



*Rural Capital of Food*

# Agenda

<b>Meeting name</b>	<b>Community &amp; Social Affairs Committee</b>
<b>Date</b>	<b>Tuesday, 20 March 2018</b>
<b>Start time</b>	<b>6.30 pm</b>
<b>Venue</b>	<b>Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH</b>
<b>Other information</b>	<b>This meeting is open to the public</b>

Members of the Community & Social Affairs Committee are invited to attend the above meeting to consider the following items of business.

**Edd de Coverly**  
Chief Executive

## Membership

<b>Councillors</b>	A. Pearson (Chair) T. Beaken P. Chandler S. Lumley M. Sheldon	R. de Burle (Vice-Chair) M. Blase A. Freer-Jones P. Posnett D. Wright
<b>Substitutes</b>	M. Glancy E. Hutchison	L. Higgins

**Quorum:** 4 Councillors

<b>Meeting enquiries</b>	Jasmin Baum
<b>Email</b>	<a href="mailto:jbaum@melton.gov.uk">jbaum@melton.gov.uk</a>
<b>Agenda despatched</b>	Monday, 12 March 2018

No.	Item	Page No.
1.	<b>APOLOGIES FOR ABSENCE</b>	
2.	<b>MINUTES</b> To confirm the minutes of the previous meeting held on 230118.	1 - 12
3.	<b>DECLARATIONS OF INTEREST</b> Members to declare any interest as appropriate in respect of items to be considered at this meeting.	13 - 14
4.	<b>RECOMMENDATIONS FROM OTHER COMMITTEES</b>	
5.	<b>CAPITAL PROGRAMME MONITORING</b> The Director for Corporate Services to submit a report to update the Committee on the progress of schemes within the Capital Programme to 28 February 2018.	15 - 28
6.	<b>BUDGET MONITORING APRIL TO DECEMBER 2017</b> The Director of Corporate Services to submit 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 1st April 2017 to 31st December 2017.	29 - 38
7.	<b>HOUSING REVENUE ACCOUNT - BUDGET MONITORING 1 APRIL 2017 - 31 DECEMBER 2017</b> The Director for Corporate Services and The Interim Director for Growth and Regeneration to submit a joint report 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 2017 to 31 December 2017.	39 - 44
8.	<b>URGENT BUSINESS</b> To consider any other items that the Chair considers urgent	
	<b>EXCLUSION OF THE PUBLIC</b> <b>RECOMMENDED that the Public be excluded during the consideration of the following item of business in accordance with Part 1 of Schedule 12A of the Local Government Act 1972 (Access to Information : Exempt Information) under paragraph(s) 3</b>	
9.	<b>WHEELS TO WORK</b> The Director of Growth and Regeneration to submit a report to outline the recommended future funding commitments and revised future operating area for the Wheels 2 Work (W2W) scheme.	45 - 60



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*Rural Capital of Food*

# Minutes

<b>Meeting name</b>	<b>Community &amp; Social Affairs Committee</b>
<b>Date</b>	<b>Tuesday, 23 January 2018</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 A. Pearson (Chair)

**Councillors** T. Beaken P. Chandler  
P. Posnett M. Sheldon  
D. Wright

**Observers**

**Officers** Deputy Chief Executive  
Head of Communities & Neighbourhoods

Minute No.	Minute
C40	<p><b>Apologies for Absence</b> Apologies for absence were received from Councillors R. de Burle, M. Blasé, A. Freer-Jones and S. Lumley.</p>
C41	<p><b>Minutes</b> The minutes of the meeting held 151117 were approved to be signed by the Chair.</p>
C42	<p><b>Declarations of Interest</b> Councillor Chandler declared a personal interest for Agenda Item 13 UPDATE ON PUBLIC CONVENIENCE REDEVELOPMENT on the grounds that she is a member of the Planning Committee.</p>
C43	<p><b>Recommendations from other Committees</b> There were no recommendations from other committees.</p>
C44	<p><b>Update on Decisions</b> The Head of Place and Regeneration submitted a report for Members to note the update on decisions made in previous meetings of this Committee.</p> <p>The report noted that item C51. GRETTON COURT FEASIBILITY STUDY – EXEMPT is ongoing and working with LCC, a Business Case will be brought back to this committee in early 2018.</p> <p>Also, Members were updated that the HOMELESSNESS REVIEW 2017 &amp; HOMELESSNESS STRATEGY CONSULATION (C48) are complete and on this agenda.</p> <p>The Head of Place and Regeneration confirmed that item C56 HOUSING REPAIRS CONTRACT is ongoing at ITT stage.</p> <p>Item C18 APPLICATION FOR ACCESS FROM NEW DEVELOPMENT INTO COUNTRY PARK (EAST BOUNDARY) is also progressing.</p> <p>Members were also updated of the completion of the amendments to the Voluntary Organisations and Community Facilities Grants Applications with regards to item C37. Organisations applying for grants are now signed up to the Melton Lottery as a good cause to promote the Lottery for their organisation.</p> <p><b><u>RESOLVED</u></b> that members noted the Update document.</p>
C45	<p><b>Revenue Budget Proposals 2018-19 - Housing Revenue Account (HRA)</b> The Director for Corporate Services and the Head of Place and Regeneration submitted a report to set the rents of Council dwellings, approve the HRA estimates for 2018-19 and set the working balance for 2018-19.</p>

The Corporate Services Manager noted that this report is the annual paper for members to approve a rent decrease of 1% for all Council dwellings from 020418. 3.1 (a) of the report notes that the Council is under a legislative duty to publish an annual budget for the HRA which avoids deficit.

Due to the Chancellor's promise in the 2015 budget to reduce social rents by 1%, the rents in 2018-19 will be up to 5% less or £360k, as per 3.1 (b). This equates to around £74.99 per week less.

Members were directed to 3.2 (b) which showed the estimated year end position as an approximate £252,000 surplus. The working balance for 18-19 is estimated at £1.4 million. The Corporate Services Manager advised that the deficit estimated for 18-19 is a result of the Capital Programme and otherwise looks to be in a healthy position.

The Corporate Services Manager noted that as of 010418, Severn Trent Water have ended our agency agreement for which we collect water rates from tenants on their behalf, as per 3.2 (g). This has resulted in a loss of £76k per year. Currently, we are negotiating with Severn Trent to agree an amount to prevent the Council being left with write-offs.

Members were also advised that the estimates include a continuing contribution of £80k in 18-19 to support the Me and My Learning Scheme due to the impact of Universal Credit. (3.4).

A Member queried line 34 of Appendix A: Revenue Estimates 18-19. This shows a considerable expenditure increase. The Corporate Services Manager noted that this was due to higher reserves and a greater rate of return; average return on investment is 0.95.

A Member noted the appalling rent decreases when rural areas struggle to rent for less than £750 p/month. The Head of Place and Regeneration noted that this is part of a four year settlement and going forward is not sustainable at -1%. Four years at -1% is equivalent to £33m rent loss, hopefully we will see rents start to increase.

The Chair asked for clarification with regards to 3.4(g) Severn Trent Water. The Corporate Services Manager clarified negotiations with Severn Trent to avoid unfair debt collection.

The Chair noted the importance of engaging since Grenfell.

The Chair sought a proposer and seconder. All members were in favour.

**RESOLVED** that

(1) The Committee approved a rent decrease of 1% for all Council dwellings

for 2018-19 with effect from 2nd April 2018 and that when a property is re-let the rent continues to be brought into line with the Governments formula rent;

- (2) The estimates for 2018-19 were approved subject to the receipt of the limit rent Determination, with delegated authority given to the Director of Corporate Services in consultation with the Head of Place and Regeneration to amend the estimated working balance based on any changes to this determination;
- (3) A working balance of £966,869 is budgeted for at 31st March 2019 based on a 1% rent decrease.
- (4) In addition to these estimates a contribution of 25% per year to be made to support the work of the Priority Neighbourhood Management Team within the Melton Mowbray town area through the additional allocation of support costs as per paragraph 3.4 (c).

C46

**Operations, Fees & Charges / Waterfield Leisure Centre/Melton Sports Village**

The Head of Place and Regeneration submitted a report to advise members of the fees and charges proposed for 2018/19 for the Waterfield and King Edward VII Leisure Centres.

The Head of Place and Regeneration noted that it is within the contract for Waterfield Leisure Centre to set charges and inform the Council with a shared incentive to maximise participation. Members were directed to 3.3 of the report which shows a considerable increase in participation: 16,059 more participants at Waterfield Leisure Centre and 10,743 more participants at Melton Sports Village. The report will go to full council 070218 for a four year contract.

A Member noted that 1,000 visitors per day is a reward for the renovation at Waterfield Leisure Centre.

