

Minutes

Meeting name	Cabinet
Date	Tuesday, 23 November 2021
Start time	4.00 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray, Leicestershire. LE13 1GH

Present:

Chair Councillor J. Orson (Chair)

Councillors M. Graham MBE (Vice-Chair) R. Bindloss
R. Browne R. de Burle
A. Freer

Officers Chief Executive
Director for Corporate Services
Director for Growth and Regeneration
Assistant Director for Planning and Delivery
Senior Democratic Services & Scrutiny Officer
Democratic Services Officer (CR)

Minute No.	Minute
205	<p>APOLOGIES FOR ABSENCE There were no apologies for absence.</p>
206	<p>MINUTES The minutes of the meeting held on 13 October 2021 were confirmed.</p> <p>The minutes of the Special meeting held on 2 November 2021 were confirmed.</p>
207	<p>DECLARATIONS OF INTEREST Councillor Browne declared an interest in agenda item 4 - Melton Community Lottery - Scrutiny Feedback, as Secretary for Frisby, Hoby and Rotherby Cricket Club, which benefited from lottery funding.</p> <p>Councillor Bindloss declared an interest in agenda item 4 - Melton Community Lottery - Scrutiny Feedback, as an employee of Melton Learning Hub, which benefited from lottery funding.</p> <p>Councillor Orson declared an interest in any items relating to Leicestershire County Council, due to his role as a County Councillor.</p>
208	<p>MATTERS REFERRED FROM SCRUTINY COMMITTEE IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES</p> <p>Melton Community Lottery - Scrutiny Feedback</p> <p>Adam Green, Senior Democratic Services and Scrutiny Officer provided a brief overview of the feedback from Scrutiny Committee on Melton Community Lottery, advising that further to concerns raised by Scrutiny Committee on 7 January, efforts had been made to increase participation in the Lottery over a 12 month period and an update on Lottery performance had been submitted to Scrutiny Committee on 5 October 2021. Comments from the Committee were before Members.</p> <p>Mr. Green highlighted that generally, the Committee's feedback was positive, particularly in relation to the progress made in increasing the number of Lottery participants. The Lottery had been well publicised during the 12 months and had the potential to grow. Concerns were raised regarding the cost of officer time, running the scheme and whether the Lottery still represented good value, considering the financial challenges facing the Council.</p> <p>Councillor Freer, Portfolio Holder for Climate, Access and Engagement thanked Scrutiny Committee for their work and constructive feedback.</p>

Leicestershire Waste Strategy - Scrutiny Feedback

Adam Green, Senior Democratic Services and Scrutiny Officer provided a brief overview of Scrutiny Committee's feedback on the Leicestershire Waste Strategy. Expected changes to legislation, as a part of the Environment Bill would impact on the Waste Strategy and on the Council's waste collection and disposal arrangements. Scrutiny Committee's comments were before Members and the main discussion points were the implementation of food waste collections, which was likely to be mandated by the Environment Bill and the implementation of free green or garden waste collections, which was being considered.

Edd de Coverly, Chief Executive advised that a further report would be submitted to Cabinet on 8 December to review the full implications for the Waste Strategy (in line with all councils in Leicestershire, with a view to beginning consultation in the New Year.

209

HOUSING REVENUE ACCOUNT (HRA) BUDGET MONITORING APRIL TO SEPTEMBER 2021

Dawn Garton, Director for Corporate Services introduced the report, the purpose of which was to provide information on actual expenditure and income incurred on the Housing Revenue Account (HRA), compared to the latest approved budget for the period 1 April to 30 September 2021 for revenue and capital budgets.

Mrs. Garton advised that there was a forecasted £370k underspend on revenue (as detailed at paragraph 5.6.1), which would result in a reduced contribution from the reserves in order to maintain the working balance at the agreed level of £750k. The underspend was primarily due to underspending on employee costs, as a result of vacancies and also professional fees, due to lower prices being procured for work than was originally estimated. These savings were offset from the loss of income on voids but still resulted in the overall underspend. Concerning capital, there was a forecasted underspend of £2.7m.

