is more than the original budget for the current year although there have been some salary costs moved to this committees services from CSA. The key variances in the current and next financial year are set out in paragraphs 3.6 and 3.7, growth bids are being submitted for consideration for this committee's service, as set out in paragraph 3.8.

It was asked that information on the various income budgets be included in future reports. The table of key stages in the budget setting process is to be amended by removing the 3 February 2016 Full Council Meeting and adding in 26 January 2016 Policy, Finance and Administration Committee.

The Head of Central Services provided more detail to Members regarding Me and My Learning and explained that the first year was under European funding but as the building was in our ownership this funding would not cover the rent foregone. In 2015/16 the funding covered rent foregone but in 2016/2017 the funding will not cover rent foregone due to assumed grant arrangements.

The "Misc. Financing Items" was discussed and The Head of Central Services agreed that the term is not the best, however until the budget is realised then it is miscellaneous and is moved when the budget is realised.

A Member expressed concern over 7 King Street and felt that this historical building should be well maintained and advertised to the public. It was requested that the Head of Central Services will liaise with the Museum to promote 7 King Street.

The recommendations were moved by Councillor Glancy and Councillor Holmes seconded.

All members were unanimously in favour.

RESOLVED that

- 1) The latest position on this Committee's revenue budget estimates and comments be noted to take forward through the remainder of the budget setting process.

P44. REVENUE ESTIMATES 2016/17 AND MEDIUM TERM FINANCIAL STRATEGY

The Head of Central Services submitted a report to inform members of the latest position regarding the estimates for 2015/16 and 2016/17 and the Medium Term Financial Strategy (MTFS) following the Budget and Strategic Planning Working Group (BSPWG) meeting held on 11th November 2015, and to seek committee approval for the proposals made by the BSPWG regarding the budget for 2016/17.

The Head of Central Services explained that the estimated position for 2015/16, the current financial year is set out in section 3.2. The estimates indicate an underspend against in year approvals of £214k, the main variances are set out in paragraph 3.2.3 where these are on-going they will have been built into next year's estimates, others are non-recurring in nature. In year monitoring is showing a similar position and from the items for approval report Members can see that in light of future financial difficulties, proposals that seek to bring forward items of expenditure from future years or to set aside provision to meet future costs are being brought forward for Members approval to reduce the burden in later years. The special expenses budget is expected to be slightly overspent due to the democratic costs of the new Town Area Committee.

With regard to 2016/17 the latest position is lower than the £77k estimated surplus shown in the report with a number of figures still to be refined and finalised as set out in paragraphs 3.3.3 and 3.3.8. This healthy position at this point in the process is a result of the decision previously taken by this Council to make efficiencies and savings where possible in light of the on-going future cuts. These estimates will continue to be adjusted until the Away Day in January and then the Full Council meeting in February 2016, when the budget is formally set. Growth and savings proposals are set out in appendices A-C which if approved would adjust these bottom line estimates.

The spending review was announced on 25 November 2015 and consultation on New Homes Bonus is an incentive to be "sharpened" and reduce from 6 years to 4 years but total figures shown as available for distribution are two thirds lower so it is not clear. Formula fund is very unclear and the council's reduction could be up to £100K extra from 2017/18 than that already estimated. The Apprentice Levy for 2017/18 is circa £15k to Melton Borough Council per annum. Business rates retention is to be consulted on with the 100% to be retained locally confirmed. The statement was silent on the Council tax referendum limit so assumed at 2%.

The finance settlement is still awaited which provides the information to calculate the level of retained business rates and provides the RSG figures. This is anticipated in late December with final figures in the New Year. The settlement also enables the position on the business rates pool to be estimated and the pool has 28 days from the draft settlement to determine whether to continue or not.