The Chair asked what additional financial benefit there is. The Head of Place and Regeneration noted that since the refurbishment there has been an average payment of £249,000 from SLM as well as significant participant increase.

The Chair sought a proposer and seconder. All members were in favour.

**RESOLVED** that members note the fees and charges relating to the Waterfield Leisure Centre and Melton Sports Village for 2018/19.

C47

**The Housing Asset Management Plan (HAMP)**

The Head of Place and Regeneration submitted a report for members to comment and approve the Housing Asset Management Plan.

The Head of Place and Regeneration noted that in 2013, members approved the first HAMP as the structure for projects and initiatives up to 2017. This has now been refreshed for the period 2018-22 for the long-term management of land and



property assets.

The Head of Place and Regeneration noted the achievements of the first HAMP (Appendix A) such as

- 1) Ten new affordable homes which all have sustainable tenants.
- 2) Restructuring the Asset Management Team to build capacity and specialism.
- 3) Meeting the decent homes standard.
- 4) Works to address negative net present value at Granby House and Beckmill Court.
- 5) A plan for all archetypes of non-traditional properties .
- 6) A move to a price per property model and re-procurement of maintenance contract .
- 7) Aids and adaptations.

The Granby House redevelopment that was prioritised by members is complete and Beckmill due to be complete later this year.

The Head of Place and Regeneration noted that as a result of the staff re-structure and Peer Challenge, this document is subject to a prioritisation process, as was recommended across the Council in order for officers to best utilise capacity and resources. Priorities could include (3.11):

- New housing growth
- Supporting vulnerable people
- Working in priority neighbourhoods
- Delivering a balanced housing market
- Greater ROI

The Head of Place and Regeneration outlined some of the projects within the HAMP 18-22

Beckmill Court – £2.3m internal and external works to re-generate whole estate and Fairmead – total of £4.8m needed for extra care. Some external fund is available: £25m over five years. Every £1m equates to 12 jobs so there is economic benefit to planned refurbishments.

It was noted that members will be asked to prioritise projects.

A member noted visiting sites and was pleased with works, however concerned over action residents behaviour in the future after all this investment.

The Head of Place and Regeneration noted that as HAMP is developed, work will be done with tenants and with re-structure of people services tenant behaviour can be monitored more closely.

A member asked about plans to improve Chapel St. flats. Most tenants are elderly and the flooring in unsuitable and flats need painting.

The Head of Place and Regeneration noted that roofing is being looked at and all communal areas will be looked at within the budget as part of a cyclical maintenance structure.

A member noted that re-running of the report from 2013 may mean that projects are stagnating such as garage sites. The staffing was highlighted as a priority to address. Also, Objective 6 in Appendix A to build 30 new homes in the next five years is an insufficient rate.

The Head of Place and Regeneration advised that since the ten new homes were built, this Committee prioritised Granby and Beckmill projects which are complete or on schedule, respectively. When prioritisation exercise is complete, if new builds are a priority then that will determine where resources go.

The Strategic Housing Officer noted that some builds were delayed due to lack of grant funding at Fairmead and so other factors need to be taken into consideration when looking at redevelopment time scale.

The Chair sought a proposer and seconder. All members were in favour.

**RESOLVED** that

- (1) Member made comment and approved the Housing Asset Management Plan 2018/2022.
- (2) Members approved the HRA capital programme up to 2022.

C48

**Health & Safety Update - Property**

The Head of Place and Regeneration submitted a report advising members of the processes and update on various health and safety aspects of Property Maintenance and Management.

The Head of Place and Regeneration noted that this report is on the agenda after members' request for updates of health and safety procedures since Grenfell.

It was noted that health and safety aspects are currently at 100% with the exception of gas servicing which is currently at 99.99%. This is a result of two properties prohibiting access meaning that access is being obtained legally (3.2).

Members were reassured that resources are in place for testing and inspections.

A member stated that properties that have not been accessed need to be addressed. The Head of Place and Regeneration confirmed that this is being addressed and the Council, as a landlord, can obtain access.

A member asked if fire extinguishers would be a good idea, however the Business Manager advised that the use of fire extinguishers would not comply

with fire safety advice guideline.

The Head of Place and Regeneration noted that due to annual test on properties, an annual update report will be bought to this Committee.

The Chair sought a proposer and seconder. All members were in favour.

**RESOLVED** that members noted the update provided in section 3.2 on various Health and Safety aspects of Property Maintenance and Management.

C49

**The Homelessness Strategy 2018-2023**

The Deputy Chief Executive (Director for People and Communities) submitted a report to present members with the proposed Homelessness Strategy 2018-2023 – attached as Appendix B - for their consideration and approval.

The Strategic Housing Officer noted that this reports brings the findings of the homelessness review and consultation period.

A member praised the report for consulting the right people.

The Chair noted approval for confirming links and relationships within the strategy.

The Chair sought a proposer and seconder. All members were in favour.

**RESOLVED** that members took note and approved the Homelessness Strategy 2018-23 and Homelessness Action Plan 2018.

C50

**Asset of Community Value - Review- The Red Lion Car Park, Stathern**

The Deputy Chief Executive presented a report for members to make a review decision on whether The Red Lion Car Park, Stathern should be classified as an Asset of Community Value (ACV) following the decision by Melton Borough Council to list as an Asset of Community Value.

The Community Policy Officer explained to members that the Community Right to Bid allows Parish Councils to bid for an Asset of Community Value, as noted in Appendix A. In light of this nomination, members were advised that a previous nomination had been made for The Red Lion public house and the car park to be listed as an ACV, however only the public house was approved as a partial listing as of 230117 (as per 3.5 of the report); the listing of the car park was not approved on the grounds that its use was ancillary to The Red Lion Inn. The Community Policy Officer noted that a new nomination for solely the car park of The Red Lion Inn, Stathern was received in October 2017.

Members were directed to Appendix A, showing the nomination of the car park. The Community Policy Officer advised members that the justification for approving the application for the car park to be listed as an ACV were detailed in the following sections of Appendix A:

(d) There is a time in the recent past when an actual use of the building or other land that was not an ancillary use furthered the social wellbeing or interests of the local

community.

And

(e) It is realistic to assume that in the next five years there could be non-ancillary use of the building or other land that would further (whether or not in the same way as before) the social wellbeing or social interests of the local community.

The Community Policy Officer noted that Appendix A detail Melton Borough Council's justification in approving the nomination, whereas Appendix B contains the land owner's grounds for appeal and reasons for the car park not qualifying as an ACV. It was noted that this argument used case law as evidence to refute the nomination.

Members were reminded that this report was not presented as a planning matter, members were being asked if they agree with the decision made by the Council.

The Head of Place and Regeneration noted that as this was a review of a decision made by officers, those officers that participated in the decision making process would have to leave this Committee after presenting the report.

A member asked, in reference to recommendation 2.1 of the report, if officers made an informed decision, why members would go against that decision.

The Community Policy Officer noted that the owners have a legal right to appeal and under the current appeal process attached in Appendix A, the matter is presented to this Committee.

A Member asked if there is evidence that the Parish Council – in this case the nominating party – can purchase the car park.

The Head of Place and Regeneration advised that it is not relevant at this time to look at whether that is an option. Members are being asked to review a decision made by officers in approving the car park as an ACV.

A Member asked how the car park could be marketed if it is part of the land of The Red Lion Inn.

The Deputy Chief Executive emphasised that an original application of both the pub and car park was made. The pub was approved as an ACV, but not the car park. Legislative interpretation would suggest that the car park should have been included as it is ancillary. The nominating group re-applied for the listing of the car park in its own right. On the basis of the nomination, it has been dealt with following the process, as attached. In accordance with the review process, it is being brought to this Committee. It seems that the whole site should have been determined to be an ACV however a partial listing does appear to be an advantage to the land owner.

The Deputy Chief Executive advised that there is no right to appeal for the nominating group. This review is an opportunity to look at both sides and review the decision made to list the car park as an ACV.

At this point (7:46PM), the Deputy Chief Executive and the Community Policy Officer left the room as they were part of the decision making process that approved the car park as an ACV.

A Member noted that it feels wrong to de-value the land and that listing the car park as an ACV is against her principles. A Member noted displeasure with the legislation behind

the ACV process.

A Member noted that this listing would make it more difficult for people and we cannot stop people use of the car park. People should have the opportunity to turn the site around and consider young people. Additionally, she could not support this decision as we owe it to the villagers to 'make a go of it'.

The Head of Place and Regeneration noted that listing the car park as an ACV does not stop use of the land.

The Housing, Welfare and Safer Communities Manager noted that this matter is about whether the car park adds value to the community. It is not an invitation for a group to buy.

The Head of Place and Regeneration is about recent, past and future use of the site and does not mean that the owner can prohibit use. Listing the land would not deter people from using the car park.

