

Minutes



Meeting name	Cabinet
Date	Wednesday, 8 February 2023
Start time	4.30 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

In Attendance Councillor R. Child, Scrutiny Committee Chairman

Observers Councillor C. Evans
Councillor P. Faulkner

Officers Chief Executive
Director for Housing and Communities (Deputy Chief Executive)
Director for Corporate Services
Director for Growth and Regeneration
Monitoring Officer (via remote link)
Interim Revenue and Benefits Manager
Senior Democratic Services and Scrutiny Officer

Minute No.	Minute
60	<p>APOLOGIES FOR ABSENCE No apologies for absence have been received.</p>
61	<p>MINUTES The Minutes of the meeting held on Wednesday 25 January 2023 were confirmed as being correct.</p>
62	<p>DECLARATIONS OF INTEREST Councillor Orson declared an interest in any items relating to Leicestershire County Council due to his role as a County Councillor.</p>
63	<p>MATTERS REFERRED FROM SCRUTINY COMMITTEE IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES</p> <ul style="list-style-type: none"> • Budget Proposals <p>In accordance with the Scrutiny Procedure Rules, this item had been referred from the Scrutiny Committee.</p> <p>The Chairman of the Scrutiny Committee, Councillor Robert Child, introduced the report to the Cabinet the purpose of which provided Members with Scrutiny’s comments on the following:</p> <ul style="list-style-type: none"> • General Fund Revenue Budget 2023/24 and Medium-Term Financial Strategy (MTFS) 2024/25 to 2026/27 • Capital Programme 2022-2027 – General Fund and Capital Strategy 2023/24 • Revenue Budget Proposals 2023/24 for Housing Revenue Account (HRA) <p>Following a query regarding the £100k backdated service charges, the Director for Growth and Regeneration confirmed that the amount hasn’t yet been invoiced. Officers are checking who needs to be invoiced and the amount before invoices are sent.</p> <p>Cabinet AGREED to have regard to Scrutiny Committee’s feedback.</p>
64	<p>REVENUE BUDGET PROPOSALS 2023/24 – HOUSING REVENUE ACCOUNT (HRA)</p> <p>The Director for Corporate Services introduced the report the purpose of which updated Members on the financial position of the Housing Revenue Account (HRA), the setting of the rents of the Council dwellings with an average increase of 7.21%, seeking approval for the HRA budget estimates for 2023/24 and setting the working balance for 2023/34 at £1m.</p> <p>The Portfolio Holder for Housing and Landlord Services thanked the Director for Corporate Services for introducing the report. He recognised the hard work of Officers in ensuring that the capital budget had been spent and that tenants realise</p>

the benefits of the expenditure via the improvements made to Council homes.

Cabinet **RECOMMENDED** to Council:

- 1) That the Budget Estimates for 2023-23 be approved.
- 2) That an average rent increase of 7.21% for all Council dwellings be approved with effect from 1 April 2023.
- 3) A hardship fund be developed for the benefit of those tenants in need to a maximum of £50k, and for awards granted to be in the form of vouchers
- 4) The 2023-24 capital programme be approved.
- 5) That delegated authority be given to the Director for Housing and Communities in consultation with the Director for Corporate Services and Portfolio Holder for Council Homes and Landlord Services to approve virements within the HRA capital programme during the year to provide flexibility to meet emerging needs and maintain decent homes.
- 6) That delegated authority be given to the Director for Housing and Communities in consultation with the Portfolio Holder for Council Homes and Landlord Services to finalise and implement the policy and criteria for a hardship fund for tenants.

Reason for Recommendations:

The Local Government and Housing Act 1989 requires the Council to produce and publish an annual budget, including the setting of rents, for the HRA which avoids a deficit. This report sets out detail for Cabinet to consider prior to making recommendations to Council. It is a requirement that this be scrutinised prior to its submission which will be undertaken by the Scrutiny Committee in January 2023. The proposed rent increase is in line with the rent ceiling applied by Government. The implementation of a one-off hardship fund is intended to enable additional support to tenants who are experiencing financial hardship.

65

CAPITAL PROGRAMME AND CAPITAL STRATEGY 2023/24

Director for Corporate Services introduced the report, the purpose of which provided Members with information on the forecast outturn position for 2022/23 and the setting out of the proposed General Fund Programme for 2022-27. The report also contained the updated version of the Capital Strategy for all council funds for 2023/24.

The Portfolio Holder for Corporate Governance, Finance and Resources thanked the Director for Corporate Services and her team for the preparation of the Capital Programme and outlined the recommendations.

Cabinet **RECOMMENDED** to Council:

- 1) That the addition to the 2022/23 General Fund Capital Programme of a further £104k for Environmental maintenance vehicle replacement programme funded from the renewals and repair fund be approved.
- 2) That the removal from the 2022/23 General Fund Capital Programme of £550k of LAD 3 MEH sustainable warmth budget be approved.

