



*Rural Capital of Food*

# Agenda

<b>Meeting name</b>	<b>Meeting of the Place Committee</b>
<b>Date</b>	<b>Wednesday, 6 March 2019</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 Place Committee are invited to attend the above meeting to consider the following items of business.

**Edd de Coverly**  
**Chief Executive**

## Membership

<b>Councillors</b>	M. Sheldon (Chair)	A. Freer-Jones (Vice-Chair)
	T. Beaken	G. Botterill
	R. de Burle	L. Higgins
	E. Hutchison	M. Glancy
	J. Simpson	

**Quorum:** 4 Councillors

<b>Meeting enquiries</b>	Helen Ainge
<b>Direct Dial</b>	
<b>Email</b>	hainge@melton.gov.uk
<b>Agenda despatched</b>	Tuesday, 26 February 2019

No.	Item	Page No.
1.	<b>APOLOGIES FOR ABSENCE</b>	
2.	<b>MINUTES</b> To confirm the minutes of the meeting held on 9 January 2019.	1 - 6
3.	<b>DECLARATIONS OF INTEREST</b> Members to declare any interest as appropriate in respect of items to be considered at this meeting.	7 - 8
4.	<b>CAPITAL PROGRAMME MONITORING APRIL 2018 - JAN 2019</b> The Director for Corporate Services to provide a report to update the Committee on the progress of projects within Capital Programme to 31 January 2019.	9 - 18
5.	<b>BUDGET MONITORING APRIL TO DECEMBER 2018</b> The Director for Corporate Services 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 2018 to 31 <sup>st</sup> December 2018. Note this is based on the old MEEA service structure as it has been previously agreed that the financial monitoring reports for 2018/19 will be reviewed on this basis. Moving forward the 2019/20 budget setting process has been based on the new Place priorities.	19 - 30
6.	<b>HOUSING REVENUE ACCOUNT - BUDGET MONITORING - 1 APRIL 2018 - 31 DECEMBER 2018</b> The Director for Corporate Services 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 2018 to 31 December 2018.	31 - 36
7.	<b>FUTURE HIGH STREET FUND</b> The Director of Growth and Regeneration to submit a report to update the Committee on the work being done through the 'Town and Place Partnership' and seek approval to submit an expression of interest to the 'Future High Street Fund' by 22 March 2019.	37 - 42
8.	<b>URGENT BUSINESS</b> To consider any other items that the Chair considers urgent.	

# Minutes

<b>Meeting name</b>	<b>Place Committee</b>
<b>Date</b>	<b>Wednesday, 9 January 2019</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 M. Sheldon (Chair)

**Councillors**

A. Freer-Jones (Vice-Chair)	T. Beaken
M. Blase	G. Botterill
R. de Burle	E. Hutchison
M. Glancy	J. Simpson

## **Observers**

**Officers**

- Assistant Director for Strategic Planning and Regulatory Services
- Administration Assistant (HA)
- Corporate Services Manager
- Director for Growth and Regeneration

<b>Minute No.</b>	<b>Minute</b>
PC40	<p><b>APOLOGIES FOR ABSENCE</b> An apology was received from Councillor L Higgins.</p>
PC41	<p><b>MINUTES</b> The minutes of the meeting held on 31<sup>st</sup> October 2018 were confirmed and authorised to be signed by the Chair.</p> <p>Councillor Simpson commented that, the amendment to the Minutes that were made and agreed need to reflect exactly what was said not just to reflect what was intended.</p>
PC42	<p><b>DECLARATIONS OF INTEREST</b> There were no declarations of interest.</p>
PC43	<p><b>REVENUE BUDGET PROPOSALS 2019-20 - HOUSING REVENUE ACCOUNT (HRA)</b> The Corporate Services Manager submitted a report regarding the settings of the rents of Council dwellings, approval for the HRA estimates for 2019-20 and the setting of the working balance for 2019-20.</p> <p>The Corporate Services Manager, highlighted 3.1 (b) of the report in that following the budget in 2015 social rents were reduced by 1% resulting in rents in 2019/2020 being £310k less than they could be bringing the average rent to £74.20 per week. However, a recent consultation paper on rents has been issued which suggests that from 2020-2021 rents will be able to increase once again by CPI + 1%. This is reflected in Appendix A.</p> <p>The Corporate Services Manager brought members attention to section 3.3 of the report highlighting that there has been an increase in arrears from the move to Universal Credit which could be critical to the business plan as 45% of MBC tenants are claiming Universal Credit. In the period April to September 2018 the number of MBC tenants in receipt of Universal Credit in arrears increased from 83 to 148; the majority of new rent accounts do not receive payment until week 6 at the earliest.</p> <p>There is a continuing contribution of £80k in 2019-202 to the General Fund from the HRA to support this via the 'Me and My Learning' scheme.</p> <p>The Corporate Services Manager advised that budget proposals for 2019-2020 are set based on conditions known at this time however, as other priorities are developed which will impact on the HRA budgets these will be considered in conjunction with the HRA Business Plan and the Council's Capital Strategy and will be brought back to committee in due course.</p>

Councillor De-Burle proposed the recommendations and Councillor Blase seconded the motion.

