



Rural Capital of Food

Agenda

Meeting name	Ad Hoc Policy, Finance and Administration Committee
Date	Thursday, 7 December 2017
Start time	4.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH
Other information	This meeting is open to the public

Members of the Policy, Finance and Administration Committee are invited to attend the above meeting to consider the following items of business.

Edd de Coverly
Chief Executive

Membership

Councillors	J. Orson (Chair) R. de Burle M. Glancy E. Hutchison B. Rhodes	L. Higgins (Vice-Chair) P. Cumbers E. Holmes A. Pearson J. Wyatt
Substitutes	P. Chandler T. Greenow	M. Graham

Quorum: 4 Councillors

Meeting enquiries	Kirsty Whelbourne
Email	kwhelbourne@melton.gov.uk
Agenda despatched	Wednesday, 29 November 2017

No.	Item	Page No.
1.	APOLOGIES FOR ABSENCE	
2.	DECLARATIONS OF INTEREST Members to declare any interest as appropriate in respect of items to be considered at this meeting.	1 - 2
3.	FUNDING FOR THE MELTON MOWBRAY DISTRIBUTOR ROAD (MMDR) The Corporate Director to submit a report to update the committee with regard to the submission of an Outline Business Case for the development of the Melton Mowbray Distributor Road (MMDR) and on discussions with Leicestershire County Council (LCC) to share the burden of the funding of the MMDR that will not be met from external sources and to seek approval to work with them further on identifying a solution.	3 - 6
4.	URGENT BUSINESS To consider any other items that the Chair considers urgent.	
	EXCLUSION OF THE PUBLIC RECOMMENDED that the Public be excluded during 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 paragraphs 1, 2 and 3.	
5.	CORPORATE STRUCTURAL REALIGNMENT AND ASSOCIATED IMPLICATIONS The Chief Executive to submit a report to ensure resources, structures and capacity match the Council's aspirations.	7 - 16

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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POLICY, FINANCE & ADMINISTRATION COMMITTEE

7 DECEMBER 2017

REPORT OF CORPORATE DIRECTOR

FUNDING FOR THE MELTON MOWBRAY DISTRIBUTOR ROAD (MMDR)

1.0 PURPOSE OF REPORT

- 1.1 To update the committee with regard to the submission of an Outline Business Case for the development of the Melton Mowbray Distributor Road (MMDR) and on discussions with Leicestershire County Council (LCC) to share the burden of the funding of the MMDR that will not be met from external sources and to seek approval to work with them further on identifying a solution.

2.0 RECOMMENDATIONS

It is recommended that:-

- 2.1 **The Committee is asked to note this report and, following receipt of the updated report, consider the outcome of the discussion between the Borough and County Councils and whether to support the construction and delivery of the Melton Mowbray Distributor Road.**

Subject to that consideration, to delegated authority to the Chief Executive in consultation with the Corporate Director and Chair of the Policy Finance and Administration Committee to enter into an agreement with LCC to financially support the construction and delivery of the Melton Mowbray Distributor Road.

3.0 KEY ISSUES

- 3.1 The Committee will be aware that the MMDR has been the subject of detailed discussions at member level and is a key infrastructure scheme in the Local Plan. A report on the MMDR scheme is due to go to LCC Cabinet on 12th December 2017, seeking delegated powers to submit the outline business case for the MMDR to the Department for Transport (DfT). The report will also consider the financial implications and funding for the road. A copy of this report will be circulated to members of this Committee as soon as it is available on 1st December 2017.
- 3.2 Based on current estimates the scheme is anticipated to cost in the region of £74m (including £4m scheme development costs). It is anticipated that the DfT will expect a 'local contribution' to the overall cost This can be partly sought from developers but would leave a quantity unfunded at this stage requiring funds from public bodies.
- 3.3 Funding can also be sought from the Business Rates Pool and the Business Rates Pilot should that be successful. In addition LCC are requesting that any shortfall in funding be allocated from both Councils New Homes Bonus (NHB) and Business Rates growth that is generated by the development of the road. This would be for the sum that is estimated to remain unfunded plus the additional cost of any

overruns on the estimated costs and any shortfall from the assumed developer contributions.

- 3.4 LCC will fully fund the scheme costs up front and will only seek repayment once the additional business rates and NHB are generated. This would take into account any changes in the method by which these grants are allocated by central government. They propose however to add inflation and interest to any unfunded balance. It is likely that this method of funding major infrastructure may be rolled out across the county by LCC; however Melton is the first district council to be approached to date. The arrangement is to be backed up by a Memorandum of Understanding (MOU).
- 3.5 The Chief Executive and Corporate Director are meeting with LCC to discuss the position further on 4th December 2017. A number of issues have already been highlighted with LCC, and will be discussed further and an update on the outcome will be provided in an updated report to members after that meeting and verbally at the Committee.
- 3.6 LCC are looking for a Memorandum of Understanding to be signed in time for their cabinet meeting on 12th December 2017 and therefore subject to members views delegated authority is sought to enter into an appropriate agreement with them.