- 3) That the reduction in the 2022/23 General Fund Capital Programme of £62k on property condition survey works be approved.
- 4) That the General Fund Capital Programme for 2023-27 as attached at Appendix B be approved.
- 5) That the sources of funding for the General Fund capital programme for 2023/24 as set out in Appendix C be approved.
- 6) That authority be delegated to the Director for Corporate Services to amend the amount in the capital programme for Disabled Facilities Grants once funding confirmation has been received as referred to in paragraph 5.9.
- 7) That the Capital Strategy 2022-23 as attached at Appendix D be approved.

Reasons for Recommendations:

Approving the capital programme and capital strategy will support the Council in delivering its commitment to manage its assets effectively and to ensure the benefits from them are maximised for the benefits of the Council and community as a whole. These Capital plans will support the effective delivery of these ambitions and will ensure appropriate levels of capital expenditure and investment are in place to meet Corporate priorities and objectives whilst ensuring that plans are affordable, prudent and sustainable. It is a requirement of the CIPFA Prudential Code for Capital Finance in Local Authorities published in 2017 to produce a capital strategy and for the Chief Finance Officer to report explicitly on the affordability and risk associated with it.

The Capital Programme for 2023-27 for the General Fund is attached at Appendix B. The Programme gives the total cost of each scheme, the spending profile, the amounts authorised to be spent and the stage each scheme has reached within the Capital programme.

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GENERAL FUND REVENUE BUDGET AND MEDIUM TERM FINANCIAL STRATEGY 2023/24

Director for Corporate Services introduced the report the purpose of which advised Members that the 2023/24 draft budget had been prepared based on the Council's approved Corporate Strategy 2020-24 showing the overall position on General Expenses and Special Expenses Melton Mowbray and the risks and assumptions associated with the budget estimates.

The Portfolio Holder for Corporate Governance, Finance and Resources thanked the Director for Corporate Services and her team for the preparation of the General Fund Revenue Budget and the Medium Term Financial Strategy and outlined the recommendations.

Cabinet:

- 1) **NOTED** the year-end forecast and financial position for the General Fund and Special Expenses for 2022/23.
- 2) **NOTED** that authority for the proposed budget for 2023/24 is delegated to the Director for Corporate Services to make any amendments necessary to the estimates prior to their submission to Council for approval.

- 3) **APPROVED** the Special Expenses Policy attached as Appendix C.
- 4) **RECOMMENDED** to Council, subject to any amendment arising made under delegation:
 - 4.1) That the revenue budget for 2023/24 for General and Special Expenses as set out in Appendix B and summarised in section 4.5, resulting in an overall council tax increase of 2.99%, the individual council tax levels being as set out in para 4.5.5 be approved.
 - 4.2) That the council continued to disregard 100% of any war widows (widowers)/war disablement scheme/armed forces compensation scheme payments in any benefits assessment.
 - 4.3) Any underspend on general expenses at 31 March 2023 be used to increase the current level of the working balance in order to move closer to the target level of £1m and any overspend be met by reducing the budgeted transfer to the Regeneration and Innovation Reserve with any further shortfall being met from the Corporate Priorities Reserve in order to maintain the current level at £850k be approved.
 - 4.4) That the General Expenses working balance be increased to the £1m level recommended by the LGA in 2023/24 by transferring £150k from the Corporate Priorities Reserve.
 - 4.5) Any surplus/deficit for Special Expenses, Melton Mowbray, be transferred to/from the Special Expenses Reserve thereby bringing the actual working balance back to the target.
 - 4.6) The changes made to the risk categorisation of budgets as set out in paragraph 4.8.1 and Appendix E be noted.

Reasons for Recommendations:

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

To propose to Council a General Fund budget and level of council tax for the 2023/24 financial year which takes into account the proposals set out in the approved Corporate Strategy. The proposals take into account the net expenditure that the Council expects to spend in the next financial year to deliver services to our customers. The report also includes details of the funding and income received to support these services to ensure a balanced budget is proposed.

The Council also holds a number of reserves which can be drawn upon to fund future expenses. The level of reserves is considered within this report, as is the future outlook for spending in the years ahead in order for the Council's future financial resilience to be considered as part of the proposals.

Cabinet and Council are required to consider and approve the General Fund Revenue Account budget proposals in order to set the budget and council tax for the forthcoming financial year.

The Director for Corporate Services introduced the report the purpose of which outlined the Council's prudential indicators for 2023/24-2025/26 setting out the expected treasury operations for this period, fulfilling four key legislative requirements. The report meets 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 is required to comply with both codes through Regulations issued under the Local Government Act 2003.

The Portfolio Holder for Corporate Governance, Finance and Resources thanked the Director for Corporate Services and her team for the preparation of Treasury Management Strategy and outlined the recommendations.

