



POLICY, FINANCE AND ADMINISTRATION COMMITTEE

PARKSIDE, STATION APPROACH, BURTON STREET, MELTON MOWBRAY

30 NOVEMBER 2016

Present:-

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

Chief Executive, Strategic Director (CAM), Strategic Director (KA)
Head of Central Services, Head of Communities and Neighbourhoods,
Revenue Business Partner, Business Partner,
Welfare Housing and Revenue Manager, Committee Support Officer (KW)

P39. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Hutchison. Councillor Greenow was not present.

P40. MINUTES

The minutes of the meeting held on the 28 September 2016 were confirmed and authorised to be signed by the Chair.

P41. DECLARATIONS OF INTEREST

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

Councillor Rhodes further declared a personal and pecuniary interest in agenda item 6, Review of Local Council Tax Scheme 2017-18, and indicated he would leave the room whilst this item was being considered.

P42. RECOMMENDATIONS FROM OTHER COMMITTEES

There were no recommendations from other committees.

P43. STAFF CAR PARKING

The Head of Communications submitted a report to seek approval for the revised staff car parking scheme.

The Head of Communications presented the report and explained that the policy has been revised to include the Sidings car park and to bring the cost broadly in line with the charge of the public car parks, however the charges have been rounded down and it was recognised that staff should not pay more than an annual ticket holder for the public car parks. This policy has been discussed at Management Team meetings and it was recommended that staff attending evening meetings may park on Parkside on that day with no restriction on time and that the time limit on the half day tickets is revised to increase from four and a half hours to five hours.

A Member questioned why someone who did not own a car would not be issued a permit. It was stated that if two permits are on display then it would indicate that it is a car share and no charge will apply to parking. To issue a permit to someone without a car would mean that one person could park for free.

It was clarified that the old policy did not reflect the banding rates and was subject to be reviewed by this Committee on a regular basis. The new policy incorporates the discount scheme and will not require regular Committee approval.

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

All Members were unanimously in favour.

RESOLVED that the revised scheme (Appendix A) be approved and implemented with effect from 1 January 2017.

(Councillor Rhodes here left the meeting).

P44. REVIEW OF LOCAL COUNCIL TAX SCHEME 2017-18

The Head of Central Services submitted a report asking Members to consider making changes to the current Local Council Tax Support Scheme and for those changes to begin in April 2017.

The Revenue Business Partner explained the background behind the Local Council Tax Support (CTS) Scheme which replaced the Council Tax Benefit Scheme. It was highlighted that this scheme is aimed at people of working age and not people of pension age. The maximum CTS available was 91.5% but in April 2014 this was reduced to 88% and it has been at this level since that date.

Due to the economic situation affecting local authorities savings need to be looked at. It is proposed that throughout these changes Melton Borough Council works with vulnerable people and builds on the work that Me and My Learning and Customer Services have done. It has been recognised that where people have engaged with the Council then they have been helped and supported to tackle the barriers that they may face, so a change considered to the CTS scheme is the introduction of the Personal Support Package and this must be agreed with the claimant for them to receive CTS. However it was stated that it is not at the forefront to remove people from CTS but to offer support to help individuals.

Further changes have also been considered firstly to reduce the maximum CTS that is payable to CTS claimants from 88%. Secondly to limit the CTS awarded to

B and D level. Thirdly, to introduce a new £6,000 Capital Limit so if a claimant has more than £6,001 in savings then they would not be entitled to CTS and also to align the CTS rules with changes to Housing Benefit regulations.

It was explained that because of the major changes an external company has been employed to model the impact of these changes. The Revenue and Benefit Partner emphasised the details in paragraph 3.11. It was highlighted that there will be some implications on some service areas from a decrease in the maximum CTS limit as there would be an expected increase of Council Tax arrears and an increase in contact from customers. However, this situation could be mitigated by offering the discretionary fund to support people in financial hardship.