4.0 POLICY AND CORPORATE IMPLICATIONS

- 4.1 The current proposal has a potential impact on future core funding for the council which is currently being modelled and an evaluation of this impact will be provided in the updated report. The MMDR is key to the necessary economic and housing growth the borough needs for the future as set out in the local plan and must be facilitated to proceed at the necessary pace to drive this growth in the borough.

5.0 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 The Council has suffered a significant loss of funding in recent years with RSG, a core funding stream, due to end completely from 2019/20 and the business rates baseline being set to be reduced from 2020/21 to continue the funding cuts. The future funding formula for NHB is also uncertain and could reduce even further. NHB and business rates are essential to the council to support future service delivery and are an essential part of the councils MTFS. Any agreement which utilises part of this funding has the potential to impact on the council's ability to deliver services in the future. It is however recognised that the delivery of the road is crucial to the economic wellbeing of the borough and the Council's finances moving forward as such the council needs to strike a balance between the need to fund the road whilst ensuring the Council's future financial security is not compromised. It should be noted that the Council has previously set aside funding from the NHB to fund infrastructure whilst this was not utilised for core service delivery and the final amount in the reserve of £400k was provided to the LCC to support the development of the business case for the road.
- 5.2 The financial implications will be covered in more detail in an updated report to the Committee following the meeting on 4th December 2017 and verbally at the meeting.

6.0 LEGAL IMPLICATIONS/POWERS

6.1 A Memorandum of Understanding is requested to underpin the agreement.

7.0 COMMUNITY SAFETY

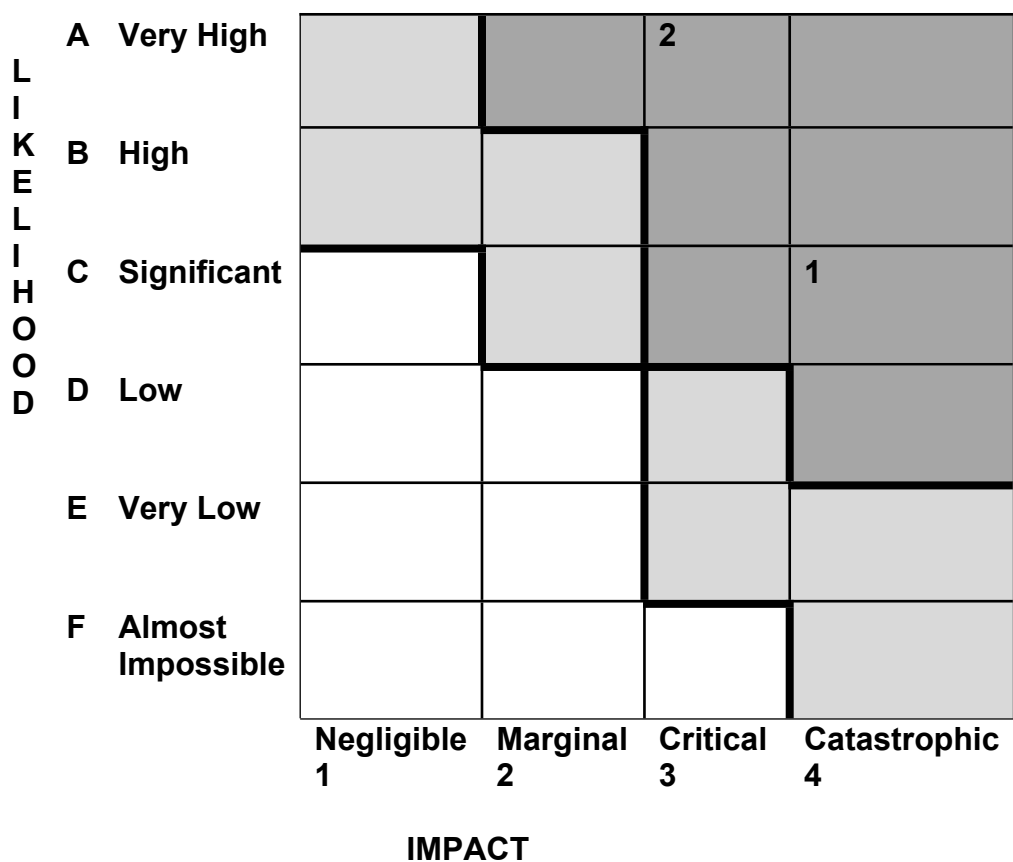
7.1 None directly arising as a result of this report.

8.0 EQUALITIES

8.1 None directly arising as a result of this report.

9.0 RISKS

9.1 The risks are set out below.



1	LCC do not make the necessary submission to DfT due to agreement not being reached over funding
2	Despite the increased council tax generated by the increased housing the loss of NHB and business rates impacts on the Council's future financial health.

10.0 CLIMATE CHANGE

10.1 None directly arising as a result of this report

11.0 **CONSULTATION**

11.1 No further consultation has been undertaken on this proposal.

12.0 **WARDS AFFECTED**

12.1 All wards are affected.

Contact Officer D Garton, Corporate Director

Date: 24th November 2017

Appendices : None

Background Papers: Correspondence with LCC

Reference : X: C'tee, Council & Sub-C'tees/PFA/2017-18/07-12-17/Melton Mowbray Distributor Road

Agenda Item 5

By virtue of paragraph(s) 1, 2, 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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