

# Minutes

<b>Meeting name</b>	<b>Policy, Finance and Administration Committee</b>
<b>Date</b>	<b>Wednesday, 12 April 2017</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH</b>

## Present:

**Chair** Councillor P. Posnett (Chair)

**Councillors**

R. de Burle	T. Greenow
M. Glancy	L. Higgins (Vice-Chair)
E. Holmes	E. Hutchison
J. Orson	B. Rhodes
J. Wyatt	

**Observers** Councillor M. Sheldon

**Officers**

- Chief Executive
- Strategic Director
- Head of Communities & Neighbourhoods
- Head of Communications & Monitoring Officer
- Corporate Property Officer
- Central Services Manager
- Administrative Assistant (KW)

<b>Minute No.</b>	<b>Minute</b>
P72	<p><b>Apologies For Absence</b> There were no apologies.</p>
P73	<p><b>Minutes</b> The minutes of the meeting held on 25 January 2017 and the minutes of the ad hoc meeting held on 6 February 2017 were confirmed and authorised to be signed by the chair.</p>
P74	<p><b>Declarations of Interest</b> Councillors Posnett, Rhodes and Orson declared a personal interest in any items relating to Leicestershire County Council due to their position as County Councillors.</p> <p>Councillor Greenow declared a disclosable pecuniary interest in paragraph 3.6 of item 8 of the agenda , Asset Management Plan Annual Update and also the urgent item: replacement water main supply to the wash down area at the cattle market, due to him being an employee at the cattle market. Councillor Greenow left the room for this item.</p>
P75	<p><b>Update On Decisions</b> There were no updates on decisions.</p>
P76	<p><b>Recommendations From Other Committees</b> There were no recommendations from other committees.</p>
P77	<p><b>Digital Strategy - Phase One</b> The Strategic Director submitted a report to raise awareness of the future direction of digital strategy and to adopt in principle a Phase 1 Digital Strategy that incorporates the Local Government Digital Standard.</p> <p>The Strategic Director explained that digital technologies are changing how we all live our lives and that digital revolution is not just about the technology but true digital transformation will change business processes, employee and leadership skills/ behaviours and corporate culture. The digital strategy has the potential to change the way we do everything in the future. The report highlights Phase one of the strategy and is the interim to the full strategy which is intended to be developed in 2018/19.</p> <p>A Member stated that he supports the recommendation and when the elections take place in two years' time he believes all Members should utilise digital devices instead of paper.</p>

The Strategic Director explained to a Member that a more detailed roadmap and resource plan for the Phase 1 Digital Strategy will be brought back to the July Committee.

A Member raised concerns around the elderly within the community who were not digitally aware and if the Council goes digital then special care should be taken and assistance offered to ensure the elderly do not get left behind and become vulnerable to crimes associated with digitalisation.

It was highlighted by a Member that the computer package within the Council is not as good as it could be. The Strategic Director pointed out that the current market dictates that legacy systems are still used but that the market is starting to change and over the next five to ten years there are likely to be more low cost cloud open source based systems to enable easier integration. Concerns were raised over the costs associated with the right software packages and the Strategic Director explained that there is emphasis on moving fast but the new software is becoming cheaper. The Strategic Director gave an example of the e-commerce software that is being used on the Commercialism project that has taken two months to implement, is high quality and free to use, something that just a few years back would have been impossible to achieve.

A Member explained that there is better connectivity in technology with the apps available and users are not required to be computer savvy. It was stated that the Council must go forward and be seen as the community leader.

It was asked if Melton Borough Council was ahead of other authorities and asked if there are others that the Council could learn from. The Strategic Director explained that the Council does try to learn from others and it helps with the ICT partnership but further work is still needed. It was highlighted that the Council is not starting from scratch and is currently in a good position; however the Council does not want to get left behind.

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

All Members were unanimously in favour.

**RESOLVED that:**

- 1) The intention of working towards a full Digital Strategy in 2018/19 and the likely intended content be noted.
- 2) The Phase 1 Digital Strategy be approved in principle and intention to report back in July 2017 with a more detailed roadmap and resourcing plan, be noted.
- 3) Councillor Sheldon be approved as a Lead Member for Digital to champion the Strategy and work appropriately with officers moving forward.

*(The discussion here went into exempt session and returned to public session for agenda item 7, Annual Staff Review. The Corporate Property Officer, the Strategic Director and Councillor Sheldon here left the meeting)*

**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 Paragraphs 1, 2 and 3.

P78

**Review of Property Services**

The Head of Communities and Neighbourhoods and the Head of Central Services jointly submitted a report for Members to consider and approve changes to the approved Strategic Asset structure into the Communities & Neighbourhoods service, following a review of the Corporate Asset and Housing Asset management and operations.

