



POLICY, FINANCE AND ADMINISTRATION COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

28 SEPTEMBER 2016

Present:-

Councillors P.M. Posnett (Chair), L. Higgins (Vice Chair), R. de Burle, M. Glancy, T. Greenow, E. Hutchinson, J.T Orson, J.B. Rhodes, J. Wyatt, E. Holmes

As Observer:-

Councillor M. Graham

Chief Executive, Head of Central Services, Head of Regulatory Services,
Strategic Director (KA), Manager of HR and Communications,
Committee Support Officer (KW)

P23. APOLOGIES FOR ABSENCE

There were no apologies for absence.

P24. MINUTES

The minutes of the meeting held on the 12 July 2016 were confirmed and authorised to be signed by the Chair.

The minutes of the meeting held on 7 September 2016 were to be amended to reflect that Councillor Holmes gave her apologies.

P25. DECLARATIONS OF INTEREST

Councillors Rhodes, Posnett and Orson declared personal interests in any items relating to Leicestershire County Council due to their positions as County Councillors.

P26. RECOMMENDATIONS FROM OTHER COMMITTEES

Town Area Committee- 22 September 2016- Item 8- Renewal of Melton BID (Business Improvement District) 2016- Subject to Approval

The Melton Mowbray Business Improvement District Business Plan document was circulated at the meeting.

It was clarified to a Member that the Council gets one vote for every property it owns in the BID area.

A Councillor stated that a shop on Sherrard Street was disappointed with the help that was received from the BID and the way that they were dealt with by the Council's Officers. It was pointed out that was some confusion about participation in the vote and the implications, which it is considered have been understood. All recommendations were moved by Councillor Rhodes and Councillor Holmes seconded.

All Members were unanimously in favour.

RESOLVED that the Committee approve the Council support the BID's renewal in October 2016

P27. RESOURCING IN REGULATORY SERVICES

A new version of the report was circulated at the meeting due to late information on structure proposals and cost.

The Head of Regulatory Services submitted a report to seek funding for arrangements to be put in place to support the Local Plan towards submission stage and to agree the amendments to staffing establishment elsewhere within Regulatory Services.

The Head of Regulatory Services presented the report and explained that it is proposed that funding from other areas of Regulatory Services would be moved to fund a specialist digital engagement post that would assist the team to produce a new website and manage social media communication around the local plan. This will operate as a pilot in the hope that a person with digital and media skills are recruited and the service knowledge and technical skills can be developed. If the pilot works then this could be rolled out across the Council. It was highlighted that the Digital Engagement Officer has done a great job in developing a communications approach to the local plan.

A Member had questioned the timescales of the Local Plan as it was understood that the consultants were falling behind. The Head of Regulatory Services confirmed that the deadline had been pushed back by one week.

The Head of Regulatory Services further explained that it is proposed that the Applications and Advice Manger be replaced with a Lead Planning Officer which would require funding of £10,000 to create the full time post. This is required to ease pressures on the planning team which has seen an increase in workload. Savings will be found from reducing the Business Advisors post within Licensing and this has been trialled since June. It was confirmed that this post will be split between two applicants.

It was stated that the planning department are exceptionally busy and the pressures on the department are high, the Chair asked Members not to contact Officers with small queries.

All recommendations were moved by Councillor Glancy and Councillor Wyatt seconded. Councillors Holmes and Orson refrained from voting on

recommendation 1, but all Members who voted were unanimously in favour. All Members were unanimously in favour of recommendations 2, 3 and 4.

RESOLVED that:

- 1) The expenditure of £43,500 to support the Local Plan described at paras 3.2 and 3.3-3.5 below be agreed and funded as a virement from surplus fee income accrued within the Development Control budget (340).
- 2) The permanent staffing establishment be amended to delete the post 0.6 FTE of 'Applications and Advice Manager' and replace with a new, full time, post of 'Lead Planning Officer'.
- 3) The staffing establishment be amended by reducing the posts of Business Advisors (Licensing) from 1.5 FTE to 1.0 FTE.
- 4) The efficiencies derived from (3) above be used to support the proposal at (2) above, and the residual sum (approx. £4, 000 p.a.) secured as an efficiency saving.