All voted in favour.

**RESOLVED** that

- (1) A rent decrease of 1% for all Council dwellings for 2019-20 will take effect from 1 April 2019 and that when a property is re-let the rent continues to be brought into line with the Governments formula rent was approved;
- (2) The estimates for 2019-20, subject to the receipt of the limit rent Determination, were approved;
- (3) Delegated authority will be given to the Director for Corporate Services in consultation with the Deputy Chief Executive to amend the estimated working balance based on any changes to this determination be approved with changes reported back to committee;
- (4) A working balance of £963,579 budgeted for at 31 March 2020 based on a 1% rent decrease will be approved.

PC44

**CLOSURE OF THE WHEELS TO WORK PROGRAMME**

The Director for Growth and Regeneration, provided a report, following previous committee consideration from the CSA committee in March 2018, of the Wheels to Work (W2W) programme, to update Members on the steps taken since and to acknowledge that irrespective of the council's efforts. The programme remains unviable and is now recommended for closure, enabling resources to be re-directed to other priority projects and services.

The Director for Growth and Regeneration informed Members that there has been a shortfall in funding and by the end of 2017 there had been a significant reduction in the number of users alongside an increasing and unsustainable debt.

This time last year the scheme had a total of 40-60 users operating at any one time, to date, the scheme now has 6 users.

The Director for Growth and Regeneration advised Members of the three options given for the future of the Wheels to Work scheme, which is listed under the second 3.6 section on the report. However, as it is not believed that there is sufficient will amongst partners to help fund the programme and not sufficient demand amongst the local population to make the scheme self financing, it is recommended that the scheme be wound down over the next three months.

The Manager for Corporate Services advised that: the budget is sufficient to cover the running, winding down and redundancy costs until 31 March 2019; that partners have been invoiced; income will be mitigated by the sale of assets and equipment

and the unit at Snow Hill Industrial Estate can be released and rented out at commercial rate.

Councillor Glancy advised the decision is disappointing but is aware that it was a costly project.

Councillor De-Burle moved the recommendation and Councillor Botterill seconded.

All voted in favour that the Wheels to Work programme would be closed as per (3) below.

**RESOLVED** that

- (1) The closure of the Wheels to Work programme and notice to be served on Leicestershire County Council and Rutland County Council be approved;
- (2) Authority to be delegated to the HR and Communications Manager to deal with any associated employment matters including, if relevant, redundancy or redeployment options in line with existing policies and procedures including making any associated payment;;
- (3) Authority to be directed to the Director for Growth and Regeneration to negotiate the terms of the withdrawal and closure of the W2W scheme with partners be approved.

PC45

**LIGHTBULB PROJECT**

The Assistant Director of Strategic Planning and Regulatory Services provide a report to explain progress on the Lightbulb Project for transforming practical housing support in Leicestershire seeking approval for the details of the Council's involvement going forward, including its financial contribution.

The Assistant Director of Strategic Planning and Regulatory Services made reference to 3.18 of the report advising that the initial funding for Lightbulb draws to an end on 31 March 2019 and that it is time to review the resources allocated for 2019-2020 and following years Four options have been prepared for consideration. As per the report, it is suggested that partners are requested to sign up to a new 5 year Legal Agreement to provide service and staffing stability based on these options. Councillor Glancy asked if there is a get out clause on the 5 year commitment and it was advised that MBC would work to ensure that it is included in the subsequent legal agreement/MoU.

The Assistant Director of Strategic Planning and Regulatory Services made reference to 5.1 in the report advising that Capital contributions for DFG's are currently met in full from the grant provided and in 2018-2019 these were sufficient to fully meet demand and alleviated the need for any Capital contribution from the Council. However, both the demand and the grant awarded are volatile and further requests may be submitted through the Capital programme. The overall financial

contribution 2018-2019 from MBC towards the project is £46,893, of the four options presented in the Business Case MBC contribution would be £48,703.

Reference was made to 5.3 of the report advising the Council is able to meet a proportion of its costs by the capitalisation of funds expended on the delivery of DFG's and that Melton's contribution from the revenue budget would be £22,890 (maximum), the 2018-2019 budget for this was £22,110.

Councillor De-Burle moved the recommendations and Councillor Simpson seconded.

All voted in favour.

**RESOLVED** that:

- (1) Agree to participate in 'Lightbulb' on the basis of 'option 4' set out at paras 3.18 below
- (2) In the event of partners failing to agree to 'option 4' set out at paras 3.18 below, delegates authority to the Assistant Director of Planning of Regulatory Services in consultation with the Chair of Place Committee to agree to one on the alternative options set out at paras 3.18 below
- (3) Delegates authority to the Assistant Director of Planning of Regulatory Services, in consultation with the Director of Legal Services, to agree to and sign legal agreements committing the Council to the Lightbulb deliver model a period of 5 years from April 2019;
- (4) Approves the costs of £48,706 per annum.