Mrs. Garton confirmed that work continued at pace on the development of the Housing Revenue Account (HRA) business plan, which would be submitted to Cabinet in the New Year. This, together with the work undertaken by the Development Manager would help inform the Capital Programme as it developed for future years.

Councillor Ronnie de Burle, Portfolio Holder for Corporate Governance, Finance and Resources commented that underspends on revenue and capital were sizable, perhaps as a result of overenthusiastic budgeting. The HRA business plan would reveal the financial status of the HRA and would be critical to informing the future strategic direction of the HRA and the affordability of any plans which come from it. Future revenue and capital budgets would then be set and properly considered alongside a long term financial plan.

During discussion the following points were noted:

- It was clarified that the 'late invoicing' referred to at paragraph 5.7 of the report related to invoices being received by the Council. The work on the HRA had been undertaken with the understanding that the Council had not been invoiced for some work it had commissioned and the forecasted position had allowed for this.

(DECISION: NON-KEY)

Cabinet **NOTED** the financial position on the Housing Revenue Account (HRA) as at 30 September 2021 and the year-end forecast for both revenue and capital.

Reason for the recommendation

The Council, having set an agreed budget at the start of the financial year, needs to ensure that the delivery of the budget is achieved. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required, which is enhanced with the regular reporting of the financial position.

210

GENERAL FUND AND SPECIAL EXPENSES BUDGET MONITORING 1 APRIL TO 30 SEPTEMBER 2021

Dawn Garton, Director for Corporate Services introduced the report, the purpose of which was to provide financial progress information on the General Fund and Special Expenses for period 1 April to 30 September 2021.

Mrs. Garton advised that the forecasted position on general expenses was an underspend of approximately £193k. This was primarily due to the £362k Covid contingency and without it, the Council would have been in an overspend position. The forecasted position on special expenses Melton Mowbray was an overspend of £11k. On capital expenditure, budget holders were forecasted to spend in line with the budget. However, it was likely that some projects would roll over into next year, particularly for those larger projects, such as the Asset Development Programme (and budgets would roll over into next year).

Mrs Garton confirmed that the key pressure on the budget was the ongoing reduction in income from car parking, the loss of the leisure management fee and the unbudgeted pay award. Loss of income had been mitigated in the first quarter by the government's Income Compensation Scheme but this had not continued beyond 30 June 2021. The financial impact of Covid-19, including ongoing pressures affecting next year's budget was detailed at paragraph 9.2 of the report. It was anticipated that the residual balance from the Covid contingency would be needed to support next year's budget, in addition to the consideration of savings to balance the budget next year.

Mrs. Garton highlighted the strategic risk to the Council's finances, as detailed at paragraph 15 of the report. This was the highest risk on the Council's Risk

Register and had been exacerbated by the pandemic. There had been some positive news in the Spending Review but great uncertainty about how funding would be distributed amongst councils remained and Members were aware of the forecasted gap on next year's budget.

Councillor Ronnie de Burle, Portfolio Holder for Corporate Governance, Finance and Resources reiterated the points highlighted by Mrs Garton, adding that the report clearly illustrated the financial challenges, which the Council continued to face, due to the growing impact of Covid-19. Delivery of the forecasted underspend on the general fund for this financial year was only made possible by incorporating savings and fully utilising the Covid contingency and Income Compensation Scheme. The Council must remain very cautious in its aspirations because significant shortfalls in income would continue into next year and setting a balanced budget for 2022/23 would be challenging. Difficult decisions would need to be made to secure the Council's financial sustainability and it was important to plan and prepare to ensure the Council remained financially sustainable and able to deliver against core priorities and responsibilities.

Councillor de Burle commented that the Spending Review for local government appeared to be generous. However, it was not clear how funding would be distributed and it was unlikely to fully mitigate the sizable ongoing income losses. Any underspend in this current year would be critical to helping the Council to lessen the impact of income losses and financial uncertainty.

(DECISION: NON-KEY)

Cabinet **NOTED** the year-end forecast and financial position for the General Fund and Special Expenses at 30th September 2021 for both revenue and capital.

Reason for the recommendation

The Council, having set an agreed budget at the start of the financial year, needs to ensure that the delivery of this budget is achieved. Consequently there is a requirement to regularly monitor progress so that corrective action can be taken when required, which is enhanced with the regular reporting of the financial position.

