

Minutes

Meeting name	Policy, Finance and Administration Committee
Date	Wednesday, 11 April 2018
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair Councillor J. Orson (Chair)

Councillors L. Higgins (Vice-Chair) R. de Burle
P. Cumbers E. Hutchison
B. Rhodes J. Wyatt
T. Greenow (Substitute)

Observers

Officers Chief Executive
Director for Corporate Services
Interim Director for Growth & Regeneration
Administrative Assistant (KW)

Minute No.	Minute
P62	<p>Apologies For Absence Apologies were received from Councillors Glancy, Holmes and Pearson.</p>
P63	<p>Minutes The minutes of the meeting held on 24 January 2018 were confirmed and authorised to be signed by the Chair.</p>
P64	<p>Declarations of Interest Councillors Orson and Rhodes declared a personal interest in any items relating to Leicestershire County Council due to their positions as County Councillors.</p> <p>Councillor Greenow declared an interest in Item 7 - Items for Approval Under Financial Procedure Rules because of the discussion on the Melton Leisure Village as he is member of the Melton Mowbray Rugby Football Club. He left the room for this discussion.</p>
P65	<p>Recommendations From Other Committees There were no recommendations from other committees.</p>
P66	<p>Update On Decisions It was highlighted that there was a mistake in update number 5 should read “negotiations are still ongoing with Leicestershire County Council to finalise the legal agreement”.</p> <p>The update on decisions were noted.</p>
P67	<p>Capital Programme Provisional Year End Position 2017/18 The Director for Corporate Services submitted a report to provide information on the provisional Capital Programme year end position for 2017-18, including a range of performance measures, and to give consideration for requests for carrying forward unspent budgets in 2017-18 to 2018-19 in respect of specific schemes.</p> <p>The Chair explained that there is no choice but to replace the finance system, the cost of which would be £250k and to do nothing would be £400k. And that due to the upgrade, which would likely be a cloud based system then the project would need to be funded from revenue funds which would necessitate a draw from the Corporate Priorities Reserve. The Chair also highlighted the procurement and implementation could be in conjunction with other Councils.</p> <p>The recommendations were moved by Councillor Orson and Councillor Higgins seconded.</p> <p>All Members were unanimously in favour.</p>

RESOLVED that:

1) the schemes in the 2017-18 Capital Programme totalling £1,842,000 and shown in the column headed "Amount to Carry Forward to 2018-19 Scheme Specific" at Appendix A be carried forward and included in the Capital Programme as funded schemes.

2) delegated authority be granted to the Director for Corporate Services to vary the amount of the agreed carry forward on any scheme subject to the spending on any scheme not exceeding the total authorised funds for that scheme.

3) the project mandate relating to a procurement of a new finance system for inclusion into the 2019-20 capital programme for the sum of £250,000 as referred to in para 3.8 and attached at Appendix B be approved.

P68

Items for Approval Under Financial Procedure Rules

The Director for Corporate Services submitted a report to submit 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 Chair highlighted recommendation 2.4 and explained that a supplementary estimate of £5.5k was required for the winding down costs of the Wheels to Work scheme as the funding from Leicestershire County Council had been withdrawn. The £5.5k would be spent on redundancies and pensions. The Chair also explained that in future due to changes being considered recommendations such as 2.5 and 2.6 would potentially no longer be necessary as they would not come to this committee.

(Councillor Greenow here declared an interest in leisure vision and left the room whilst the discussion took place.)

A Member drew attention to paragraph 3.6 "Members should note that the current funding assumed external funding from the Football Foundation (FF), although it has always been made clear that there was a risk that this funding may not be received" and asked if any funding had been received from the Football Foundation. He raised concerns because he understood a lease had been signed on the presumption that it would create access to the grants. The Member was unhappy as it appears a lease had been signed and land given away but no funding has been received.

The Director for Corporate Services explained that there were two levels of funding for two stages of the project. The funding was received to enable the first level and a second round of funding was pursued which has not been successful. The previous report advising members about this funding clearly stated that the funding for the second level may not be received. It was further explained that the detailed circumstances regarding the lease would be provided after the meeting

to the relevant member.

The Chief Executive explained that a feasibility study for the site had been commissioned to see if it is commercially viable and a report will be brought back to Members in the coming months. The Member was happy with this.

Another Member explained that the lease with the Football Foundation is for 23 years with 2 years free and he wanted to ensure that they are invoiced for full payment.

The recommendations were moved by Councillor Orson and Councillor Hutchison seconded.

All Members were unanimously in favour.

(Councillor Greenow here re-entered the meeting.)

RESOLVED that:

- 1) the virements approved under delegated powers be noted.
- 2) the supplementary estimates approved under delegated powers to be funded from budget reductions be noted.
- 3) the budget reductions approved under delegated powers be noted.
- 4) the Leader and Chief Executive approved outside this meeting the request from the Community and Social Affairs Committee to approve a supplementary estimate of £5.5k from the Corporate Priorities Reserve, to cover the winding down costs of the Wheels to Work Scheme with delegated authority given to the Director for Corporate Services to vary the amount depending on the outcome of the final offer from the County towards these costs and a further supplementary estimate to cover the costs of any redundancies and pension strain as a result of changes to the approved structure should sufficient funding not be available from budget savings elsewhere, as outlined in paragraph 6.1, be noted.
- 5) the request from the Community and Social Affairs Committee to amend the financing of the Warm Homes Grant be approved.
- 6) the request from the Community and Social Affairs Committee to amend the source of funding for the leisure vision from external funding to leisure vision capital receipts, as outlined in paragraph 6.3 be approved.