PC46

**URGENT BUSINESS**

There was no urgent business.

The meeting closed at: 6.55 pm

Chair

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## Advice on Members' Interests

### 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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## PLACE COMMITTEE

6 MARCH 2019

### REPORT OF DIRECTOR FOR CORPORATE SERVICES

#### CAPITAL PROGRAMME MONITORING TO 31 JANUARY 2019

#### 1.0 PURPOSE OF THE REPORT

1.1 To update the Committee on the progress of projects within Capital Programme to 31 January 2019.

#### 2.0 RECOMMENDATIONS

2.1 Members note the progress made on the capital projects for 2018/19 and estimated year-end forecast as attached at:

Appendix A – HRA

Appendix B – General Expenses

Appendix C – Special Expenses

#### 3.0 KEY ISSUES

##### 3.1 Capital Programme Monitoring

3.1.1 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 Leadership Team. Appendices A to C give details of the spending against budget for all projects within this Committee up to 31 January.

3.1.2 The overall position for all capital projects falling within this Committee is as set out below and the financial implications outlined in Appendices A to C:

	Allocated Funding 2018/19 Budget	Authorised Funding 2018/19 (Business Case Approved)	Actual April 18 to Jan 19	Year End Forecast	Budget to Forecast Variance (-) = Underspend
	£000	£000	£000	£000	£000
Place - HRA	7,354	7,354	1,877	2,828	(4,526)
Place - General	485	448	182	494	9
Place - Special	0	20	0	20	20
<b>Total all Committee's</b>	<b>7,839</b>	<b>7,822</b>	<b>2,059</b>	<b>3,342</b>	<b>(4,497)</b>

##### 3.1.3 HRA

Expenditure to date is reported in Appendix A of £1,877k against an annual budget of £7,354k. The forecast for the remainder of the year is an underspend of £4,526k which is mainly down to 3 main areas of variance between budget and forecast which are the Fairmead Refurbishment & Regeneration project, Affordable Housing and Non Traditional Dwelling Site Development. These are all mainly linked to the review of the asset strategy which will be undertaken during 2019-20 and will inform the capital programme moving forward. The current underspends will be vired to cover the overspends outlined in Appendix A with the remaining balance being carried forward.

#### 3.1.4 General Fund

An over-spend of £9k is expected within this category. The final costs for the Public Conveniences project received are reported to be overspent by £46k. Some of this overspend is offset by £6k funds for Partnership Scheme In Conservation funded through capital receipts which is no longer required. The £31k for Lake Terrace Waste Refurbishment works which have been delayed and will not proceed until 2019-20 subject to business case approval.

In addition to the above there may be some minor spend incurred in 2018/19 relating to the Melton country park masterplan project ahead of the main scheme which is due to take place in 2019/20. This will help the scheme keep to timescales that have been shared with members.

#### 3.1.5 Special Expenses

£20k funding has approved for new play equipment at a Kirby Fields & Melton Country Park Climbing forest Play Areas which is to be complete by 31 March 2019.

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

4.1 Policy and corporate implications in relation to the current capital programme were addressed in setting the current year's budget. Any policy and corporate implications for the proposed capital programme should be covered in any associated reports and forms linked to these projects as they progress through the decision making process.

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

5.1 The financial and resource implications for the proposed capital programme have been addressed within section 3.

### **6.0 LEGAL IMPLICATIONS**

6.1 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the report. For the proposed capital programme individual projects could have links to legal and procurement issues and early advice should be sought. These implications should be covered in any associated reports and forms linked to these projects as they progress through the decision making process.

### **7.0 COMMUNITY SAFETY**

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

### **8.0 EQUALITIES**

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

### **9.0 RISKS**

9.1 There will be risks associated with each of the individual projects and these should be considered as the projects progress through the decision making process. There is also the risk that the Council is unable to fund all of the projects in the Capital Programme and therefore public expectations may not be met.

### **10.0 CLIMATE CHANGE**

10.1 Individual projects could have links to climate change issues. These should be covered in any associated reports and forms linked to those projects 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 to be included in Appendices A, B and C. In addition, the capital programmes reports are submitted to the Senior Leadership Team. The extent to which consultation has been undertaken on individual projects is set out in the associated business cases.