A consultation has also been run by Leicester City Council for the Borough Council on a countywide basis. Melton Borough Council received the second highest proportionate response rate across the Councils. The results of the consultation are shown at paragraph 11. Legal advice has been sought and the Legal Team are seeking external advice to ensure the legality of the wording for any proposed changes. The results from other districts have not yet been officially released however Leicester City Council who are currently at 80% have decided there would be no change to their scheme.

The Chair thanked the Revenue Business Partner for submitting a good report, other Members were also pleased with the “excellent” report.

A Member stated that he supports recommendation 6 and suggested that the level of the maximum limit of Council Tax Support should be set at 85% as this would make savings for the Council and have approximately a 5% decrease for individuals CTS award and would be in line with the majority of other districts in the county. There was concern raised that if this was set at a different level then it could push debtors up which would lead to a customer contact increase which would have cost and resource implications.

It was asked if there was a model around the costs of defaulting on payments. The Revenue Business Partner explained that there has not been a model for this. There is an admin grant of £18,000 available from the preceptors to support the additional costs but it was highlighted that there are other benefit reforms taking place which may affect people and not just CTS.

It was questioned if there was scope to revisit this in the future and the Revenue Business Partner explained that this is subject to an annual review.

Councillor Glancy proposed that the level of the maximum limit of Council Tax support should be set at 85%. Councillor Higgins Seconded the proposal.

All other recommendations were moved by Councillor Glancy and Councillor Higgins seconded.

All Members were unanimously in favour.

RESOLVED that:

1) Members approve that the level of the maximum limit of Council Tax Support be set at 85%.

- 2) The Local Council Tax Support scheme be amended to align Council Tax Support to Housing Benefit changes now and for future changes.
- 3) The Local Council Tax Support scheme be amended to introduce a 'Personal Support Package' scheme which requires Council Tax recipients to work with the Council to meet the conditions of the scheme to continue to receive Council Tax Support.
- 4) The Local Council Tax Support Scheme be amended to enable Council Tax Support to be limited or withdrawn altogether if a claimant fails to work with the Council and/or does not meet the requirements of their Personal Support Package.
- 5) The Local Council Tax Support scheme is not amended at this time to make changes restricting payments of Council Tax Support to B and D levels.
- 6) The Local Council Tax Support scheme is not amended at this time to make changes to the maximum capital limit of £16,000.
- 7) Delegated authority be given to the Head of Central Services to adjust the Local Council Tax Support scheme annually with regard to uprating personal allowances and premiums and changes to the Universal Credit Scheme affecting the Local Council Tax Support Scheme as announced by Central Government and that the Council's scheme of delegation be updated accordingly.

(Councillor Rhodes here re-entered the meeting.)

P45. REVENUE BUDGET COMMITTEE ESTIMATES 2017-18

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 presented the report and explained that it sets out the latest position on this Committee's services as we move through the budget setting process. This report offers an opportunity for Members 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. It was stressed that the estimates are still draft as it is still early in the process and figures are still being scrutinised and refined. Paragraph 3.4 was highlighted and it was explained that the overall net position is an estimated £1.7m for 2017/18. The tables in sections 3.5 and 3.6 compare the estimated year end position with the approved budget for the current year and then the estimated year end position against the original budget for 2017/18.

All recommendations were moved by Councillor de Burle and Councillor Higgins seconded.

All Members were unanimously in favour.

RESOLVED that the latest position on this committee's revenue budget estimates be noted and comments made to be taken forward through the remainder of the budget setting process.

P46. REVENUE ESTIMATES 2017/18 AND MEDIUM TERM FINANCIAL STRATEGY

The Head of Central Services submitted a report to provide Members with the latest position regarding the estimates for 2016/17 and 2017/18 and the Medium Term Financial Strategy (MTFS) following the Budget and Strategic Planning Working Group (BSPWG) meeting held on 9 November 2016.

The Head of Central Services presented the report and explained that the report sets out the latest position on the estimates for the Council as a whole for general and special expenses. The estimated year end position for the current financial year is set out in section 3.2.1. The estimates indicate a small overspend against in year approvals of £30k, the main variances are set out in paragraph 3.2.3, where these are on-going they will have been built into next years estimates, others are non recurring in nature. In year monitoring is showing an almost breakeven position. For Special Expenses Melton Mowbray an underspend of £11k is forecast.