(The Chief Executive, Strategic Director (KA), Head of Central Services and Head of Regulatory Services here left the meeting.)

P28. LONG SERVICE AWARD

The Head of Communications submitted a report to seek approval for the revised Long Service Award Scheme for MBC employees.

The Manager of HR and Communications described that the current policy gives staff a "golden handshake" when they are either made redundant or they retire. This policy was discussed at the Joint Staff Working Group and the proposals in this report were developed as a result of the feedback. It was explained that a reward whilst in service would be an incentive and would boost staff morale.

A Member asked if this policy is adopted then would a "golden handshake" also be adopted in the future. The Manager of HR and Communications explained that the feedback received is that it is better to receive a reward whilst in post than when leaving.

A Member proposed that the Mayor should present the staff with something when they leave the Council however it was felt that the cost on the Mayors budget would be too great and so other Members disagreed.

It was explained that the reason for the voucher is that it is non taxable, if a cash reward was given then it would go through payroll and therefore be subject to tax.

All recommendations were moved by Councillor Orson and Councillor Higgins seconded.

All Members were unanimously in favour.

RESOLVED that:

- 1) The revised scheme (Appendix A) be approved and implemented with effect from 1 January 2017.
- 2) The long service entitlement outlined in the revised policy be backdated and vouchers issued to employees in January from existing service salary budgets.

(The Manager of HR and Communications here left the meeting. The Chief Executive, Strategic Director (KA) and Head of Central Services here re-entered the meeting.)

P29. **CORPORATE CHARGING POLICY REVIEW**

The Head of Central Services submitted a report to request approval of the updated Corporate Charging Policy in order to ensure it is up to date and continues to meet the business needs of the Council taking into account best practice and alignment with the corporate priorities.

The Head of Central Services presented the report and explained that the policy was due for review but has also been updated following an internal audit review. With funding cuts the Council is facing the importance of fees and charges and the Council's financial sustainability becomes increasingly important. The policy provides important guidance and direction when considering the level of fees and charges and associated concessions.

It was explained that the other Committees have started to receive reports on the proposed changes for the next financial year and whilst this policy has not been formally approved, the recommendations made by internal audit have been followed in providing the guidance to budget holders when considering the charges for next year.

The Chair expressed to how good the policy was and advised Members to read it.

All recommendations were moved by Councillor Wyatt and Councillor Higgins seconded.

All Members were unanimously in favour.

RESOLVED that the revised Corporate Charging Policy as attached in Appendix A, be approved.

P30. **REVIEW OF CHARGES 2017/18**

The Head of Central Services submitted a report which provides information on the review of charges for the year 2017/18.

The Head of Central Services explained that the report represents the first stage in the budget setting process for the coming financial year and that the financial implications of the fees and charges review will feed into the budget setting process. It was said that in line with the constitution only those charges where the recommended change is not in line with inflation need to be submitted for Member approval which for this Committee is all of its charges.

A Member questioned why the second column on the left on Appendix A states “to recover costs”. The Head of Central Services explained that the service is not there to make a profit or to subsidise it and the room hire will be looked into further as resources had not allowed a fuller examination this year.

All recommendations were moved by Councillor Rhodes and Councillor Wyatt seconded.

All Members were unanimously in favour.

RESOLVED that:

- 1) The level of charges for 2017-18 for each of the services set out in the attached table (Appendix A) to operate from 1st April 2017 be approved.
- 2) The new charges, as referred to in paragraph 3.6, are to operate from 1st October 2016

P31. BUDGET FRAMEWORK 2017/18

The Head of Central Services submitted a report giving Members the opportunity to consider a number of key items which will feed into the Council’s Medium-Term Financial Strategy (MTFS) and the 2017/18 budget and service planning preparation process.

The Head of Central services explained that the report sets out some key issues that will be incorporated into the MTFS and the budget setting process has now commenced.