A Member stated that officers ruled the site to be an ACV and the owner is asking how often the facility can be used and that he was struggling with the officers' decision.

A Member noted personal attendance to events in Stathern and parking is not a huge problem but also struggling with the decision of the officers.

The Head of Place and Regeneration noted that the asset owners have not responded to every point of the approval that based the officers' decision. The appeal grounds consist of case law and do not counter the justifications behind the decision.

Also, Members should be aware that the owners have an opportunity to raise their appeal to go a first tier tribunal to escalate the review of the decision; however the nominating group do not have an opportunity to appeal.

The Chairman noted that this was an opportunity to amend a past decision that was made as a result of misinterpretation of 'ancillary' which was the grounds on which the car park was rejected as an ACV. The Parish have made a case in favour of the listing and the owners have appealed the listing using previous case law. The question is whether this Committee agrees with the knowledge and the staff or with the owner's justifications. The Chair noted the owners' absence at the Committee meeting.

The Head of Place and Regeneration reiterated that the owners can appeal, unlike the nominating group.

A Member noted that the report could be misleading – at no fault of the officers' involved – in that the Red Lion Inn allowed people to use the car park during non-peak hours, such as after lunch and early evening when the pub was less busy. Community use has therefore been during off-peak times which make the report slightly misleading as it does not reflect the nature of the village's use of the land.

The Chair reminded members that rejecting the officers' decisions closes the door on the nominating group with regards to appealing the decision.

A Member enquired as to the cost of a tribunal and noted that escalating the decision to a tribunal will not be free.

The Housing, Welfare and Safer Communities Manager noted that this is presented as a test of whether criteria has been properly applied by officers. The question is whether

the officers have adhered to the legislation properly.

The Chair sought a proposer to remove the recommendation 2.1. The recommendation was not seconded.

The Head of Place and Regeneration advised members that they would need to vote on an amended recommendation.

A Member recommended to reverse the officers' decision and reject the nomination of the car park as an ACV.

The Chair sought a proposer and seconder. Members voted four in favour and one against. One member abstained from voting.

**RESOLVED** that:

Following the confirmed listing as an Asset of Community Value Status on The Red Lion Car Park, Stathern and a review request from the Asset owner, Members reject the decision to list the car park as an ACV.

The Community Policy Officer and the Deputy Chief Executive re-entered the room.

The Chair noted that members needed to vote on recommendations 2.2 and 2.3.

A Member asked the Community Planning Officer how many nominations are in the pipeline.

A Member again repeated disagreement with legislation behind the ACV process.

The Community Planning Officer advised that there are three nominations ongoing.

The Chair sought a proposer and a seconder.

All members were in favour.

**RESOLVED** that:

2.2 Members approve amended decision making process;

2.3 Members note a policy paper relating to specifically to the decision making process for Public Houses will be undertaken and presented at a future committee meeting.

C51

**DCLG - Additional DFG Funding**

The Head of Strategic Planning and Regulatory Services submitted a report to inform members that DCLG has offered additional funding to this year to supplement the Disabled Facilities Grant (DFG) Budget for 2017-18.

The Business Manager noted that the £25k additional funding outlined in 3.1 of the report has now been increased to £29,457 to supplement the DFG for wider social care and to enhance the Lifeline service that we currently offer.

A member enquired that if the money has to go back if it is not spent. The Business Manager confirmed that we have the financial year to use the funding.

A member noted that some residents are unaware of the service and the facility needs to be made available. The Business Manager confirmed that the new service is an enhanced one and have gone to lengthy efforts in order to promote and spread the word so that people are aware of services.

The Chair sought a proposer and seconder. All members were in favour.

**RESOLVED** that

- (1) Members approved the business case to spend the additional £29,475 offered to MBC by DCLG for wider social care capital projects and that it be recommended to the Policy, Finance and Administration Committee that the capital programme be updated accordingly
- (2) Member approved waiving the means test for installation of this additional equipment and offer the services at an introductory rate.

C52

**Update on Public Convenience Re-development**

The Director of Corporate Services submitted a report to apprise members of the latest position in relation to the re-development of the public conveniences located on Wilton Road and St. Marys Way.

Councillor Chandler left the meeting at this time due to a conflict of interest with the Planning Committee.

The Head of Place and Regeneration determined that it was necessary to re-locate the new public convenience from the right hand side of the planter to the left hand side as an alternative to installing a new sewage pipe across Wilton Road.

The Chair sought a proposer and a seconder. All members were in favour.

**RESOLVED** that members approved the new location for the Wilton Road public conveniences and approved the submission of a revised planning application.

C53

**URGENT BUSINESS**

There was no urgent business.

The meeting closed at: 8.20 pm

Chair

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## Advice on Members' Interests

### **COUNCIL MEETINGS - COMMITTEE MINUTES : DECLARATION OF INTERESTS**

Interests need not be declared at Full Council in relation to Committee Minutes which do not become the subject of debate at Full Council (i.e. Minutes referred to solely on a page by page basis when working through the Minutes of each Committee.)

An interest must be declared at Full Council as soon as it becomes apparent that a relevant Committee Minute is to be debated – this applies even if an interest has been declared at Committee and is recorded in the Minutes of that Committee.

### **PERSONAL AND NON-PECUNIARY INTERESTS**

If the issue being discussed affects you, your family or a close associate more than other people in the area, you have a personal and non-pecuniary interest. You also have a personal interest if the issue relates to an interest you must register under paragraph 9 of the Members' Code of Conduct.

**You must state that you have a personal and non-pecuniary interest and the nature of your interest.** You may stay, take part and vote in the meeting.

### **PERSONAL AND PECUNIARY INTERESTS**

If a member of the public, who knows all the relevant facts, would view your personal interest in the issue being discussed to be so great that it is likely to prejudice your judgement of the public interest and it affects your or the other person or bodies' financial position or relates to any approval, consent, licence, permission or registration then **you must state that you have a pecuniary interest, the nature of the interest and you must leave the room\***. You must not seek improperly to influence a decision on that matter unless you have previously obtained a dispensation from the Authority's Governance Committee.

### **DISCLOSABLE PECUNIARY INTERESTS AND OTHER INTERESTS**

**If you are present at any meeting of the Council and you have a disclosable pecuniary interest in any matter to be considered or being considered at the meeting, if the interest is not already registered, you must disclose the interest to the meeting. You must not participate in the discussion or the vote and you must leave the room.**

You may not attend a meeting or stay in the room as either an Observer Councillor or \*Ward Councillor or as a member of the public if you have a pecuniary or disclosable pecuniary interest\*.

### **BIAS**

If you have been involved in an issue in such a manner or to such an extent that the public are likely to perceive you to be biased in your judgement of the public interest (bias) then you should not take part in the decision-making process; you should leave the room. **You should state that your position in this matter prohibits you from taking part.** You may request permission of the Chair to address the meeting prior to leaving the room. The Chair will need to assess whether you have a useful contribution to make or whether complying with this request would prejudice the proceedings. A personal, pecuniary or disclosable pecuniary interest will take precedence over bias.

In each case above, you should make your declaration at the beginning of the meeting or as soon as you are aware of the issue being discussed.\*

\*There are some exceptions – please refer to paragraphs 13(2) and 13(3) of the Code of Conduct

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## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

20 MARCH 2018

### REPORT OF DIRECTOR FOR CORPORATE SERVICES

#### CAPITAL PROGRAMME MONITORING

#### 1.0 PURPOSE OF THE REPORT

1.1 To update the Committee on the progress of schemes within the Capital Programme to 28 February 2018.

#### 2.0 RECOMMENDATIONS

2.1 The progress made on each capital scheme, attached as Appendix A, be noted along with the year end forecast position;

2.2 It is recommended to the Policy Finance and Administration Committee that the financing of the Warm Homes Grant project is amended as paragraph 5.4 refers;

2.3 It is recommended to the Policy Finance and Administration Committee that the source of funding for the leisure vision is amended from external funding to leisure vision capital receipts as paragraph 5.3 refers;

2.4 After taking on board any comments from the Town Area Committee, the Project Mandate as attached at Appendix B is approved for inclusion within the 2018-19 and 2019-20 capital programme as paragraph 5.5 refers; and

2.5 The adjusted HRA capital programme, as referred to in Appendix A is noted. It should be noted that the budgets are being adjusted between projects and the total programme has not changed as paragraph 5.6 refers.

#### 3.0 KEY ISSUES

3.1 Under the Capital Programme Project Appraisal System, monitoring of actual capital expenditure against authorised expenditure is undertaken on a regular basis and reported to the Senior Management Team. Appendix A gives details of the spending against budget for all schemes within this Committee up to 28 February which is the latest available information at the agenda date.