P69

Revenue Budget Monitoring Report April to December 2017 and Revenue Estimates Carry Forward Requests

The Director for Corporate Services submitted a report to provide information on

actual expenditure and income incurred on this Committee's services compared to the latest approved budget for the period 1 April 2017 to 31 December 2017 and to submit for approval requests from budget holders to carry forward under spent budgets from 2017/18 to 2018/19.

The Director for Corporate Services explained that finance are currently in the middle of the closedown of the accounts with a requirement to complete the Statement of Accounts by the earlier date of 31 May 2018. Based on the year end forecast using quarter 3 monitoring the estimated year end position for the General Fund is an overspend of £28k, a more or less breakeven position on Special Expenses Melton Mowbray and an underspend on the Housing Revenue Account of £240k. Although it is anticipated that with a number of smaller underspends that it is hopeful to achieve at least a breakeven position on the General Fund.

It was further explained that as part of this report a number of requests to carry forward unspent monies from 2017/18 into 2018/19 totalling £290,750 for General Fund and £6,150 for Special Expenses Melton Mowbray. These carry forwards will have negligible impact on the estimated year end position as it has been assumed they will be carried forward in determining the forecast position. It was said that with the capacity issues that have been experienced this year more flexibility has been exercised but will be subject to robust challenge if not spent in 2018/19 and a further carry forward requested.

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

All Members were unanimously in favour.

RESOLVED that:

- 1) the financial position on each of this Committee's services at 31 December 2017 be noted along with the year end forecast.
- 2) the requests set out in Appendix D for budgets to be carried forward from 2017/18 to 2018/19 be approved.
- 3) once the final year end position is known the actual underspend be compared to the amount requested and the Director for Corporate Services be given delegated authority to amend the actual amount carried forward.

P70

Commercialism Pilot - timesage

The Chair introduced a report to update Members on the progress made on the commercialism pilot initiative "timesage".

The Chair stated that the Council has become more commercial and a lot of effort has gone into the pilot and the brand will be continued but will less direct investment than has been necessary to date.

The Chief Executive reiterated that a lot of good work has gone into the infrastructure of the pilot but that the challenge was that it has been costing money with only limited turnover to date. It is still early days and positive work has been done by the Business Manager which has generated initial sales. The online platform has also now been migrated onto our own servers and overseen by our own technical support; significantly reducing the cost. Therefore, given the cost risk has been significantly produced it is proposed that the brand should be retained and managed through existing internal resources. This will allow further time to establish what value the brand has and for it to be considered as part of a wider commercial strategy due to be considered in the next item.

A Member questioned what marketing is going to be done and the Chief Executive explained that there is a small amount of funding available in the carry forwards to fund smaller marketing campaigns but no large scale marketing will be done.

Another Member questioned the online marketing towards older people but is thought the majority of older people cannot use the internet. The Chief Executive explained that there has been other forms of marketing such as a press release within the Melton Times and the Business Manager speaking to the lifeline customers and liaising with agencies such as Age UK.

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

All Members were unanimously in favour.

RESOLVED that:

1) the review of the timesage pilot and actions taken to commence trading and reduce costs to create a sustainable future position be noted.

2) the continuation of the timesage brand to support the current product offer be confirmed and the further use of the brand for other service areas should a benefit in doing so be identified as part of the Council's wider commercial aspirations be approved.

3) the dis-establishment of the timesage Board to the Governance Development group currently considering the wider implications associated with the LGA Governance Review be approved.

The Director for Corporate Services submitted a report in the context of the Council's Medium Term Financial Strategy, and challenging financial situation, to set out and support the establishment of a Commercial Strategy; pursuing a more commercial approach which maximises income, increases self-sufficiency and enables funding for services to be protected.

The Chair proposed a change in recommendation 2.1 to recommend the Commercial Strategy to Full Council for adoption and explained that the paper is about giving Officers the authority to further pursue a Commercial Strategy which is needed to supplement income. He explained that it would be challenging for Officers to take a commercial approach and make speedy decisions with minimal risk.

The Director for Corporate Services explained that not everything will be about new projects and activities as some of it will be about a change in culture or approach to some of the activities and services that is currently delivered in order to be more efficient and maximise income.

It was said that there is currently interim arrangements in place in terms of the Corporate Improvement Team and this will need to be reviewed. A proposal will be put forward to Members in order to ensure the right team is in place to support the council as it moves forward with this agenda.

It was also said that in terms of finances at the present time there are sufficient budgets to move this approach forward however, this will be reconsidered when the Corporate Improvement Teams resources have been reviewed. There is almost certainly going to be a need to financially support some of the projects that will flow from this approach in terms of resourcing some projects but also a number may require capital investment which with the Council's limited capital receipts may involve prudential borrowing to support.

A Member highlighted concerns with the report and explained that most authorities now have unitary arrangements or have proposals in place to become unitary. The savings to become unitary have been assessed and are thought to be large, although there are no plans in place to become unitary in this area it could put pressures on funding and business rates. This would make it difficult for districts to survive and explained that the council should be cautious about the future and the risks associated with gambling with large sums of money. It was stated that the business case must be strong and with low risk.

Another Member explained that he used to believe in unitary, however since Melton have acquired the King Edward VII sports village it has been improved and increased the people using the site, this shows that if the focus is smaller the services provided can be more agile.

The Chief Executive reiterated the point that the strategy was about creating a

more commercial agenda and giving officers permission to explore the options further. He explained that should the Strategy be approved by Full Council that any subsequent proposals will be considered in detail by members and will be supported by a detailed business case.

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

All Members were unanimously in favour.

RESOLVED that:

1) the Commercial strategy at Appendix A be recommended to Full Council for adoption.

2) the key areas of focus and proposed initial actions to support implementation of the strategy be noted.

P72	Urgent Business There was no urgent business.
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The meeting closed at: 7.20 pm

Chair