It was stated that the government issued a four year settlement last year with the requirement that Council’s submit an efficiency statement if they wish to take up this offer. The Council’s statement is contained in a later report to this committee. The four year settlement is set out in para 3.2 and is a significant reduction in funding over that previously received and along with other funding reductions and spending pressures results in a funding gap of £900k based on the MTFS approved in February this year. As we move through the budget setting process the MTFS will be revised and presented for approval in February next year.

It was explained that there is still much uncertainty surrounding Local Government finance with a major consultation just closed relating to 100% retention of business rates by the Local Government sector as well as no information on the New Homes Bonus. The Autumn Statement is due on 23 November which may clarify some areas of uncertainty. A technical consultation is also out as detailed in paragraph 3.6 of the report and there are proposals to again limit council tax increases to the higher of 2% or £5. This Council raised council tax by £5 last year and included this in its forward projections in the MTFS.

The Head of Central Services stated that based on previous experience and inflation forecasts it is proposed that no inflation be provided for non-pay costs even by way of a contingency but that 1% be included in the estimates for pay and pay related costs and 2% for fees and charges. It was said that the other key issue considered as part of the report is the review of the working balances. The risk model attached at appendix B has been updated and confirms that the current

level of £640k for the General Fund working balance is reasonable. No changes are proposed for the special expenses and HRA working balances.

The key dates for the budget setting process are set out in paragraph 3.23.

A Member explained that there is feeling that the austerity programme will be extended and this will need to be taken into account for budget setting. It was felt that there will be no information on the New Homes Bonus until the Autumn Statement.

A Member questioned the housing sales and the Head of Central Services replied that housing sales are up but this is budgeted in the HRA and that there is a complicated formula around the sales with the government taking a share.

Inflation costs of the pound following Brexit was questioned and the Head of Central Services stated that she was not aware of any of the Council's contractors using Euros or Dollars, some suppliers inflation is linked to CPI and RPI the waste contract to the Baxters index..

All recommendations were moved by Councillor Wyatt and Councillor Holmes seconded.

All Members were unanimously in favour.

RESOLVED that:

- 1) The proposed corporate planning and budget framework timetable for 2016/17, in respect of the 2017/18 financial year, set out at Appendix A, be approved.
- 2) No inflation be provided for in the 2017/18 budget at service budget level, other than fees and charges which has been provided for at the rate of 2%, unless adjusted for known prices by budget holders and 1% for pay as reported to Members as part of the budget setting process for 2017/18, be approved
- 3) Council retains its objective of setting a balanced budget for 2017/18.
- 4) The level of working balance be set for General Expenses taking into account the revised calculations set out in Appendix B and the use of any surplus over that amount be approved.
- 5) The existing target levels of working balance be retained for special expenses (Melton Mowbray) at £50,000 and the Housing Reserve Account (HRA) at £750,000, be approved.
- 6) The Programme Board continue to determine the relative priority of schemes for members to consider and allocate funding based on the information set out in the project mandates.
- 7) The key dates for the budget process be noted.

P32. BUDGET MONITORING APRIL- JUNE 2016

The Head of Central Services submitted a report which provides information on actual expenditure and income incurred on this Committee's services compared to the latest approved budget for the period 1st April 2016 to 30th June 2016.

The Head of Central Services explained that the report sets out the financial position for all of the Council's services as well as the committee's own services to end of June 2016 including a forecast to the year end.

It was highlighted that the budgets which are high risk are also subject to more scrutiny on a monthly basis and the position on these budgets to the end of July can be seen in Appendix B. The overall predicted position at the year-end based on the end of June 2016 is an overall spend of £107k, however the supplementary estimates approved for resources in Regulatory Services will service to reduce this. The key variances for this committee's services are set out in paragraph 3.8. Budget setting for 2017/18 is commencing and this includes an estimated year end position for the current year the first drafts will be reported to the next set of committee meetings.

A Member questioned how long the Proceeds of Crime Act cases have been on-going. The answer was unknown but the Head of Central Services will find out and send the required information to the Member following this meeting.

A Member asked about the car park income and explained that members of the public are not aware that their weekly tickets can be used in other long stay car parks and it was asked if advertisement could be improved.