The MTFs is being developed as part of the budget and the latest position in terms of future years and the surplus and deficit are set out in the table in paragraph 3.3.10. What this shows is that pressure continues on the revenue budget over the next four years. The grant settlement and future of the New Homes Bonus are a significant aspect of these projections as well as the new waste contract and loss of credits for dry recycling. The sensitivity analysis resulting in the optimistic and prudent scenarios is an indicator of the level of risk associated with some of the assumptions which could vary considerably. Until further information is known on the impact of the proposed 100% retention of business rates by local authorities this cannot be built into the estimates, however it is clear that whatever the source of funding the amount received will reduce.

The council tax support scheme is recommended to remain unchanged for 2016/17 but that various element of eligibility be adjusted in line with inflation. Discussions are now taking place across the county in terms of reviewing the scheme fully for 2017/18 and Members will be updated as appropriate as this develops.

The Chair expressed that the paper was interesting and that Members have some difficult decisions ahead. The New Homes Bonus change will be substantial and two thirds will be given to support Adult Social Care so this decision will not bode well for district councils. With the business rates being divided up the Chair stated that he is nervous of the long term prospects of budgets but is comfortable for a one year settlement. It was asked that paragraph 2.4 is reasonable for pool and business rates to continue. The Head of Central Services explained that the estimates are more robust now and the figures were positive for 2015/16.

The Chair also stated that this Council has a minimum limit of 12% which must be paid in Council Tax, which is low, compared to other councils and would like this reviewing.

A Member requested that any increases to Council Tax and other charges are explained very carefully to residents.

Following a question from one of the members the Head of Central Services explained that there is currently a safety net with regard to business rates but as the council was part of a pool this would not be paid by the government but by the pool.

It was asked how the Council will look after young people with the funding from the Children's Centres being withdrawn by Leicestershire County Council. The People and Place Manager explained that the Council was working hard to keep facilities open by looking at alternative ways of providing services. The Melton Vineyard are moving into the Cove and providing reception duties as part of the agreement. The Venue are established in Phoenix House and there are currently consultations taking place to see how partners and the voluntary sector can work with the Council to provide services to the community.

The recommendations were moved by Councillor Rhodes and Councillor Higgins seconded.

All members were unanimously in favour.

RESOLVED that

- 1) The estimated year end position for 2015/16 as set out in section 3.2 be noted.
- 2) The position with regard to the 2016/17 estimates and the forward projections for 2017/18 to 2019/20 at this stage in the process and the issues yet to be resolved as set out in section 3.3 be noted
- 3) As part of the budget setting process The Council Tax Support Scheme approved for 2015/16 (Year 3) remain unaltered for 2016/17 (Year 4) and applicable amounts (e.g. Single Person Allowance) to be adjusted for inflation in line with the Government's Adjudication and Operations Circular be approved.
- 4) Delegated authority is given to the Head of Central Services in consultation with the Chief Executive, the Chair and Councillors Holmes being the political groups' nominated consultees for the Policy Finance and Administration Committee, to withdraw from the Leicestershire Pool for Business Rates should the modelling demonstrate there is no longer a financial benefit to the Council and update the legal agreement with any required changes that arise.

P45. CAPITAL PROGRAMME MONITORING APR – OCT 2015

The Head of Central Services submitted a report to update the Committee on the progress of schemes within the Capital Programme to 31 October 2015.

All members were unanimously in favour.

RESOLVED that

- 1) The progress made on each capital scheme be noted.

P46. CAPITAL PROGRAMME 2015 – 2020

The Head of Central Services submitted a report to determine the Committee's Capital Programme for 2015-20 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 explained that this report sets out the capital programme for this Committee's services for the next five financial years. This process is the start of the determination as part of the budget setting process of the capital programme for the next financial year.

The changes proposed to the current programme and reflected in appendix A are set out in appendix B. This shows the postponement of the works to the footbridge on Asfordby Road and the inclusion of three new mandates, all of which are appended to the report.

If approved these will go through to Full Council for consideration for funding along with the other policy committee programmes. This is a modest programme which reflects the availability of funding and the council's focus on a large projects that are already funded. Members of the Committee should note that at this stage no projects have been put forward in respect of the transformation programme and these may be submitted after the budget is set. This is to enable the next phase to be adequately scoped and prioritised before any proposals are brought to members.