It was explained that with regard to the 2017/18 financial year, the latest position is currently a deficit of £219k on general expenses and a contribution of £59k to the Special expenses reserve for Special Expenses Melton Mowbray. There are a number of figures still to be refined and finalised as set out in paragraphs 3.3.3 and 3.3.8. These estimates will continue to be adjusted until the Away Day in January and then the Full Council meeting in February 2017 when the budget is formally set. Growth and savings proposals are set out in Appendices A and B which, if approved, would adjust these bottom line estimates with non-recurring items being able to be funded from reserves. There are some figures still to be refined which could reduce the estimated deficit on general expenses but it is not considered at this stage that these alone will negate the deficit.

The Autumn statement was announced on 23 November 2016 and the main area awaiting information on was the future of the New Homes Bonus. Unfortunately this was not mentioned in the statement and therefore no clarity given on how much the NHB could be from 2017. This could have a significant impact on the bottom line both upwards and downwards. It is highly unlikely that the settlement will change the RSG or NNDR calculation for 2017/18. As such, should the Council still have a deficit following the finalisation of these figures there is an option to utilise reserves to balance the budget. This is particularly valid when looking at forward projections set out in 3.3.10 where as a result of the efficiency plan surpluses are estimated for later years. This justifies the Council buying itself some time by using reserves until these savings are realised. However, it is important to understand the significance for the Council's financial health of achieving the savings targets set out in the statement and this is demonstrated by the sensitivity analysis that has been undertaken and included in the table.

Delegation is also requested to withdraw from the business rates pool should the modelling across the County following the settlement demonstrate this is no longer a financial benefit. However, at the current time the pool is performing well in

terms of surpluses estimated for the current financial year. However the risk associated with the revaluation from April 2017 might make the pool too high a risk and lead to the proposal that it be dissolved.

A Member pointed out the projections in the table at paragraph 3.3.10 are huge amounts and the Head of Central Services explained that the costs are because there is so much uncertainty.

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

All Members were unanimously in favour.

RESOLVED that:

- 1) The estimated year end position for 2016/17 as set out in section 3.2, be noted
- 2) The position with regard to the 2017/18 estimates and the forward projections for 2018/19 to 2020/21 at this stage in the process and the issues yet to be resolved as set out in section 3.3, be noted.
- 3) Delegated authority be given to the Head of Central Services in consultation with the Chief Executive, the Chair and Councillor 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.

P47. **CAPITAL PROGRAMME MONITORING APRIL-OCTOBER 2016**

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

The Head of Central Services presented the report and explained that it sets out the latest position on capital projects for the schemes which this Committee is responsible for to the end of October 2016.

The detail for individual schemes is set out in appendix A with key variances highlighted in paragraph 5.2. Some schemes are being proposed in the next report on the agenda to be adjusted in line with the estimated year end position or to be moved into the next financial year.

A Member questioned why the fire escape civic doors are in the programme and it was clarified that this is part of the snagging issues at Parkside.

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

All Members were unanimously in favour.

RESOLVED that the progress made on each capital scheme at Appendix A be noted.

P48. CAPITAL PROGRAMME 2016-2021

The Head of Central Services submitted a report to determine the Committee's Capital Programme for 2016-21 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 it sets out the capital programme for this Committee's services for the next 5 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 are reflected in appendix A and summarised in paragraph 3.2.2. These are all related to a tidying up of the programme. No new schemes are being put forward for inclusion resulting in £27k of schemes being included in the next year's programme both of which are already funded.

All recommendations were moved by Councillor Orson and Councillor de Burle seconded.

All Members were unanimously in favour.

RESOLVED that the revised Capital Programme for 2016-21 at Appendix A, be approved; and that no unfunded schemes are to be submitted for funding as part of the budget setting process for 2017-18 be noted.

P49. 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.

The Head of Central Services explained that this is the usual report presented at this Committee and had nothing to bring to Members attention.