#### 4.0 POLICY AND CORPORATE IMPLICATIONS

4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

#### 5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

5.1 The financial implications for each scheme are as set out in Appendix A

5.2 The overall position for all capital schemes falling within this Committee is as set out below.

Capital Schemes	Allocated Funding 2017/18 Budget	Authorised Funding 2017/18 (Business Case Approved)	Actual Expenditure to 28 Feb 2018	Year End Forecast	Year End Variance (-) Underspend
	£'000	£'000	£'000	£'000	£'000
General Expenses	763	763	157	355	-408

5.3 The underspends expected are as follows:

- Public Conveniences - additional planning permission is required to move the proposed location of the Wilton Road facilities. The majority of works are now not expected to start until 2018/19 and therefore any underspend on the budget will be carried forward.
- Disabled Facilities Grants are now managed through the Lightbulb project hosted by Blaby. Current forecast, an underspend of £65k, is based on applications received to date and those expected, along with the capitalisable lightbulb team costs and capitalisation of salaries. Alternative use has been explored for the forecast underspend and it has been agreed that this will be invested in a series of measures to ensure the effectiveness of the Lightbulb Project across Leicestershire through investment in its shared resources, and enhance the existing 'Home Support Grant' (minor adaptations under £2500) and 'Housing Enablement Team' provision (adapting houses for people returning from hospital). As Disabled Facilities Grants are demand led it is difficult to predict the outcome however it appears that 100% of demand has been met in 2017/18 to date.
- Leisure Vision – All works under the football foundation bid, relating to £30k carried forward, completed with final invoice for the remaining 10% of the stadium awaited. Actual cost of the stadium less than expected and works to floodlights no longer required which amounts to £5k of savings. It should be noted that there is £4k of expenditure in relation to lighting which is still expected but has not yet materialised. 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. It has now been confirmed that the £45k grant assumed from the Football Foundation will not be received. The reason for this is that a Without Prejudice Permission (WPP) would have been required to be granted by the Football Foundation before works were commenced / expenditure incurred and this was not in place for the floodlights and stand/seating. The spend on the floodlights was dealt with in 2016/17, and a carry forward request was approved for the remaining expenditure, as part of the 12<sup>th</sup> April 2017 PFA capital report. It is therefore requested that the funding of the £25k this year, as referred to above, reverts back to leisure vision capital receipts.

There is currently £35k within the capital programme for which the costs, in relation to consultancy for phase 2, can no longer be capitalised due to the delivery of the scheme now not expected for another four years and therefore we cannot capitalise something for which the actual delivery of the scheme is so far in advance with no certainty. These costs will be written off to revenue, as the revenue budget monitoring report refers, and the budget will be added back to the leisure vision capital receipts at year end.

5.4 A repayment of a previous Warm Homes Grant has been received totalling £955.50. It is recommended that, as is normal practice, the financing of the Warm Homes Grant expenditure is amended to utilise this and reduce the amount required from capital receipts.

5.5 A project mandate for a proposed new scheme is submitted for approval for inclusion into the 2018/19 and 2019/20 Capital Programme. The Project Mandate, as approved by the Councils Management Team and considered for comment by the Town Area Committee, is attached as Appendix B and is for a "Path For All" within Melton Country Park at a cost of £21k in 2018/19 and £35k in 2019/20.

5.6 The programme is expected to be £1.168m underspent this year as some works in relation to the Beckmill Court Refurbishment and Regeneration scheme are expected to fall into 2018/19 due to delays in the project partly due to inclement weather. A large proportion of the works are expected to fall at the end of the project and therefore it will be requested to carry forward any underspend in to 2018/19. It should also be noted that following a review of the HRA schemes the budgets have been moved between projects, under the Director of Growth and Regeneration's delegated authority, as outlined in Appendix A. Any unspent amounts will be carried forward into 2018/19 to allow the projects to progress.

## 6.0 LEGAL IMPLICATIONS

6.1 Legal implications/powers were addressed in setting the current year's programme. There are no further legal implications arising from this report.

## **7.0 COMMUNITY SAFETY**

7.1 Individual schemes could have links to community safety issues. These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

## **8.0 EQUALITIES**

8.1 Individual schemes could have links to equalities issues. These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

## **9.0 RISKS**

9.1 These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

## **10.0 CLIMATE CHANGE**

10.1 Individual schemes could have links to climate change issues. These should be covered in any associated reports and forms linked to those schemes as they progress through the decision making process.

## **11.0 CONSULTATION**

11.1 Consultation takes place between project managers and the Financial Accountant to determine the information included in Appendix A. Reports are also prepared on a quarterly basis for Senior Management Team.

## **12.0 WARDS AFFECTED**

12.1 To varying degrees all wards are affected by capital schemes within this Committee

Contact Officer: Natasha Allsopp  
Date: 2<sup>nd</sup> February 2018  
Appendices: Appendix A – Capital Programme Progress Report – Feb 2018  
Appendix B – Path for All Mandate  
Background Papers: Oracle Financial Reports  
Budget Holder Comments on Performance  
Reference: X:\Cttee, Council & Sub Cttees\CSA\2017.18\200318/DG-Capital Prog. Monitoring-  
Apr 17 to Feb 18.

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CAPITAL PROGRAMME 2017/18 PROGRESS REPORT - FEBRUARY 2018

	Grant Funded	Business Case Approved	Budget for Year	Actual April 17 to February 18	Forecast	Variance (-) = Underspend	Project Manager	Comments
	Y/N	Y/N	£000	£000	£000	£000		
<b>General Expenses</b>								
Disabled Facilities Grants (Private Sector Mandatory)	Y	Y	259	102	259	0	JW	Current approved amount for the year is £102k, with a number of others in the application process and more still expected throughout the year. With the capitalisation of salaries, other lightbulb capital costs (for which actuals are still to be confirmed now that actual data on time etc is available) and grant expenditure forecast at this stage it is expected that there will be an underspend against budget of £65k. It has subsequently been agreed that this remaining funding will be invested in a series of measures to ensure the effectiveness of the Lightbulb Project across Leicestershire through investment in its shared resources, and enhance the existing 'Home Support Grant' (minor adaptations under £2500) and 'Housing Enablement Team' provision (adapting houses for people returning from hospital) The DFGs are demand led and therefore it is difficult to predict the outcome though it appears we have been able to meet 100% of demand in 2017/18
Disabled Facilities Grants - Additional Funding	Y	Y	29	0	29	0	VC	Business case recently approved for additional DFG funding for which DCLG have confirmed can be used to purchase lifeline equipment, in relation to the timesage project, to be used to deliver the service. Capital expenditure to be fully spent before year end in line with terms of the funding.
Warm Homes Grants	N	Y	20	16	20	0	JW	Current approved amount of £17k against revised budget of £20k, with further costs expected to meet budget due to receipt of other eligible cases as the year progresses. It should be noted that a repayment of a grant has been received, amounting to £956, and therefore a recommendation has been put forward to amend the financing in line with this.
Leisure Vision - Phase 1 Melton Sports & Leisure Village	Partially	Y	65	18	25	-40	CD	The £65k budget is made up of two elements: £30k carried forward from 16/17 in relation to works to the site under the football foundation bid and £35k in relation to consultancy and legal fees. All works under football foundation bid completed with final invoice (for 10% of the stadium) awaited. It should be noted that the actual cost of the stadium is £1.7k less than expected. Included within the carry forward from 16/17 there were also costs in relation to floodlights and lamps which have not yet materialised. It is not expected that the floodlights works are required any longer. Due to these savings £5k of the expected underspend will not be required to be carried forward into 2018/19. It has now been confirmed that the Football Foundation £45k funding assumed will not be received. It is therefore requested that the source of funding is amended to leisure vision capital receipts. Re the £35k for consultancy fees, these costs are to be written off to revenue due to the delivery of the final scheme now not expected for a number of years and therefore we cannot capitalise something for which the scheme is so far in the future and there is no certainty. The £35k will therefore be transferred back to leisure vision capital receipts at year end.
Public Conveniences	N	Y	390	21	22	-368	CD	A revised planning application is required for Wilton Road which led to a delay in the works. The building works are now expected to be started in 2018/19 and therefore the majority of the budget will be carried forward. The spend to date is on consultancy fees, utility connection and disconnection fees and planning and building regulation fees.