**RESOLVED** that the recommendations within the report, be approved.

*(The Corporate Property Officer here re-entered the meeting. Head of Communities and Neighbourhoods and Councillor Greenow here left the meeting.)*

P79

**Urgent Business**

The Chairman, in exercising his statutory powers, agreed that the following item be considered as a matter of urgency due to the issue being raised following despatch of the agenda.

**REPLACEMENT WATER MAIN SUPPLY TO WASH DOWN AREA AT THE CATTLE MARKET**

The Corporate Property Office submitted a report to gain Members approval for urgent works required at the Cattle Market

**RESOLVED** that the recommendations within the report, be approved.

*(Councillor Greenow here re-entered the meeting.)*

P80

**Minutes**

The minutes of the Policy, Finance and Administration Sub Committee held on 13 March 2017 be noted.

*(The meeting here left exempt session.)*

**Annual Staff Review**

The Head of Communications submitted a report to brief members on the current staffing structure as at 1 April 2017 and provide information on changes to the structure since April 2016.

The Head of Communications explained that this is a report that is brought to this committee each year and it brings together all the decisions made at various committees regarding staffing changes over the year. It was explained that there is also a proposal to apply an interim arrangement to the long service policy that was agreed previously by this Committee. It has become apparent that some staff who are due to retire or be made redundant within the next two years with long service may be worse off under the new scheme and the proposal is to protect these employees by allowing them to stay under the old scheme if they opted to do so in the timescale offered.

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

All Members were unanimously in favour.

**RESOLVED that:**

- 1) The report be noted.
- 2) That the protection arrangements for the Long Service Policy be approved. To protect employees who were due to retire or being made redundant, for 2 years. Employees who are identified in that category have the option to defer their long service award under the current scheme and opt to have their long service paid under the old scheme.

*(The Head of Communications here left the meeting.)*

**Asset Management Plan Annual Update**

The Head of Central Services to submit a report to review progress made since the Asset Management Plan and Capital Strategy 2015-18 was approved by Members on the 15<sup>th</sup> April 2015.

Councillor Greenow declared an interest in paragraph 3.6 due to him being an employee of Gillstream Markets and agreed to leave the room if necessary.

The Corporate Property Officer explained that the property team have been proactive in asset management and have achieved a great deal over the past 10 years. In this time the Council have demolished, improved or replaced all of the condition "D" properties identified in the first asset management plan, the landscape of Melton has improved with regeneration of the town station site, and new development at the cattle market and Appendix A shows progress against all criteria in the plan. £16 million has been spent on capital schemes and £4.5 million grant funding has been secured to help fund these projects, £16 million has been generated from capital receipts. Outside organisations are visiting Parkside including the cabinet office last week and Leicester University the week before. It

was stated that the importance of asset management needs to be recognised, as with the acquisitions and investment strategies that could benefit the Council. The interest rates for the public sector borrowing are good and can be fixed at that rate for twenty to thirty years –not available in the commercial market, also Councils do not need to pay tax on their income so there are some compelling reasons for investigating property investment strategies and appreciate this would need due diligence and appropriate resources –Huntingdonshire DC had a good example of an investment strategy. The value on residential properties has increased and there is an opportunity to sell whilst the market is buoyant.

A Member felt the report gave him a good feeling around the Council and commercialism. It was highlighted that other Councils have strategic plans to purchase sites and rent the land to businesses to receive capital rent. A Member stated that there are risks associated with doing this and there needs to be adequate reserves to deal with the risks.

The Chief Executive explained that the Public Account Board are looking into the risks of commercialism within local authorities, it is anticipated that in some time in the future there will be guidelines.

A Member stated that in the private sector you need to be bold to achieve a profit.

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

All Members were unanimously in favour.

**RESOLVED that:**

1) The progress made on the Asset Management Plan and Capital Strategy 2015-18 and the updated Action Plan attached at Appendix A be noted.

P83

**Capital Programme Provisional Year End Position 2016/17**

The Head of Central Services submitted a report to provide information on the provisional Capital Programme year end position for 2016/17, and to give consideration for requests for carrying forward unspent budgets in 2016/17 to 2017/18 in respect of specific schemes.