## **12.0 WARDS AFFECTED**

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

Contact Officer: Jaz Bassan

Date: 8 February 2019

### **Appendices:**

APPENDIX A - HRA CAPITAL PROGRAMME PROGRESS REPORT JANUARY 2019

APPENDIX B - GENERAL CAPITAL PROGRAMME PROGRESS REPORT JANUARY 2019

APPENDIX C - SPECIAL EXPENSES CAPITAL PROGRAMME PROGRESS REPORT JANUARY 2019

Background Papers: Oracle Financial Reports  
Budget Holder Comments on Performance

Reference: X:\Cttee, Council & Sub Cttees\PLACE\2018.19\060319/DG-Capital Prog.  
Monitoring- Apr 18 to Jan 19

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## GENERAL CAPITAL PROGRAMME 2018/19 PROGRESS REPORT

Project Ref	Budget for Year	Actual April 18 to Jan 19	Year End Forecast	Variance (-) = Underspend	Comments	
	£000	£000	£000	£000		
8001	Aids & Adaptations	150	81	131	(19)	Currently in the process of carrying out 12 Level access shower projects and a number of access ramps with further works to be actioned in March.
8002	Replacement Kitchens Bathrooms	137	62	122	(16)	In addition to works completed to date need to complete a further 6 kitchen/bathrooms to be completed leaving an underspend of £25k to be carried forward to next financial year. Current contract ending 31 March 2019. Discussions to take place with Legal Department for consideration to be given for contract extension to enable works to be completed in 19-20.
8003	Central Heating	260	78	130	(130)	Boiler & central heating replacements continue to be on an ad-hoc basis, with works undertaken as and when boiler fault or failure occurs. In January replacement works were authorised at 11 properties, with an average cost of £2.3k per property. If demand continues at the same rate for the months of February and March, this will potentially result in a further spend of £51.3k against this budget over the remainder of the year. This leads to a potential end of year spend against this budget of £129.3k and a resultant potential underspend of £130.6k.
8005	Replacement Exterior Doors & Windows	132	17	45	(88)	In total £36.5k committed against budget with £19k currently in system waiting to be paid. Anticipated £8k required for future ad-hoc works (pro-rata). Underspend of approx. £88k
8006	Rewire Council Properties	401	174	286	(115)	Expected underspend due to lack of asbestos surveys £26k allocated for asbestos surveys, £6k for professional fees (CDM & QC). Note budget to be carried forward to 19-20 however all rewiring works to be complete by 31 March 2020
8009	Re-Roofing Works	200	238	274	74	At present there are 6 homes remaining to be re-roofed under the current programme and with an average cost of £6,000, totalling £36k. Note this is the final year of the contract.
8017	Housing Repair Systems	50	22	50	0	Purchase and installation of a new system to enable communication of repairs between the Council's Northgate system and the repairs contractors IT system.
8018	Housing Health & Safety Related Schemes	50	5	5	(45)	Completed stock condition survey numbers have dwindled down to virtually nothing recently due to other demands on capacity and there is an expectation that this situation is not likely to change between now and the end of this financial year. Therefore an underspend is anticipated here, although some expenditure may arise if issues are noted during repairs inspections or visits to properties for other reasons.
8020	Capitalisation of Housing Inspector Costs	89	0	104	15	Dependant upon employee time. Forecast spend in line with budget.
8025	Beckmill Court Refurbishment & Regeneration	1,244	1049	1360	116	Additional regulatory and compliance works have been identified and added to the original specification, including some fire risk assessed works, to keep in line with new legislation. In addition extra works around fire doors and externals are required. Overall these additional requirements will cause an overspend on the project of £116k.
8026	Conversion of Electric Storage Heaters	100	0	16	(84)	Currently being mobilised. Expecting to only incur costs for 2 pilot properties (approx. £7k), asbestos reports (£5K) and professional fees (£4k). Year 1 of 2 year programme therefore allocated funding required to be carried over for 2nd year.
8028	Non Traditional Dwelling Site Development	450	0	0	(450)	These works will be linked to the asset strategy including the housing company discussions which are currently ongoing and therefore no expenditure will be incurred this financial year.
8029	Granby House Refurbishment	31	2	31	0	Works are complete and signed off with retention works outstanding. An additional lift is required which includes some significant works but the cost of these are not yet known and are therefore not yet reflected in the forecast position. Preparatory works to be undertaken in 19-20.
8032	Fairmead Regeneration	2400	0	20	(2,380)	Works will be linked to the asset strategy including the housing company discussions.
8033	Affordable Housing Gretton Extra Care	100	0	20	(80)	Works will be linked to the asset strategy including the housing company discussions.
8034	Affordable Housing	1410	85	85	(1,325)	One flat at Meynell Close purchased in quarter 1. Further works to be completed in 19-20.
9100	Void Catch Up Repairs	150	64	150	0	Void works progressing and turn around times reducing. Invoicing issues have created a backlog of costs to be taken from the account to the value of approx. £45K. Costs continue to be in excess of £3K per void due to dilapidated kitchens and bathrooms.
<b>TOTAL - HRA</b>		<b>7,354</b>	<b>1,877</b>	<b>2,828</b>	<b>(4,526)</b>	