Cabinet:

- 1) **RECOMMENDED** to Council the prudent indicators and limits are adopted and approved as outlined in Appendix A, section 2.
- 2) **RECOMMENDED** to Council the Treasury Management Strategy as outlined in Appendix A be approved.
- 3) **RECOMMENDED** to Council the Minimum Revenue Provision (MRP) Statement which sets out the Council's Policy on MRP be approved as outlined in para 5.4.
- 4) **NOTED** the linkages to the Capital Strategy due to the integral nature of how the Council managed its treasury finances to support capital development.

Reasons for Recommendations:

The Treasury Management Code requires the Council to approve annually a Treasury Management Strategy and to provide a mid-year update on Treasury Management activities to the Council. It is a requirement that Treasury Management is scrutinised during the year 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 a minimum number of prudential indicators.

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CORPORATE DEBT WRITE OFFS

Director for Corporate Services introduced the report the purpose of which was to seek approval from Members to write off debts over the value of £2,500 where there was little or no prospect of recovering them.

The Portfolio Holder for Corporate Governance, Finance and Resources thanked the Director for Corporate Services for introducing the report. He explained that some debts are not economical or possible to collect and in these circumstances they need to be removed from the accounts in order to keep them up to date.

Cabinet:

- 1) **NOTED** the action taken by the Council to recover outstanding debts.
- 2) **APPROVED** the write-off debts shown in the exempt Appendices 1-4.

Reasons for Recommendations:

All recovery methods have been considered and where appropriate pursued, before recommending that debts are written off.

Officer time can be maximised on greater returns, focusing on debts where there is more realistic chance of recovery.

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ASSET DEVELOPMENT PROGRAMME UPDATE - PROPOSAL FOR DIVERSIFICATION OF THE PARKSIDE OFFICES BY WAY OF A PROPOSED NEW HOTEL DEVELOPMENT

The Director for Growth and Regeneration introduced the report the purpose of which updated Members on the progress of the Asset Development programme (ADP) in relation to proposals to develop and diversify the Council's Parkside offices with a view to facilitating the conversion of part of the building into a hotel, setting out the benefits, risks and implications arising from the proposal and seeking agreement in principle to enable further detailed exploration to take place.

The Leader informed Members that the recommendations as listed within the report had been amended and then read out the revised recommendations.

The following comments were made:

- It was recognised that the Council are on the verge of realising growth opportunities for Melton.
- The plans would address the issue of the under occupancy of Parkside coupled with the high maintenance costs.
- It is important to include all stakeholders on the journey.
- The Council needs additional resources to help deliver services and the plans would mean that the Council wouldn't have to spend as much on maintaining the building therefore meaning more resources for the delivery of services.

Cabinet:

- 1) **NOTED** the progress made on the Asset Development Programme (ADP).
- 2) **REAFFIRMED** the need to diversify the Parkside offices in accordance the aims of the ADP which seek to reduce costs, increase income, and support the local economy.
- 3) **CONFIRMED** the Council's interest in further exploring the option of accommodating a hotel on part of the Parkside offices site, but prior to progressing with the procurement, and more detailed financial and legal appraisal, request the following be provided in a subsequent report to the June 2023 Cabinet meeting:
 - 3.1) A summary of the detailed analysis of alternate options identified in the report and their implications for the site.
 - 3.2) Provision of an economic impact assessment for the options considered, including the hotel.
 - 3.3) Any further soft market testing that may be required to support the

analysis.

Reasons for Recommendations:

The Council's Corporate Strategy (2020 - 24) commits the Council to take a commercial approach to the management of assets to deliver jobs, homes, and income. The key focus for priority 3 – Delivering sustainable and inclusive growth in Melton is to confirm plans, secure funding and develop our assets to generate income and provide housing and jobs.

One of the key recommendations from the LGA finance review (2021) is for the Council to take a more strategic long-term approach to Financial Planning and the delivery of transformation using Council's assets and a requirement to at times take a hard-nosed commercial view.

The Asset Development Programme has been established to support financial sustainability by taking a strategic and long-term approach, rather than short-term and reactive approach to managing our assets. Through appropriate capital investment, the proposals contained within this document have the potential to generate a net revenue benefit which would assist with the council's financial sustainability.

Properties and buildings owned by the Council are key tools available to the Council to proactively lead the regeneration of the town centre and support the local economy. The opportunity to redevelop under-utilised parts of the Council office estate and develop a hotel, next to the railway station and in close proximity to the town centre, will support the tourism and help increase footfall. This will help delivering aspirations of the Melton Mowbray Town Centre Vision produced by the Council and its partners.

Key potential benefits of this proposal are:

- Reduced cost for MBC from rationalising the office space whilst maintaining strong local presence and remaining accessible to our residents.*
- Significant multi-million-pound investment in the town centre.*
- Support night-time economy, events and tourism, increase in footfall and spend in the economy.*
- Meeting an identified gap in the market for hotel provision by proactive intervention.*

The meeting closed at: 5.39 pm

Chair