A Councillor suggested that he thought £50k was a bit low but all other Members agreed that this figure is reasonable based on the fact that a feasibility study would be undertaken first before the business case is drafted.

The recommendations were moved by Councillor Wright and Councillor Posnett seconded.

All members were unanimously in favour.

RESOLVED that

- 1) The revised Capital Programme for 2015-20 attached as Appendix A be approved.
- 2) The Project Mandates as summarised in Appendix B be approved for inclusion in the Capital Programme.
- 3) The schemes being submitted in 2015-20 for funding were approved for consideration as part of the budget setting process.

P47. CORPORATE ISSUES

The Chief Executive submitted a report to brief members on matters of corporate interest which have occurred since the last meeting of this Committee.

The Chief Executive updated Members on the awards and accreditations that Melton Borough Council has received. The Customer Service Excellence accreditation was awarded and a few areas had some recommendations made which will give the Council opportunity to improve. There are four areas where the council was compliant plus which the inspector said was "unusual" in the first inspection.

The Chief Executive also explained that the council won the Strategic Asset Management and Collaborative Working Award from the Association of Chief Estates Surveyors and Property Managers (ACES).

It is sad news about the unsuccessful funding bid for Me and My Learning and delays to this report were due to an embargo. The Council is now looking at plans B and C as part of the budget setting process to ensure that the excellent work of Me and My Learning continues.

It was asked if Me and My Learning with businesses could go through a recruitment agency. It was explained that this is one of the options and also to work with employers to support the proposals, as they gain from successful recruitment.

Melton Borough Council will facilitate delivery of up-skilling workforces for employers. Melton Borough Council is ahead of other Councils in this area of service and outreach. Melton Borough Council is providing presentations, at a charge, to support other Councils to embrace the Me and My learning ethos of supporting local people in a very practical way.

All members were unanimously in favour.

RESOLVED that

- 1) The Action Plan for Customer Services Excellence be presented to the Community and Social Affairs Committee at its next meeting on 27 January 2016.
- 2) This Committee receive reports as appropriate concerning recommendations from the Investors in People Action Plan.

The Chairman, in exercising his statutory powers, agreed that the following item be considered as a matter of urgency due to the issue being raised following despatch of the agenda.

P48. **URGENT BUSINESS**

The Head of Communities and Neighbourhoods submitted a report to update members of the proposed changes to the Post Office Services in Frisby on the Wreake and seek members view on whether the Council should make any representation to the Post Office on the proposals.

The Chair accepted comments for the Post office in general and not just comments about the Frisby on the Wreake Post Office.

The Ward Councillor for Frisby on the Wreake explained the report and clarified the huge impact of the sorting office closing on the local community and the shop in Frisby on the Wreake. It was explained that particularly the elderly and vulnerable would be affected as this would mean that they would have to travel to Melton to collect parcels. Some of these people do not own cars, so would have to rely on a reduced bus service or pay a charge to get the parcel redirected back to the Frisby Post Office.

The impact on the shop would be great; there is one shop in Frisby on the Wreake and surrounding villages and if the sorting office service is withdrawn then the owners of the shop will have a tight income against the cost associated with running a shop. A petition of 350 signatures has been released and residents feel strongly to support the owners of the shop.

It was suggested that the Rural Services Network be contacted for advice and that the Post Office is registered as a community asset, by community leaders.

The Chief Executive explained that the power of the Council were not specific in this area, however, it was agreed by Members that a letter should be written to support the Sub Postmaster against the closure of the sorting office. It was also suggested that the growth of the area be put in the letter to strengthen the case.

All members were unanimously in favour.

RESOLVED that

- 1) The proposed changes to the Post Office Service in Frisby be noted.
- 2) Officers be instructed to send a letter to Royal Mail in support of the services provided, at present, by the Frisby on the Wreake Post Office.

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

Chairman