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**PLACE COMMITTEE**

**APPENDIX B - GENERAL CAPITAL PROGRAMME  
PROGRESS REPORT JANUARY 2019**

**CAPITAL PROGRAMME 2018/19 PROGRESS REPORT**

Project Ref		Grant Funded	Business Case Approved	Budget for Year	Actual April 18 to Jan 19	Year End Forecast	Variance (-) = Underspend	Comments
		Y/N	Y/N	£000	£000	£000	£000	
0388	Partnership Scheme in Conservation	N	Y	6	0	0	-6	Purpose for which funds were carried out now completed by private investment; project complete and funds can be returned for alternative use. Potential for a request to be brought back at a later stage with regards to a new opportunity. Should this materialise a business case will be completed.
0464	EMT Vehicle/frontline Service Machine replacement	N	Y	81	30	81	0	Front line mower purchased quarter 1 and then two (Ford) crew carrying vehicles ordered quarter 2 , awaiting delivery- date to be confirmed. Total project costs to be finalised, potential of small saving.
0485	Public Conveniences	N	Y	367	152	413	46	Re-development project for the two public conveniences (Wilton Road and St Marys Way) . St Mary's keys to be handed over mid Feb with Wilton Rd by year end, The overspend reported is currently being disputed.
0486	Lake Terrace Waste Depot Refurbishment	N	N	31	0	0	-31	Drainage works required to comply to the Environment Agency licencing. Discussions are underway with Biffa .Business case to be prepared.
<b>TOTAL - GENERAL EXPENSES</b>				<b>485</b>	<b>182</b>	<b>494</b>	<b>9</b>	

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APPENDIX C - SPECIAL EXPENSES CAPITAL  
PROGRAMME PROGRESS REPORT JANUARY 2019

PLACE COMMITTEE

SPECIAL EXPENSES CAPITAL PROGRAMME 2018/19 PROGRESS REPORT

Project Ref	Grant Funded	Business Case Approved	Budget for Year	Actual April 18 to Jan 19	Year End Forecast	Variance (-) = Underspend	Comments
	Y/N	Y/N	£000	£000	£000	£000	
<b>Special Expenses</b>							
0469	N	Y	0	0	20	20	Order placed November 18 awaiting delivery of equipment. Works expected to complete by 31 March 2019
<b>TOTAL - SPECIAL EXPENSES</b>			<b>0</b>	<b>0</b>	<b>20</b>	<b>20</b>	

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## PLACE COMMITTEE

6<sup>TH</sup> MARCH 2019

### REPORT OF THE DIRECTOR FOR CORPORATE SERVICES

#### BUDGET MONITORING APRIL TO DECEMBER 2018

#### 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 2018 to 31<sup>st</sup> December 2018. Note this is based on the old MEEA service structure as it has been previously agreed that the financial monitoring reports for 2018/19 will be reviewed on this basis. Moving forward the 2019/20 budget setting process has been based on the new Place priorities.

#### 2.0 RECOMMENDATION

- 2.1 **It is recommended that the financial position and year end forecast outlined in Appendix A for each of the services to 31<sup>st</sup> December 2018 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 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 services compared to the approved budget at December 2018 is as follows:

	Approved Budget @ Dec 2018	Apr to Dec 18 Budget	Apr to Dec 18 Net Expenditure	Year to date Variance (Under)/Over spend	Year End Forecast	Year End Variance (Under)/Over spend
General Expenses	2,627,830	1,650,815	1,304,557	(346,258)	2,797,490	169,660

- 3.4 Whilst it is noted that the current year to date variance is a £346,258 underspend of controllable expenditure, it is forecast that there will be a potential overspend of £169,660 against the approved budget to date for general expenses. The main reason for the shift in the predicted variances are due to a number of movements which are expected later in the year as explained in paragraph 3.6 below. One of the main reasons relates to the new waste contract where there has been a delay in the invoices coming through (2 months behind).

### **Key Service Areas**

- 3.5 The Key Service Areas report for those services within the remit of MEEA previously is attached in Appendix B. This report is presented to the Strategic Leadership 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. The latest version is attached which is the period to the end of February 2019.

### **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. Details of the more significant year end forecast variations +/- £10k (as shown in Appendix A) are also set out below:

#### 3.6.1 Overspends

##### Car Parks and Bus Station £36,820

The budgeted income for car parking fees will not be met; the current income is showing a shortfall of £36k compared to budget. It is considered that this is due to the availability of alternative free parking in the town centre and the continued works on the Public Conveniences at St Marys Way and Wilton Road, which has led to the loss of spaces during the works. Additional income of £9.5k has been achieved by renewing the Thorpe End lease reducing the expected year end shortfall. Included in the budget was £4k relating to car parking VAT overpayments, this budget will not be met, in the past couple of years we have been able to offset the overpaid VAT on parking fees against our VAT return, which has generated additional income, however following advice from our VAT advisors, we have stopped this offset until the advisors say otherwise. Additional business rates costs of £7k have also been incurred due to phasing out of transitional relief following the 2017 revaluation.