TOTAL - GENERAL EXPENSES

763	157	355	-408
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Key to Initials:

HR = Harry Rai

CD = Chris Damri

JW = Jim Worley

VC = Victoria Clarke

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**CAPITAL PROGRAMME 2017/18 PROGRESS REPORT - FEBRUARY 2018**

	Grant Funded	Business Case Approved	Budget for Year	Actual April 17 to February 18	Forecast	Variance (-) = Underspend	Project Manager	Comments
	Y/N	Y/N	£000	£000	£000	£000		
HRA								
Replacement Kitchens Bathrooms	N	Y	129	26	129	0	MG	Kitchen and bathroom contracts are in place. The current focus is on bathrooms, with kitchens to follow. It is expected that the budget will be fully spent however if there are any delays in the works the budget will be carried forward into 2018/19.
Housing Health & Safety Related Schemes	N	Y	77	77	77	0	MG	Granby House fire improvement works relating to a fire enforcement notice. Other works completed in line with fire risk assessments. Note budget increased by £11k, through an underspend expected on the rewire contract below, to cover expected overspend.
Replacement Exterior Doors & Windows	N	Y	30	20	30	0	MG	A schedule of window and door replacements is in place. A contract is to be procured however due to the timescales for procurement it is expected that the majority of the works will fall into 2018/19 and the budget has been reduced accordingly.
Rewire Council Properties	N	Y	34	0	34	0	MG	Procurement stage is progressing for the new contract. However, it is expected that the contract will not be in place until end of Q4 and therefore the majority of works will fall into 2018/19. At the last round of monitoring the budget was reduced accordingly. Note, budget reduced by a further £16k as not required in year and has been moved to the Housing Health and Safety works above and voids below.

Central Heating	N	Y	60	38	60	0	MG	Currently boiler replacements are ad-hoc. Current forecast is based on demand which has been higher than anticipated. Going forward, a contract will be procured and a schedule of works produced however it is not expected that this will be until the new financial year. Note, budget increased by £20k through an expected underspend on aids and adaptations below.
Re-Roofing Works	N	Y	237	200	237	0	MG	Works are progressing well. Year 5 works to be completed in line with budget.
Void Catch Up Repairs	N	Y	180	169	180	0	MG	The introduction of Price Per Void should smooth out the spending over the year. This is to continue to be monitored as spend is dependant on number and works needed. Current forecast was an overspend of £30k which has been covered through an increase in the budget from a £5k underspend on the rewire contract above, £10k from aids and adaptations underspend and £15k from conversion of electric storage heaters budget which has now been removed due to a delay in the procurement of the contract.
Aids & Adaptations	N	Y	120	104	120	0	MG	Aids and adaptations are being progressed in line with policy and date order for small/large works. An underspend is expected due to resources available to deliver the works. The budget has been reduced accordingly by £30k and moved to central heating and void catch up above.
Communal Refurbishments	N	Y	19	0	19	0	MG	Communal refurbishments at Wilton Court are underway with works expected to be completed in quarter four.
Capitalisation of Housing Inspector Costs	N	Y	79	0	79	0	JE	Dependant upon employee time. Forecast spend in line with revised budget.

Beckmill Court Refurbishment & Regeneration	N	Y	2,200	442	1032	-1168	LS	Contract in place with works underway. Works currently behind schedule party due to inclement weather. A large proportion of the works are expected to fall at the end of the project and it is therefore requested that any underspend is carried forward to 2018/19. Potential need to request additional budget in 2018/19 for Fire Risk Assessment works not included in the original scope in 2018/19.
Granby House Refurbishment	N	Y	849	783	849	0	LS	Works completed with final account awaited.
Gretton & Wilton Court	N	Y	37	28	37	0	LS	Emergency kitchen upgrade works at Gretton Court to comply with legal requirements now complete. Roofing works also complete with invoice awaited.
Affordable Housing	N	Y	80	0	80	0	JE	Negotiated terms on purchase of a flat. Stamp duty is being looked in to, to determine if it is payable due to the value of the purchase; no allowance for this is made within the £80k. It could be that the purchase is not completed until 2018/19 in which case the budget will be carried forward. Remainder of affordable housing scheme will be subject to prioritisation through the HAMP in line with the Peer Challenge recommendations and the budget has already been moved into 2018/19 accordingly. Note, this budget has been increased by £10k through removing the £10k budget on Non Traditional Dwelling Site Development previously in the 17/18 programme which is now expected to fall into 18/19 where the budget has been set accordingly.

TOTAL - HRA

<b>4,131</b>	<b>1,887</b>	<b>2,963</b>	<b>-</b>	<b>1,168</b>
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Key to Initials:

MG = Malcolm Green

JE = John East

LS = Laurence Short

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Legal: There are not expected to be any legal issues arising from this project as it will closely consider Equalities Act principles and purpose. Melton country Park is protected as a recreational facility in perpetuity through its designation as a 'Fields in Trust' park bestowed upon it as part of Queen Elizabeth II Diamond celebrations in 2014 and this project with its intended increase in public accessibility is fully in line with that lawful designation

I.T.: The path is intended to incorporate self powered technology that could provide interpretation that meets certain special needs including talking posts, multilingual capabilities and or touchscreen/ motion activated information. Support for these specialised information / communication facilities is expected to come from the installers and providers of the technologies.

Financial: An outline costing for the works required is below for information, members will note the potential to deliver the project in 2 phases if this was determined as preferable Phase 1 costing in the region of £21k and Phase 2 costing in the region of £ 35k giving a total project outline costing of £56k .Any available funding from the various different disability supporting bodies will be sought and used to contribute to the project.

The table below identifies an existing £18.8k of funding that could be used to fund the first phase of this project should a phased project be determined as appropriate.

<b>Development (i.e source)</b>	<b>Purpose</b>	<b>Sum received</b>	<b>Date Received</b>	<b>Date(s) to be expended/details</b>
06/00135/OUT Doctors Lane Melton Mowbray	For provision or improvements to open space Melton Country Park(MCP) (capital)	£58,548	2009/10 and 12/13	2010 – 2014 Play Area equipment replacements within MCP from the £58,548, currently <b>leaving £ 18,756.37</b> unallocated and available for the purpose of this mandate

The project is expected to be either delivered in one phase or if felt beneficial or preferable in anyway, installed in 2 phases. No specific risks are envisaged with what is basically a path construction project and care will be taken to ensure the path is fully fit for its intended purpose. The company that assisted with the initial designs are one such body that are able to over see such projects from start to finish. The experience and knowledge of such companies is expected to eliminate, greatly reduce or negate all known risks as well as limit any unforeseen risks.

This entire project is focussed around access and inclusion for all. It is intended to see the installation of a path that is fully compliant with the 2010 Equalities Act. There are no negative Diversity issues that would arise from this mandate, indeed the facility intended would welcome users from as wide and diverse a range as possible. There are not expected to be any staffing implications as a direct result of this project proposal mandate.

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12462 Melton  
Country Park Pathwa





# Agenda Item 6

## COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

20 MARCH 2018

### REPORT OF DIRECTOR OF CORPORATE SERVICES

#### BUDGET MONITORING APRIL TO DECEMBER 2017

#### 1.0 PURPOSE OF THE REPORT

- 1.1 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 2017 to 31<sup>st</sup> December 2017.

#### 2.0 RECOMMENDATION

- 2.1 It is recommended that the financial position on each of this Committee's services to 31<sup>st</sup> December 2017 and year end forecast be noted.

#### 3.0 KEY ISSUES

- 3.1 As part of the Council's budget monitoring procedures all budget holders are asked on a quarterly basis to provide details of service and financial performance. Copies of the budget holders' returns are available for further information.

#### Overall Position

- 3.2 A summary of income and expenditure for all of this Committee's services is attached at Appendix A. This information has previously been circulated to Members as part of the Members' Newsletter.
- 3.3 A summary of the income and expenditure for this Committee's services compared to the approved budget at December 2017 is as follows:

	Approved Budget @ December 17 £	April to December 17 Budget £	April to December 17 Net Expenditure £	YTD Variance Underspend (-) £	Year End Forecast £	Year End Variance Underspend (-) £
General Expenses	1,642,720	874,434	541,973	-332,461	1,801,820	159,100
Parish Special Expenses	11,410	8,558	6,364	-2,194	11,410	0

- 3.4 The above figures show a forecast overspend against the latest budget for general expenses of £159,100 and for special expenses the forecast is in line with budget; the reasons for the overspend on general expenses being explained in paragraph 3.6 below. Members should note that across the Council there is an overall break even position forecast.

### **Key Service Areas**

- 3.5 The Key Service Areas report for those services within the remit of the CSA committee is attached at Appendix B, to the end of January being the latest available to the agenda date. This report is presented to the Management Team on a monthly basis and highlights the high risk budgets that were identified as part of the Council's budget protocols. These budgets are reviewed with budget holders monthly. Those budgets which are more complex in nature are supported by more detailed analysis of the service usage that drives the costs.