211

TREASURY MANAGEMENT MID YEAR REPORT 2020/21

Dawn Garton, Director for Corporate Services introduced the report, the purpose of which was to provide a summary of the treasury activities to the end of September 2021 and cover the actual position to date on the Prudential Indicators in accordance with the Prudential Code.

Mrs Garton highlighted that the report would be presented to Council on 16 December. The pandemic continued to impact on investment returns but the Council was performing well in comparison to other local authorities. The report referenced the current Prudential Code consultation, which aimed to address risks arising from commercial property acquisitions and Members would receive an

update on the outcome when this was known. This was likely to have a significant impact on treasury management operations as well as strategy.

Councillor Ronnie de Burle, Portfolio Holder for Corporate Governance, Finance and Resources highlighted that the report detailed the Council's position in relation to regulatory codes of practice and demonstrated how well its treasury management activities were performing. It continued to be a difficult time for treasury management activities, with the pandemic continuing to impact on investment rates and returns. However, the Council's investment performance (at 0.30%) was consistently above that of other local authorities. These figures were evidenced by the benchmarking undertaken, which included many councils with additional resources.

Councillor de Burle reiterated concern about changes resulting from consultation on the Prudential Code. Full implications would be shared with Members at the earliest opportunity.

(DECISION: NON-KEY)

Cabinet:

- 1) **RECOMMENDED** to Council that the mid-year position on treasury activity for 2021-22 be noted;
- 2) **RECOMMENDED** to Council that the mid-year position on the prudential indicators for 2021-22 be approved.

Reasons for the recommendations

The Treasury Management Code requires the Council to provide a mid-year update on Treasury Management activities to the Council. It is a requirement that Treasury Management performance is scrutinised during the year prior to consideration by the Council which falls within Cabinet's remit.

To facilitate the decision making process and support capital investment decisions the Prudential Code requires the Council to agree and monitor a minimum number of prudential indicators.

212

BUILDING CONTROL: DELEGATION OF SERVICE

Jim Worley, Assistant Director for Planning and Delivery introduced the report, the purpose of which was to consider a proposal for the Council's Building Control Service to be delivered by means of delegation under the Local Government Act 2000 and the Local Authorities (Arrangements for the Discharge of Functions) (England) Regulations 2012 ('a delegated service') to Blaby District Council.

Mr. Worley advised that the Council's Building Control Service comprised of a small in-house team (1.5 officers with 0.5 administrative support) and the Service formed part of the Leicestershire Building Control Partnership (LBCP). There were concerns over the sustainability of current arrangements and a delegated Building

Control Service had been proposed. This would result in the Council's service being managed and administered by Blaby District Council (staffing, income, inspections, billing etc.) The Council's would participate in a steering committee, to ensure delivery of the agreed Service. This proposal was an appropriate solution to concerns. The Council would be part of a team of 25 staff and would have the opportunity to grow the service, adjust resources within the County as necessary, share workloads, work collaboratively to produce income and to develop the Service to train staff to meet challenges. New building control legislation would create new demands on the service, not encountered before.

Mr. Worley highlighted the financial implications of the proposed delegation of service, as detailed at section 9 of the report. There would be a 1 off joining cost of approximately £21k (to facilitate transitional matters such as integration of staff operating as 1 larger unit etc.) It was anticipated that costs would balance over time and the benefits such as supporting the Service and its future development were vital.

Councillor Rob Bindloss, Portfolio Holder for Growth and Regeneration highlighted that the proposed delegation would help future proof the Council's Building Control Service and enable the Council to work collaboratively with six other local authority areas to improve capacity, capability and resilience and within the Service. There may also be opportunities to be more competitive, with alternative suppliers, approved private inspectors etc.

The Leader commented that it was important to ensure that the Council would continue to provide an excellent Building Control Service and it had worked well with Blaby District Council in the past.