### Cattle Market £56,520

Overall the Cattle Market budget is projecting a year end surplus of £207k compared to a surplus budget of £264k. There is a underspend within the budget due to an business rates credit that has been received relating to previous years however this is being offset by the shortfall on a number of income lines.

The overspend arises due to income shortfalls in several areas of the market, the most affected areas are Animal Auctions, Poultry and Small Animals, Farmers Market, Car Boot Sales and Car Parking.

It is expected that Animal Auctions and Poultry and small animal sales will have a year-end position of £99k (shortfall of £39k). There appears to be a general downturn in the market, it is thought that this is owing to reduced requirement for meat in general due to increased vegetarianism. Fat Cattle sales have reduced during the year due to the weather, the animals were sold early and under weight due to farmers not wanting to buy feed over the hot summer. Abattoirs have increased their aggression within the market by taking stock directly rather than through the market. It is also thought that a No Deal Brexit could result in 20-30% reduction in market due to the lack of external market for export.

Negotiations continue regarding the Sunday Market, which are currently expected to have a year end position of £37k, a shortfall of £8k compared to the £45k budget.

There was also an expectation that the car park income would increase but this has not materialised which has resulted in a 2018/19 expected year end shortfall of £7k.

### Development Control £112,020

The overspend is due to a shortfall of income. The current income is a shortfall of £91k, of this £85k relates solely to planning applications. Based on the current levels of income the projection for the end is expected to be £110k shortfall. It is considered that the shortfall is attributable to uncertainty within the market due to BREXIT.

### Building Control £60,920

The overspend arises from a shortfall of income. The budget had been previously reduced in line with expectations at the time of budget setting. The annual income budget was set at £155k, it is expected that the year end will result in an income of £95k, a £60k shortfall.

Throughout the year various analysis has been completed and this showed a general downturn of applications and an increase in works being taken on by Approved Inspectors. A business plan is being developed around how the service can become more commercial in its approach.

#### Industrial Estates £10,480

There has been a vacant unit throughout the year which has result in a loss of income of £8k. There has also been additional costs relating to building maintenance works

### 3.6.2 Underspends

#### Waste Management £60,830

The Waste budget is expected to result in an overall £60k underspend. This is attributable to a number of factors.

- Contactor costs are expected to be £39k overspent at the year end due to higher Variation Orders due to increased street cleansing request and fly tipping plus an increase in contaminated loads.
- The income for the recycling materials relates to the old contract and therefore only relates to April to September, and is expected to have a year end overspend of £76k this is due to less material being recycled, the increase in contamination leading to less material being sold and the price of material being lower than budgeted. However due to less material being processed a saving of £12k is expected.
- During the year LCC redirected the green waste disposal, this resulted in MBC losing circa £30k in income, however this is offset by MBC being no longer responsible for the gate fee, this resulted in a saving of £28k.
- The new contract took effect from 1<sup>st</sup> October 2018, when the budget was set the contract price was still being negotiated, therefore the budget was set as a mid way point between the final tenders, once the contract was awarded it resulted in a £28k saving against the budget.
- Under the new contract the Green Waste collection arrangements are to produce a further saving of £104k, as MBC are no longer responsible for the collection of the bins from customers and the contractor offered a discount on the service. Due to the new contract additional advertisement costs are expected to result in a year end overspend of £9k.
- Additional income has been achieved throughout the year from bulky collections and street sweeping; this is currently expected to be £17k at the year end. Under the new replacement bin charges it is also expected that an additional £5k can be achieved.
- LCC also redirected MBC with regards to recycling to Casepak, as a result LCC offered £10 per tonne for the redirection, this is expected to result in £21.5k in additional income.

#### Local Plans £30,200

The budget initially included contingency costs of the plan not being adopted, and another round of consultation and legal challenges being raised, as this was not the case some costs will no longer be incurred resulting in an expected year end underspend of £30k.

#### Economic Development £12,260

There is an expected saving due to the vacant Economic Projects Officer post. Which is being partly offset by an overspend relating to the subscription of data analysis tools.

### **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 addresses within section 3.

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

6.1 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the report.

### **7.0 COMMUNITY SAFETY**

7.1 Community safety issues were addresses 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.

### **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 the budget monitoring meetings arranged with reference to the current budget monitoring protocols.