### **Budget Variance Exception Reporting +/- £10k**

- 3.6 As part of the budget monitoring process variances are being promptly and proactively managed facilitating more detailed reporting. The forecast variations of +/-£10k are as follows:

#### Underspends

Rent Rebates – HRA £11,380

Subsidy % predicted is slightly higher than budgeted for at 99.51% compared to 99.42%. However this is highly volatile and can fluctuate. Also overpayment recovery is predicted to be £5k above that budgeted for as a result of Verification of Earnings and Pension Information and Real Time Information (RTI).

#### Overspends

Public Conveniences £30,920

The overspend forecast reflects the Council's commitment to the redundancy costs expected as a result of the public conveniences project. There has also been a decline in the income received due to demand for the service.

Leisure Vision £19,830

Costs in relation to phase 2 consultancy, previously charged to capital, are to be written off to revenue as the final delivery of the scheme is now not expected to be in the imminent future and for which there is no certainty. An interim 4 year contract until 2022 to operate the MSV was agreed by Full Council on 7 February 2018. These costs amount to £18k to date and there are a further £17k of costs to be expended although it is expected that these will be in 2018/19. Management Team have agreed that the 2017/18 costs can be covered through existing budget reductions, with the 2018/19 costs added to the 2018/19 action plan.

Homelessness £21,360

Debts from 2004 onwards in relation to B&B income, rent deposits through priority need grants received and mortgage rescue programmes have been put forward for write off or credited where there had been errors such as duplication of invoices. Such write offs amount to £77k which has been partially mitigated through reduced B&B costs as a result of fewer single people requiring emergency accommodation and more support given through the no second night out programme and bridge support. Also reduced lease costs due to one less property than when the budget was set and the landlord giving notice from the end of February on a second property.

Lifeline £24,800

Write off of aged debts in excess of £21.5k Also purchase of additional equipment required to replace ageing stock.

#### Wheels to Work £97,090

In addition to the areas previously reported; i.e. unsuccessful Northampton bid, one additional employee in post against the establishment, fees and charges increase not implemented until part way through the year and an increase in insurance premiums, it is now expected that outputs will not meet the requirements of the funding and therefore it is assumed that one quarters funding from the Access Fund and County will not be received based on the latest correspondence from Leicestershire County Council. This position is yet to be confirmed. Due to the current level of bad debts, the year end position also now assumes recovery of only 60% and a suitable provision for this will be made at year end. A report is also on this agenda to update on the Wheels to Work position and scheme going forward.

#### **4.0 POLICY AND CORPORATE IMPLICATIONS**

- 4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

#### **5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS**

- 5.1 All financial and resource implications have been addressed within paragraph 3.0.

#### **6.0 LEGAL IMPLICATIONS/POWERS**

- 6.1 Legal implications/powers were addressed in setting the current year's budget. There are no further legal implications arising from this report.

#### **7.0 COMMUNITY SAFETY**

- 7.1 Community safety issues were addressed in setting the current year's budget. There are no further community safety issues arising from this report.

#### **8.0 EQUALITIES**

- 8.1 Equalities issues were addressed in setting the current year's budget. There are no further equalities issues arising from this report.

#### **9.0 RISKS**

- 9.1 The regularity of budget monitoring for each specific budget is based on the level of risk attributed to that budget. This is determined at the start of the financial year and is reported to members as part of the Council Tax setting report.
- 9.2 There is a risk that the County and Access funding in relation to Wheels to Work could be cut by one quarter as the year end position assumes and paragraph 3.6 refers.

#### **10.0 CLIMATE CHANGE**

- 10.1 There are no climate change issues arising from this report.

#### **11.0 CONSULTATION**

- 11.1 Budget Holders and the Service Accountant discuss the financial performance of the service accounts at budget monitoring meetings arranged with reference to current budget monitoring protocols.

## **12.0 WARDS AFFECTED**

12.1 All wards are affected.

Contact Officer: Natasha Allsopp  
Date: 30 January 2018  
Appendices: Appendix A – Summary of Income & Expenditure  
Appendix B – Budget Monitoring – Key Services Areas  
Background Papers: Oracle Financial Reports  
Budget Holder Comments on Performance  
Reference: X:/C'ttee, Council & Sub-C'ttees/CSA/2017-18/20-03-18/Budget Monitoring April to  
December 2017

**Community and Social Affairs Committee  
Summary of Income & Expenditure  
April to December 2017**

**Appendix A**

	Original Budget	Approved Budget at December 17	April - December Budget	April - December Net Expenditure	Variance Underspend (-)	Year End Forecast	Year End Variance Underspend (-)	
	£	£	£	£	£	£	£	
<b>General Expenses</b>								
1 040 Public Conveniences	92,850	96,730	76,415	71,597	-4,817	127,650	30,920	⊕
2 060 Leisure Vision	43,830	55,910	28,165	23,949	-4,216	75,740	19,830	⊕
3 065 Waterfield Leisure Pools	-137,050	-136,130	-144,042	-171,599	-27,557	-138,400	-2,270	⊕
4 070 Open Spaces	42,790	42,790	31,882	26,753	-5,129	41,640	-1,150	⊕
5 372 Rent Rebates - Non HRA	10,310	10,310	31,500	31,500	0	1,590	-8,720	⊕
6 373 Rent Rebates - HRA	-99,700	-99,700	-83,980	-201,624	-117,644	-111,080	-11,380	⊕
7 375 Rent Allowances	-94,190	-94,190	-81,805	-270,290	-188,485	-91,440	2,750	⊕
8 390 Registered Social Landlords	0	0	0	0	0	0	0	⊕
9 400 Private Sector Housing Renewal	300	10,790	300	190	-110	11,250	460	⊕
10 410 Homelessness	148,690	178,690	143,498	107,400	-36,099	200,050	21,360	⊕
11 415 Other Private Housing	0	0	0	0	0	0	0	⊕
12 420 Melton Lifeline	-21,510	-21,510	-37,195	-13,522	23,673	3,290	24,800	⊕
13 425 Other Housing Services	55,000	25,000	1,000	1,000	0	25,000	0	⊕
14 426 Supporting People	0	0	0	-4,087	-4,087	-4,050	-4,050	⊕
15 471 Customer Services	786,990	808,170	618,181	572,176	-46,005	800,510	-7,660	⊕
16 595 Community Service Grants	61,710	70,710	55,283	70,260	14,978	71,600	890	⊕
17 625 Community Safety	77,260	82,980	107,825	229,444	121,619	79,210	-3,770	⊕
18 627 Welland Wheels to Work	-87,740	-87,740	-26,977	-12,696	14,282	9,350	97,090	⊕
19 685 Council Tax Benefit	0	0	0	0	0	0	0	⊕
20 697 Strategic Sports & Leisure Development	-2,230	-2,230	8,120	5,004	-3,116	-2,230	0	⊕
<b>21 Total Controllable Costs</b>	<b>877,310</b>	<b>940,580</b>	<b>728,170</b>	<b>465,456</b>	<b>-262,714</b>	<b>1,099,680</b>	<b>159,100</b>	
<b>22 Total Uncontrollable Costs</b>	<b>702,140</b>	<b>702,140</b>	<b>146,264</b>	<b>76,517</b>	<b>-69,747</b>	<b>702,140</b>	<b>0</b>	
<b>23 Total - General Expenses</b>	<b>1,579,450</b>	<b>1,642,720</b>	<b>874,434</b>	<b>541,973</b>	<b>-332,461</b>	<b>1,801,820</b>	<b>159,100</b>	
<b>Parish Special Expenses</b>								
<b>Sproxtton</b>								
295 Closed Churchyards	5,280	5,280	3,960	3,069	-891	5,280	0	⊕
<b>Total Controllable Costs</b>	<b>500</b>	<b>500</b>	<b>375</b>	<b>0</b>	<b>-375</b>	<b>500</b>	<b>0</b>	
<b>Total Uncontrollable costs</b>	<b>4,780</b>	<b>4,780</b>	<b>3,585</b>	<b>3,069</b>	<b>-516</b>	<b>4,780</b>	<b>0</b>	
<b>Total Special Expenses - Sproxtton</b>	<b>5,280</b>	<b>5,280</b>	<b>3,960</b>	<b>3,069</b>	<b>-891</b>	<b>5,280</b>	<b>0</b>	
<b>Frisby</b>								
296 Closed Churchyards	6,130	6,130	4,598	3,295	-1,303	6,130	0	⊕
<b>Total Controllable Costs</b>	<b>1,000</b>	<b>1,000</b>	<b>750</b>	<b>0</b>	<b>-750</b>	<b>1,000</b>	<b>0</b>	
<b>Total Uncontrollable costs</b>	<b>5,130</b>	<b>5,130</b>	<b>3,848</b>	<b>3,295</b>	<b>-553</b>	<b>5,130</b>	<b>0</b>	
<b>Total Special Expenses - Frisby</b>	<b>6,130</b>	<b>6,130</b>	<b>4,598</b>	<b>3,295</b>	<b>-1,303</b>	<b>6,130</b>	<b>0</b>	
<b>Total - Parish Special Expenses</b>	<b>11,410</b>	<b>11,410</b>	<b>8,558</b>	<b>6,364</b>	<b>-2,194</b>	<b>11,410</b>	<b>0</b>	
<b>Total - Committee</b>	<b>1,590,860</b>	<b>1,654,130</b>	<b>882,992</b>	<b>548,337</b>	<b>-334,655</b>	<b>1,813,230</b>	<b>159,100</b>	