The Manager of Central Services explained that it is proposed that an amount of £2,762,000 as detailed in Appendix A be carried forward. It was highlighted that the level of spending achieved is 71% and this compares to 61% for 2015-16 which shows we improving in terms of programme delivery.. The levels of the expected expenditure in relation to the cattle market have not been met so it is requested that £766k is carried forward to the general fund to allow the scheme to be completed next financial year. There is a timing issue around the receipt of funding for the leisure vision and should the funding be confirmed this will be used to finance future leisure vision capital expenditure.

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

All Members were unanimously in favour.

**RESOLVED that:**

1) The schemes in the 2016-17 Capital Programme totalling £2,762,000 and shown in the column headed "Amount to Carry Forward to 2017-18 Scheme Specific" at Appendix A be carried forward and included in the Capital Programme as funded schemes.

2) Delegated authority be granted to the Head of Central 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) Delegated authority be granted to the Head of Central Services to change the funding source of the leisure vision project, as section 3.8 refers, should the funding not be secured.

P84

**Revenue Estimates Carry Forward Requests**

The Head of Central Services submitted a report for approval requests from budget holders to carry forward under spent budgets from 2016/17 to 2017/18.

The Central Services Manager explained that this is the usual paper presented at committee. Appendix A outlines the requests and shows the General and Special expenses along with short and long term projects and any underspends being put in reserve.

A Member questioned budget code 876 and whether customers are being let down because of the Housing Strategy delay due to the Housing Policy Officer maternity leave. The Chief Executive explained that it is a small Council and single person failure does happen as backfill is not always possible. She had been advised that the Housing Strategy required refreshing which will be undertaken during 2017-18 but the Council has adopted a housing policy which is a key influence for members.

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

All Members were unanimously in favour.

**RESOLVED that:**

1) Requests set out in Appendix A for budgets to be carried forward from 2016/17 to 2017/18 be approved.

2) Once the final year end position is known the actual under spend be compared to the amount requested and the Head of Central Services be given delegated authority to amend the actual amount carried forward.

P85

**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 Central Services Manager presented the report and explained that recommendation 2.1 is for Members to note the virements at para. 3.1.1, recommendation 2.2 is the budget reductions which is detailed in para 4.1 and recommendation 2.3 refers to the business case for the replacement of the Public Conveniences which Members are being asked to formally approve.

A Member questioned if the money reserved for the foyer project was included in the figures at appendix C and it was confirmed that this funding had been returned to the capital receipts available funding balance but this had then been allocated to pay for the replacement of the Public Conveniences.

All recommendations were moved by Councillor Posnett 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) The business case discussed in para 5.1 be approved and £340,000 be approved from capital receipts to fund the replacement of the Public Conveniences.

P86

**Revenue Budget Monitoring April to December 2016**

The Head of Central 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<sup>st</sup> April 2016 to 31<sup>st</sup> December 2016.

The Central Services Manager presented the report and explained that this report is asking Members to note the financial position on this Committee's services to 31<sup>st</sup> December 2016 along with the year end position. A summary of the overall position is detailed in para. 3.2. The overall position of the key service areas shows a potential overall surplus of £129,430. There is an overspend of £57,240 for this Committee's services and a detailed breakdown of the overspends are shown in para. 3.8.



A Member stated that the commercialism is shown in this report as the main assets of Parkside and Phoenix House are being utilised and gaining income as a result.

A Member questioned why the car parks show additional repairs. It was explained that a number of patch repairs have been carried out on the cattle market car park and there was a delay in the lease being signed by Arla so not all the £9,250 was related to car park repairs. The Central Services Manager also noted during the year car park income was up against budget and virements had taken place to use this additional income to fund other expenditure.

A Member raised concerns about the corporate priorities reserve balance and that referred to Appendix C on the items for approval report. It has moved by a £1m which in his view is unaffordable for it to keep reducing at that rate and in effect we have spent additional £1m in year. It was agreed that Officers will follow up this point.

**RESOLVED that:**

1) The financial position on each of this Committee's services as at 31<sup>st</sup> December 2016 be noted along with the year end forecast.

P87

**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 drew attention to the Leicestershire County Council's draft Communities Strategy and explained that Officers will be working with the Communities and Social Affairs Committee to develop a delivery Action Plan.

The Chief Executive highlighted the Leicestershire and Rutland Association of Local Councils Strategic Plan and invited Members to consider comments to be made to the association.

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

All Members were unanimously in favour.

**RESOLVED that:**

1) The Leicestershire County Council's draft Communities Strategy be noted and participation by Officers in the development of a delivery Action Plan be supported.

2) The Leicestershire and Rutland Association of Local Councils Strategic Plan 2017/20 be noted.

The meeting closed at: 8.05 pm

Chair