A Member explained that they had issues with a pay and display machine recently and the Officers are dealing with the complaint and looking at reconfiguring the machine in question. Options for the car park machines are being explored such as paying by card and a report will be taken to Rural, Economic and Environmental Affairs Committee early next year, this will also contain the options for a flat rate charge.

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

All Members were unanimously in favour.

RESOLVED that:

- 1) the financial position on each of this Committee's services to 30th June 2016 be noted, along with the year end forecast.
- 2) £81,373.63 due to be received as a result of the successful prosecution of benefit fraud be transferred into the Spending Pressure reserve (para 3.9 refers) be approved.

P33. ITEMS FOR APPROVAL UNDER FINANCIAL PROCEDURE RULES

The Head of Central Services submitted a report to provide requests for approval of this Committee 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.

All recommendations were moved by Councillor Rhodes and Councillor Hutchinson 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 business cases discussed in para 5.1 and a supplementary estimate of £15,000 from capital receipts to fund the CCTV upgrade be approved.

P34. CAPITAL PROGRAMME MONITORING APRIL-AUGUST 2016

The Head of Central Services submitted a report which provides Members with information regarding the Capital Programme Monitoring.

The Head of Central Services explained that the forecast is where it should be and highlighted the slight underspend on the caretakers van.

It was explained to a Member that the CRM upgrade is required to keep the existing system functioning.

All recommendations were moved by Councillor Rhodes and Councillor Holmes seconded.

All Members were unanimously in favour.

RESOLVED that:

- 1) The progress made on each capital scheme be noted.
- 2) The Project Mandate and Business Case for the CRM project as outlined in paragraph 5.3, and a supplementary estimate of £12k from capital receipts to fund the project, be approved for inclusion in the 2016/17 capital programme.

P35. EFFICIENCY PLAN

The Chief Executive submitted a report to seek Members approval of the Council's efficiency plan which will then be submitted to DCLG.

The Chief Executive highlighted the policy direction for completion of the plan around six business areas, Business Efficiency, Effectiveness, Economy, Business change, Business Expansion and Business Contraction. Contributions to the plan have been shown by the report submitted to this committee by Regulatory Services, through the MTFS and efficiency statements. These are the best estimates and could add £1.1million, so a little more than the £900k savings required. There is also a business expansion proposal which will be seen in the

last agenda item.

A Member stated that the waste contract may also deliver significant savings. The Chief Executive stated that an allowance for this had been made in the Medium Term Financial Strategy but acknowledged that dependant on the members appetite and views this could be more.

Members felt reassured that plans for each business area have the oversight of the Strategic Directors and the Chief Executive.

It was stated by the Chief Executive that the public should be aware of the Council's need to achieve savings of £900K and Members are good at finding income streams such as the Lottery, however some of the savings do depend on partners and the message to staff is that business contraction is lowermost of the action plan.

It was confirmed that the £5 rise in council tax was already accounted for in the £900k savings.

All recommendations were moved by Councillor Orson and Councillor Wyatt seconded.

All Members were unanimously in favour.

RESOLVED that the council's Efficiency Plan and Medium Term Financial Plan attached as appendices A and B be approved for submission to the government to indicate the Council's acceptance of the four year finance settlement.

P36. CORPORATE ISSUES

The Chief Executive submitted a report to bring Members up to date with Corporate activities and issues which have occurred in the intervening period since the last report.

The Chief Executive highlighted that it is expected that the Order for the Combined Authority will be issued on Friday and therefore the Delegated Authority will be required to be exercised.

A Member enquired about a conflict of interest or bias within the Combined Authority discussion and it was explained That advice would be sought.

RESOLVED that the content of the report be noted.

P37. URGENT ITEMS

There was no urgent business.

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.

P38. COMMERCIALISM

The Strategic Director (KA) submitted a report to authorise work on a prototype new service with a view to developing the Council's approach to commercialism and generating sustainable income to assist with the considerable financial challenges faced by the Council over the next few years.

RESOLVED that the recommendation within the report, be approved.

The meeting which commenced at 7.00 p.m., closed at 8:40 p.m.

Chairman