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**BUDGET MONITORING- KEY SERVICE AREAS 2017-18**  
**1 APRIL 2017 -28 JANUARY 2018**

Main Code	Service Area	Latest Approved Budget	Budget to Period 10	Adjusted Actual to Period 10	-----Variance----->		Projected Full Year
		£	£	£	Adverse £	Favourable £	Variance ( ) = Favourable £

**General Expenses**  
**EXPENDITURE**

060	Leisure Vision	55,910	30,747	25,209	-	5,538	19,830
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Based on Q1 and Q2 SLM info (Q3 awaited) it is expected that the management fee is broadly in line with that budgeted for with the exception of utilities which are expected to be higher. It is hoped that due to the majority of R&M works at the site being completed in years 1 and 2 the underspend on contract works can offset this additional utilities cost with any further savings carried forward into 18/19 to cover condition survey works expected. Shortfall in income due to football club rent free period and Rugby club income expected to be £6.25k with a £1k increment yearly going forwards. The £6.25k is due a review at year end and is assumed to be reduced to £5.25k due to amounts over £5k which the Rugby Club have incurred in maintenance costs. £18k of costs in relation to consultancy fees previously charged to capital now need to be written off to revenue due to the timing of the expected phase 2 project, i.e. not for another four years and therefore we cannot capitalise something for which the actual delivery of the scheme is so far in advance with no certainty. There is a further £17k within the capital scheme for which the works are now also expected to be revenue due to the timing and the nature (i.e. feasibility study) it is not yet clear which year this will fall into but it is assumed 2018/19 and therefore not reflected in the year end forecast.

372	Rent Rebates - Non HRA	10,310	35,000	35,000	-	-	(8,720)
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When the budget was set, it was not known that these claims would be included under universal credit (UC). The introduction of UC means that there are likely to be very few claims under this type as most claimants will be under UC and are therefore not entitled to housing benefits. To date there have only been very minimal claims. However, poor weather conditions (i.e. long periods of cold weather) means there is a further duty to house homeless which could potentially impact as the B&Bs used are likely to be outside of the area which will result in a HB claim. For all other cases, those that are entitled to HB alternative accommodation options are being sought due to lack of local temporary accommodation.

**BUDGET MONITORING- KEY SERVICE AREAS 2017-18**  
**1 APRIL 2017 -28 JANUARY 2018**

Main Code	Service Area	Latest Approved Budget	Budget to Period 10	Adjusted Actual to Period 10	-----Variance----->		Projected Full Year
		£	£	£	Adverse £	Favourable £	Variance ( ) = Favourable £

**General Expenses**

373	Rent Rebates-HRA Properties (Net)	(99,700)	(89,220)	(248,142)	-	158,922	(11,380)
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Subsidy predicted, based on mid year subsidy, slightly higher than budgeted for. Volatile budget which fluctuates. Verification of Earnings and Pension Information which has allowed real time information on customers earnings when claiming housing benefits is expected to lead to an increase in claimant error overpayments which attracts a lower subsidy which can impact on the subsidy % received. Change in the process around end of tenancy overpayment recovery from rent accounts which means expenditure is likely to be reduced which may also impact on the subsidy but impact of this yet to be determined. Due to number of factors and activities ongoing it should be noted that the predictions for subsidy %s may not fully be known until Feb/March 2018. It should be noted that the underspend predicted has been increased by £5k due to forecast additional overpayment recovery against budget which is as a result of Verification of Earnings and Pension Information and Real Time Information (RTI).The Interim Benefits Manager has identified potential overpayments not recovered which could amount to a significant sum of income. This will be monitored and reported on when there is any update. Note, no allowance for this in the est year end forecast.

375	Rent Allowance Payments (Net)	(94,190)	(85,933)	(335,302)	-	249,369	2,750
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Subsidy predicted is below the % budgeted for. Forecasts are currently based on mid year subsidy which is higher than current actuals but there have been a number of ongoing cases for which payments have been on hold which account for the dip in current actual subsidy % which has been seen over the previous few months. It is expected that this will reverse and subsidy % will go back up as these payments are released and there will also be a further revision of entitlement which is also likely to increase the %. A slight increase has been seen each month. This position will continue to be monitored but should the increase not be seen, this will adversely impact on the budget. Due to number of factors and activities ongoing it should be noted that the predictions for subsidy %s may not full be known until Feb/March 2018. It should be noted that the reduction in subsidy predicted has been mitigated by £15k due to forecast additional overpayment recovery against budget which is as a result of Verification of Earnings and Pension Information and Real Time Information (RTI). The Interim Benefits Manager has identified potential overpayments not recovered which could amount to a significant sum of income. This will be monitored and reported on when there is any update. Note, no allowance for this in the est year end forecast.



**BUDGET MONITORING- KEY SERVICE AREAS 2017-18**  
**1 APRIL 2017 -28 JANUARY 2018**

Main Code	Service Area	Latest Approved Budget	Budget to Period 10	Adjusted Actual to Period 10	-----Variance----->		Projected Full Year Variance
		£	£	£	Adverse £	Favourable £	( ) = Favourable £
	<b>General Expenses</b>						
410	Homelessness	178,690	159,026	131,207	-	27,819	21,360
471	Customer Services	808,170	681,743	629,747	-	51,996	(7,660)
627	Wheels to Work	(87,740)	(72,605)	(2,233)	70,372		97,090
	Total Expenditure	771,450	658,758	235,486	70,372	493,644	113,270
	Net Position	771,450	658,758	235,486	70,372	493,644	113,270

☹️ New Housing Options Officer post vacant for first part of the year. B&B usage is lower than increased budget (based on forecast and 16/17 estimates). As previously reported there are now £77k of debts from 2004 onwards which are to be put forward for write off (or as a credit for previous errors, i.e. duplication of invoices). A new process is now in place to prevent a reoccurrence of this.

😊😊 Employee related costs lower than budgeted for due to vacancies only being part filled and at a lower band. Also secondments to other services for a longer period. Potential to request to carry forward into 2018/19 to help with the interim arrangements before a revised structure is put forward for approval in July.

☹️ Previous comments re Northampton scheme, delay in approval of fees and charges, increase in contract for one post not in the establishment, less requirement for contribution to funds and use of the W2W reserve still stands. The number of hirers is below that expected and that required to receive the output related funding. As the funding through the Access fund is output related, the year end forecast assumes loss of one quarters income from the Access Fund. It also now assumes loss of one quarter from the County following latest correspondence, although this is still yet to be confirmed. The current level of bad debts, now assumes that there will only be a 60% recovery rate which is reflected in the year end forecast.

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## COMMUNITY & SOCIAL AFFAIRS COMMITTEE

20 MARCH 2018

### REPORT OF DIRECTOR FOR CORPORATE SERVICES & INTERIM DIRECTOR FOR GROWTH AND REGENERATION

#### HOUSING REVENUE ACCOUNT – BUDGET MONITORING 1 APRIL 2017 – 31 DECEMBER 2017

#### 1.0 PURPOSE OF REPORT

1.1 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 2017 to 31 December 2017.

#### 2.0 RECOMMENDATION

2.1 *It is recommended that the financial position on the HRA to 31 December 2017 and the yearend forecast be noted.*

#### 3.0 KEY ISSUES

3.1 The Housing Revenue Account is a high risk service account which is monitored monthly by the Director for Growth and Regeneration, the Budget Holders and the Senior Accountant. The service and financial performance are then reported to the Management Team. Copies of the more detailed budget holders returns can be made available to Members for further information and will be available at the meeting.

#### Overall Position at 31 December 2017

3.2 A summary of income and expenditure for the Housing Revenue Account is attached at Appendix A, and is split into controllable and uncontrollable costs.