All recommendations were moved by Councillor Orson and Councillor de Burle 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 budget reductions approved under delegated powers (para. 4.1 refers) be noted.
- 3) A supplementary estimate of £175k from the HRA Working Balance to complete the 2016/17 planned maintenance programme as approved by the Community and Social Affairs Committee and set out in paragraph 5.1, be approved.

4) An amendment to the scheme of delegation to permit the Head of Communities & Neighbourhoods in consultation with the Head of Central Services to utilise resources above the minimum HRA working balance for schemes and projects supporting the HAMP and in line with the HRA Business Plan as recommended by the Community and Social Affairs Committee and outlined in paragraph 5.2, be approved.

5) The capital programme for the Play Area Equipment be increased from £43k to £51k, with the additional £8k funded by General Reserve Special, as recommended by the Town Area Committee and outlined in paragraph 5.3.

P50. LIGHTBULB PROJECT

The Strategic Director (CAM) submitted a report to present the Lightbulb Business Case for transforming practical housing support in Leicestershire and to seek approval to progress work within the authority to implement an integrated model of housing support in line with this Business Case.

The Strategic Director (CAM) presented the report to Members and explained that District and County Council partners have been awarded £1m of funding which will be used to look at the Lightbulb programme which will focus on prevention by reducing care home placements or demand on other social care services. It was explained that page 34 of the business case shows how the project would look in locality when set up. A dedicated team within Melton Borough Council will act around DFG's, Warm Homes and enhance homes for the customer. Under the model the team will be based in Melton but will have a central hub likely to be in Blaby who will provide back up and liaise with Adult Social Care.

The detailed work has been undertaken; however the financial implications are still being worked through. The project will be grant funded through TCA and implementation would take place late in 2017.

The new role would be a level down from an Occupational Therapist and more complex issues would be referred to an Occupational Therapist where required. It was highlighted that this project will be aimed at private sector housing as HRA tenants already have a project like this in place.

A Member asked if the budgets would be pooled. The Strategic Director (CAM) explained that Blaby will likely act as host but there was still uncertainty about whether the funding would come direct to Melton Borough Council or go through Blaby and this is still being worked out. The Head of Central Services added that we would need to comply with accounting requirements but they are looking at keeping it simple and still make the project deliverable.

A Member expressed that we need to do all we can to help the NHS and Adult Social Care and this shows Melton Borough Council are doing all they can.

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

All Members were unanimously in favour.

RESOLVED that:

- 1) The potential benefits of service transformation and integration set out in the Lightbulb Business Case as attached at Appendix A be noted.
- 2) The Lightbulb Service model set out in the Business Case as the future intended mechanism for delivering the housing support offer across Leicestershire, be approved.
- 3) The Head of Regulatory Services in consultation with the Head of Central Services be given authority to progress the practical actions set out in the Business Case to support implementation of the Lightbulb Service model within the authority and across the County no later than October 2017.

P51. **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.

A Member questioned if it is likely a district review is coming. The Chief Executive explained that she did not know but if there was then it will be some way in the future.

A Member queried the set up of a sub committee and the Chief Executive explained that it is required to see if Members have any comments, however no problems have been raised to date.

RESOLVED that the content of the report be noted.

P52. **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.

P53. **NEW BUSINESS RATES ASSESSMENT**

The Head of Central Services submitted a report to make Members aware of a potential new large business rates assessment and the impact this could have on the Authority's finances.

RESOLVED that the recommendation within the report, be approved.

P54. REVIEW OF PHOENIX HOUSE

The Head of Central Services to submit a report to make Members aware of the current lease arrangements operating at Phoenix House from a commercial perspective and what the options are for maximising opportunities in the short and medium term, balanced against the operational needs of services utilising the facility.

RESOLVED that the recommendation within the report, be approved.

P55. PEOPLE SERVICES REVIEW

The Head of Communities and Neighbourhoods and the Head of Communications jointly submitted a report for Members to deal with the recommendations falling within the purview of this Committee in relation to Me and My Learning and People Services Review.

RESOLVED that the recommendation within the report, be approved.

The meeting which commenced at 6.30 p.m., closed at 8:00 p.m.

Chairman