(DECISION: NON-KEY)

Cabinet:

- 1) **RECOMMENDED** to Council that:
 - 1.1 Council endorse and authorise the delegation of the statutory Building Control function to Blaby District Council with effect from 1st April 2022 for an initial period of 3 years;
 - 1.2 The Council approves a contribution of £25,114 to the initial implementation costs of the delegated service;
 - 1.3 Council delegates authority to the Director for Growth & Regeneration and/or Assistant Director for Planning Delivery to:
 - a) negotiate and finalise the terms of the Delegation and Service Level Agreements to facilitate the delegation of the service;
 - b) make any in-year variations to the delegation agreement as deemed appropriate.

Reasons for the recommendation

The recommendations will support the delivery of a delegated service across the

six Local Authority areas that currently form the Leicestershire Building Control Partnership, to take effect from the 1 April 2022.

Delegation of the service alongside the five other partner Authorities is considered the most sustainable, long term, model for the future delivery and development of the service from the options available.

It will, in particular address the resilience issues faced by the current 'in house' operating arrangement and is considered to be the only realistic alternative approach available which would allow development of the service in the longer term. It is considered the best option in order to be able to provide efficient and reliable service and to meet future expectations and statutory obligations.

213

WAYS OF WORKING PROJECT UPDATE: WAY WE WORK STRATEGY 2021-2024

Dawn Garton, Director for Corporate Services introduced the report, the purpose of which was to update Cabinet on a new 'hybrid' operating model and ways of working and ask Cabinet to recommend to Council the approach, as set out in the Council's new Way We Work Strategy and Action Plan, new Behaviour Framework and New Working Model.

Mrs. Garton advised that like many organisations, as the Council had moved from Covid-19 response to recovery, it had considered its ways of working and had refreshed its Workforce Strategy, proposing a hybrid model for working, based on lessons learned from changes in working practices which were required as a consequence of the pandemic.

Mrs Garton highlighted that the report detailed how the Council would learn, develop and ensure it employed and retained staff with the appropriate skills and behaviours to deliver against its Corporate Strategy over the next 3 years. The Action Plan detailed within Appendix A underpins the Way We Work Strategy, the Behaviour Framework (Appendix B) and Working Model (Appendix C) were being rolled out across the Council through engagement with staff. The Strategy also linked with associated IT projects and work on asset management development to ensure Council assets were maximised. This was an ambitious programme with the majority of the work being undertaken within existing resources.

Councillor Ronnie de Burle, Portfolio Holder for Corporate Governance, Finance and Resources commented that the pandemic had significantly impacted employers and employees. The report sought to bring to fruition proposals for a new hybrid model of working (as previously discussed at Joint Staff Working Group). When fully implemented, this model would place the Council at the forefront of modern ways of working, which benefit employers (i.e. more efficient use of assets) as well as employees. There remained much associated work for HR, IT and Property teams over the next few years to support the hybrid model of working. The Council had demonstrated that it fully embraced change and could adapt rapidly to changing circumstances. This was an ambitious programme for teams and 1 which they were embracing.

During discussion the following points were noted:

- Members welcomed the Council’s hybrid model for working, commenting that the Council had to ‘work in a new way’.
- The focus on team working within the hybrid model was noted and assurance given that the model would be supportive of collaborative working across different services within the Council.

(DECISION: NON-KEY)

Cabinet **RECOMMENDED** that Council:

- 1) Adopt “The Way We Work: Our Strategy 2021 to 2024” and accompanying documents;
- 2) Delegate authority to the Chief Executive in consultation with the Leader of the Council, to make changes to the Strategy to account for economic, organisational or environmental changes (particularly considering Covid-19).

Reasons for the recommendations

The Way We Work – Our Strategy 2021 to 2024 is a refresh of the previous Workforce Strategy 2018 to 2020. It considers the current post pandemic environment, and the learning from the last 18 months and sets out four areas of priority for the next three years along with a detailed programme of work with anticipated time scales.

The strategy has been developed through engagement and in consultation with various groups of the workforce and has been discussed with Trades Unions through the Joint Staff Working Group. The strategy reflects the approach many other councils and organisations are taking in ensuring the workforce is agile and flexible, building on the learning from how people changed the way they worked through the pandemic.

The approach promotes a hybrid model of working which seeks to maximise productivity gains through home working, whilst recognising the value of team working within the Council’s office environment.

The meeting closed at: Time Not Specified

Chair