## **12.0 WARDS AFFECTED**

**12.1** All wards are affected.

Contact Officer: Emma Peters  
Date: 7<sup>th</sup> February 2019  
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:\committee\committee,council\ Place Committee\2018-  
19\06032019

## SUMMARY OF INCOME &amp; EXPENDITURE

## APRIL TO DECEMBER 2018

	Original Budget £	Approved Budget @ Dec 18 £	April - December Budget £	Apr-Dec Net Expend- iture £	Variance Underspend (-) £	Year end Forecast £	Year end Variance Underspend (-) £	
<b>GENERAL EXPENSES</b>								
1 Environmental Health	244,480	264,480	199,289	193,963	-5,326	267,630	3,150	⊗
2 Control of Pests	-2,920	-2,920	-2,190	238	2,428	-2,100	820	⊗
3 Waste Management	1,845,370	1,857,250	1,425,425	1,190,665	-234,760	1,796,420	-60,830	⊗⊗
4 Leisure Vision - Site	0	69,300	69,300	15,000	-54,300	73,800	4,500	⊗
5 Land Drainage	18,360	18,360	9,100	17,440	8,340	18,240	-120	⊗⊗
6 Car Parks and Bus Station	-508,710	-508,710	-369,423	-349,362	20,061	-471,890	36,820	⊗
7 Christmas Lighting	36,460	36,460	33,960	35,241	1,281	37,690	1,230	⊗
8 Cattle Market	-263,660	-263,660	-196,260	-166,540	29,720	-207,140	56,520	⊗
9 Cattle Market Re-Development	0	28,090	28,090	10,500	-17,590	28,090	0	⊗
10 Tourism	18,770	22,470	17,130	23,065	5,935	23,070	600	⊗
11 Development Control	-290,020	-291,860	-218,146	-178,560	39,586	-179,840	112,020	⊗
12 Local Plans	243,100	123,100	185,803	86,881	-98,922	92,900	-30,200	⊗⊗
13 Building Control	-24,390	-24,390	-19,707	26,295	46,002	36,530	60,920	⊗
14 Environmental Maintenance	406,540	410,290	292,808	268,964	-23,844	404,190	-6,100	⊗⊗
15 Industrial Estates	-162,900	-162,900	-122,175	-110,332	11,843	-152,420	10,480	⊗
16 Economic Development	296,670	372,970	298,333	232,226	-66,107	360,710	-12,260	⊗⊗
17 Licensing	-10,910	-10,910	-8,182	-19,927	-11,745	-19,740	-8,830	⊗⊗
18 Emergency Planning	27,860	27,860	27,660	28,800	1,140	28,800	940	⊗
<b>19 Total- Controllable Costs</b>	<b>1,874,100</b>	<b>1,965,280</b>	<b>1,650,815</b>	<b>1,304,557</b>	<b>-346,258</b>	<b>2,134,940</b>	<b>169,660</b>	
<b>20 Total - Uncontrollable Costs</b>	<b>662,550</b>	<b>662,550</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>662,550</b>	<b>0</b>	
<b>21 Total - General Expenses</b>	<b>2,536,650</b>	<b>2,627,830</b>	<b>1,650,815</b>	<b>1,304,557</b>	<b>-346,258</b>	<b>2,797,490</b>	<b>169,660</b>	
<b>22 Committee Total</b>	<b>2,536,650</b>	<b>2,627,830</b>	<b>1,650,815</b>	<b>1,304,557</b>	<b>-346,258</b>	<b>2,797,490</b>	<b>169,660</b>	

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**BUDGET MONITORING- KEY SERVICE AREAS 2018-19**  
**1 APRIL 2018 - 31 DECEMBER 2018**

Main Code	Service Area	Latest Approved Budget	Budget to Period 9	Adjusted Actual to Period 9	Variance		Projected Full Year Variance ( ) = Favourable	
					Adverse	Favourable		
		£	£	£	£	£	£	
<b>General Expenses EXPENDITURE</b>								
050	Waste Management Contractor Costs	1,872,430	1,281,570	1,024,892	-	256,678	(60,230)	☺☺ The VO's have been higher than budget and there have been increases in the rejected contaminated loads resulting in an overspend of £39k. However there is expected to be a £28k saving against budget for the new contract and a £42k saving on the green waste collection costs. Due to redirection from LCC of green waste disposal there will no longer be any processing costs, this is offset by loss of income from LCC.
340	Planning Professional Fees	52,200	35,800	23,102		12,698	(8,000)	☺☺ There is one outstanding planning appeal cost award for which the amount is currently unknown. At this time the budget is expected to cover the costs resulting in an expected £8k saving; this will be closely monitored as any new appeals may clear this saving.
507	Environmental Maintenance	410,290	259,677	236,942		22,735	(6,100)	☺☺ It is expected that by the year end a saving could be achieved within the salaries lines due to some short vacancies during recruitment and the officers starting on lower spinal points. This will be closely monitored.
	Total Expenditure				0	292,111	(74,330)	

**BUDGET MONITORING- KEY SERVICE AREAS 2018-19**  
**1 APRIL 2018 - 31 DECEMBER 2018**

Main Code	Service Area	Latest Approved Budget	Budget to Period 9	Adjusted Actual to Period 9	-----Variance----->		Projected Full Year
		£	£	£	Adverse £	Favourable £	Variance ( ) = Favourable £

**General Expenses**  
**INCOME**

050	Waste Management Income	390,610	260,407	238,314	22,093		77,200
120	Car Park Income	678,950	452,633	434,348	18,285		29,350
300	Cattle Market Income	298,840	198,687	159,645	39,042		60,270
340	Planning Application Fees	780,000	520,000	437,544	82,456		110,000

⊖ The recycling prices per tonne had been budgeted at £46.22, however Q1 price per tonne has been only £20.34, this has resulted in a shortfall of £67k. There has also been increased contamination levels within the recycle and therefore it has been projected that there will be a shortfall of £9k from the LCC credits. The redirection of the green waste disposal has resulted in a loss of income from October 2018, this is partially offset by the reduced disposal costs. Some additional income has been projected from bulky waste etc which has reduced the deficit.