3.3 A summary of the total income and expenditure for the Housing Revenue Account compared to the approved budget at December 2017 is as follows:

	Approved Budget @ Dec 17 £	April to Dec Budget £	Apr to Dec Net Expenditure & Income Including Commitments £	Variance Underspend(-) £	Year End Forecast £	Year End Variance Underspend(-) £
HRA - Total Expenditure	8,043,220	3,703,021	3,362,116	-340,905	7,831,220	-212,000
HRA - Total Income	7,983,310	5,973,511	5,973,841	-330	8,001,310	-18,000

3.4 If the forecast underspend to date as shown above was to continue to the year end it would have the following effect on the working balance:

	£
Working Balance @ 31 Mar 2017	-1,186,019
Budgeted deficit 2017/18	59,910
Potential underspend (as above)	-230,000
Potential Working Balance Surplus at 31 March 2018	-1,356,109

3.5 The minimum working balance, as recommended by the Medium Term Financial Strategy, remains at £750,000 for 2017/18. A deficit of £59,910 has been budgeted for in 2017/18 to reduce the working balance to ensure that large balances are not carried in the revenue account and surpluses are transferred into the Regeneration and Development Reserve for use as required by members in the future.

3.6 The following paragraphs outline the reasons for the current potential year end underspend and the action currently being taken by officers to ensure that value for money, efficiency and effectiveness are at the forefront of the service provision.

#### **Budget Variance Exception Reporting +/- £10k**

As part of the budget monitoring process, variances are being promptly and proactively managed, facilitating more detailed reporting. Details of the more significant year end controllable forecast variations +/-£10k (as shown in Appendix A) are also set out below:

##### Expenditure

General Management £21,000 underspend:

- £16,000 of this relates to the amount included for the expected pension auto-enrolment risk which is no longer required.

Special Services £36,000 underspend:

- £10,000 relates to employee costs, due to vacant posts and staff not in pension scheme,
- £10,000 relates to the Harborough lifeline service which is estimated to be lower than budgeted,
- £12,000 relates to energy costs the invoicing profile for which can be changeable, however it is expected to be below budget.

Repairs and Maintenance £175,000 underspend:

- £40,000 relates to planned maintenance, where the phases for the financial year have all been committed leaving this underspend,
- £95,000 relates to the more responsive maintenance lines such as contract works, asbestos surveys and voids, all of which are demand led and underspent, this is expected to continue,
- £35,000 relates to employee costs, this is due to vacant posts following the property restructure earlier in the year which have not been filled though agency staff.

Bad & Doubtful Debts £20,000 overspend

- Following the move to Universal Credit the rent arrears have significantly increased leaving the expectation of an increased contribution into the bad debt provision at the end of the year.

Excess Income £18,000:

- £10,000 of this is the potential extrapolation of the excess rental income at the end of the quarter, and assumes that the current low void rate continues.
- £6,000 is due to a higher take up of meals, and 2 tenancies with 2 meals where all tenancies were budgeted with 1 meal.

#### Forecast Position

- The above figures, as shown at Appendix A, as at the end of December 2017, indicate a year to date underspend of £340,235 which is due to budget profiling, late invoicing and demand led expenditure not being spent. However the current forecast position for the year end is a potential underspend of £230,000. For information these figures at the end of January are an underspend of £454,413 and an underspend of £239,000 respectively.

### **POLICY AND CORPORATE IMPLICATIONS**

- 4.1 Policy and corporate implications were addressed in setting the current year's budget. There are no further policy and corporate implications arising from this report.

### **5.0 FINANCIAL AND OTHER RESOURCE IMPLICATION**

- 5.1 All financial and resource implications have been addressed within section 3.

### **6.0 LEGAL IMPLICATIONS/POWERS**

- 6.1 Legal implications/powers were addressed in setting the current year's budget. There are no further legal implications arising from this report.

### **7.0 COMMUNITY SAFETY**

- 7.1 Community safety issues were addressed in setting the current year's budget. There are no further community safety issues arising from this report.

### **8.0 EQUALITIES**

- 8.1 Equalities issues were addressed in setting the current year's budget. There are no further equalities issues arising from this report.

### **9.0 RISKS**

- 9.1 The HRA is a high risk service account that the Council has a duty under the Local Government and Housing Act 1989 to ensure avoids being in a deficit situation. This requires that effective budget monitoring procedures are set in place to monitor HRA expenditure and income against the budget and careful consideration is given to determining the level of the working balance.

### **10.0 CLIMATE CHANGE**

- 10.1 The Repairs and Maintenance budget could be further adversely affected if the winter weather is severe.

## 11.0 **CONSULTATION**

11.1 The Service Accountant and Budget Holders discussed the financial performance of the Housing Revenue Account at the budget-monitoring meetings held on 17 and 23 January 2018.

## 12.0 **WARDS AFFECTED**

12.1 To varying degrees, most if not all wards are affected by the Council's Housing Revenue Account.

Contact Officer:	Carol King
Date:	5 February 2018
Appendices:	Appendix A – Summary of Expenditure & Income
Background Papers:	Oracle Financial Reports & Budget Holder Comments on Performance
Reference:	X: C'tees, Council & Sub-C'tees/CSA/20-03-18/DG-Housing Revenue Account – Budget Monitoring 1 April 2017 – 31 December 2017

COMMUNITY AND SOCIAL AFFAIRS COMMITTEE

APPENDIX A

HOUSING REVENUE ACCOUNT

SUMMARY OF EXPENDITURE & INCOME

APRIL TO DECEMBER 2017

	Original Budget as per Budget Book	Approved Budget @ Dec 17	April - Dec Budget	Apr - Dec Net Expend. / Income (-)	Commitments	Total Year to date Net (Income) / Expenditure	Variance Underspend(-) Apr-Dec	Year End Forecast	Year End Variance Underspend(-)
	£	£	£	£	£	£	£	£	£
<b>Expenditure</b>									
1 General Management	289,170	380,300	263,194	239,126	0	239,126	-24,068	359,300	-21,000
2 Special Services	680,410	681,360	495,895	439,091	5,661	444,752	-51,143	645,360	-36,000
3 Repairs & Maintenance	2,067,410	2,013,530	1,425,641	1,005,000	276,469	1,281,469	-144,172	1,838,530	-175,000
4 Bad & Doubtful Debts	100,000	100,000	0	0	0	0	0	120,000	20,000
<b>5 Total Controllable Expenditure</b>	<b>3,136,990</b>	<b>3,175,190</b>	<b>2,184,730</b>	<b>1,683,217</b>	<b>282,130</b>	<b>1,965,347</b>	<b>-219,383</b>	<b>2,963,190</b>	<b>-212,000</b>
<b>6 Controllable Income (-)</b>	<b>-7,865,780</b>	<b>-7,903,980</b>	<b>-5,936,738</b>	<b>-5,951,791</b>	<b>0</b>	<b>-5,951,791</b>	<b>-15,053</b>	<b>-7,921,980</b>	<b>-18,000</b>
<b>7 Net Controllable Cost of Services</b>	<b>-4,728,790</b>	<b>-4,728,790</b>	<b>-3,752,008</b>	<b>-4,268,574</b>	<b>282,130</b>	<b>-3,986,444</b>	<b>-234,436</b>	<b>-4,958,790</b>	<b>-230,000</b>
8 Uncontrollable Expenditure	1,083,030	1,083,030	803,560	682,038	0	682,038	-121,522	1,083,030	
9 Depreciation	1,326,050	1,326,050	0	0	0	0	0	1,326,050	0
10 Uncontrollable Income	-49,030	-49,030	-36,773	-22,050	0	-22,050	14,723	-49,030	
<b>11 Net Cost of Services</b>	<b>-2,368,740</b>	<b>-2,368,740</b>	<b>-2,985,221</b>	<b>-3,608,586</b>	<b>282,130</b>	<b>-3,326,456</b>	<b>-341,235</b>	<b>-2,598,740</b>	<b>-230,000</b>
10 Loan Charges - Interest	1,169,960	1,169,960	714,731	714,731	0	714,731	0	1,169,960	0
11 Investment Income	-30,300	-30,300	0	0	0	0	0	-30,300	0
<b>12 Net Operating Expenditure</b>	<b>-1,229,080</b>	<b>-1,229,080</b>	<b>-2,270,490</b>	<b>-2,893,855</b>	<b>282,130</b>	<b>-2,611,725</b>	<b>-341,235</b>	<b>-1,459,080</b>	<b>-230,000</b>
13 Contribution to Capital	433,670	433,670	0	0	0	0	0	433,670	0
14 Contribution to Reserves	855,320	855,320	0	0	0	0	0	855,320	0
<b>15 Surplus (-) / Deficit</b>	<b>£59,910</b>	<b>£59,910</b>	<b>-£2,270,490</b>	<b>-£2,893,855</b>	<b>£282,130</b>	<b>-£2,611,725</b>	<b>-£341,235</b>	<b>-£170,090</b>	<b>-£230,000</b>

The Repairs and Maintenance, and to a lesser extent the Special Services budgets, include an element of committed budget which is held on the Northgate System. This, as well as the spending against it, has been included above.

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