⊖ The YTD income relating to parking fees is currently £27k behind budget. Income continues to be lower than expected. Continued works on the public conveniences which is impacting on the car park income at St Marys Way and Wilton Road. Using the actuals to date and projecting forward it is currently expected that there will be a £35k shortfall in parking fees. However the Arla lease has been renewed, which will produce an additional income of £9.5k. Within the budget there is £4k relating to car parking overpayments the budget will not be met for this item. Due to the additional income the expected year end position is currently a shortfall of £29k.

⊖ Gillstream pay MBC the income share via block payments, these are calculated at the beginning of the year to ensure MBC receives the income regularly, due to the calculation the actual income will not match budget throughout the year however separate analysis is completed to understand the actual income position throughout the year. The actual income is currently showing a shortfall of £60k could be expected by the year end, based on the remittances received from Gillstream. We are currently reviewing the impact of the brewery development and any impact positive/negative will be factored in to the future forecasts. The projected income is based on YTD actuals for 18/19 and the remaining actuals for 17/18. The hot weather in the summer did see and impact on the volume of cattle coming to The current shortfall relating to planning application fees is £82k. The year end income position has been projected to be a £110k deficit, as it now considered that there isn't enough time to recover the current deficit. This is believed to be due to the uncertainty within the current market regarding the impact of BREXIT and the reluctance of developers to invest at the

**BUDGET MONITORING- KEY SERVICE AREAS 2018-19**  
**1 APRIL 2018 - 31 DECEMBER 2018**

Main Code	Service Area	Latest Approved Budget	Budget to Period 9	Adjusted Actual to Period 9	-----Variance----->		Projected Full Year Variance ( ) = Favourable
					Adverse	Favourable	
		£	£	£	£	£	£
	<b>General Expenses</b>						
355	Building Control Fees	154,940	90,382	57,758	32,624		60,740
	Total Income	2,303,340	1,522,109	1,327,609	194,500	0	337,560
	Net Position	-2,303,340	-1,522,109	-1,327,609	194,500	292,111	263,230

⊖ The current shortfall of £45k has been projected forward, resulting in the expected year end shortfall to be £61k. The budget had previously been reduced in line with expectations at the time of setting the budget. Meetings have been held with the commercial and Marketing Consultant and a Business Plan is currently being produced to help the service move forward. The budget will be closely monitored going forward.

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## PLACE COMMITTEE

6 MARCH 2019

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

#### HOUSING REVENUE ACCOUNT – BUDGET MONITORING 1 APRIL 2018 – 31 DECEMBER 2018

#### 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 2018 to 31 December 2018.

#### 2.0 RECOMMENDATION

2.1 *It is recommended that the financial position on the HRA to 31 December 2018 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 of Growth and Regeneration, the Budget Holders and the Senior Accountant. The service and financial performance are then reported to the Senior Leadership 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 2018

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 2018 is as follows:

	Approved Budget @ Dec 18 £	April to Dec Budget £	Apr to Dec Net Expenditure & Income Including Commitments £	Variance Underspend(-) £	Year End Forecast £	Year End Variance Underspend(-) £
HRA - Total Expenditure	8,273,320	3,001,016	2,632,838	-368,178	8,295,900	19,000
HRA - Total Income	7,784,930	5,735,631	5,940,438	-204,807	8,023,510	-235,000

- 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 2018	-1,666,525
Budgeted deficit 2018/19	488,390
Potential underspend (as above)	-216,000
Potential Working Balance Surplus at 31 March 2018	<u>-1,394,135</u>

- 3.5 The minimum working balance, as recommended by the Medium Term Financial Strategy, remains at £750,000 for 2018/19. A deficit of £488,390 has been budgeted for in 2018/19 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) as at 31 December are also set out below:

##### Expenditure

General Management £35,000 underspend:

- £24,000 of this relates to employee costs due to vacant posts
- £7,000 relates to un-used professional fees due to a slow-down in Right to Buy applications.

Special Services £19,000 underspend:

- £15,000 relates to employee costs, due to vacant posts and staff not in pension scheme,

Repairs and Maintenance £73,000 overspend:

- £93,000 relates to professional fees following additional works on the new repairs contract, the extension of the interim strategic asset manager, the BARIS (Bespoke Api Repairs Integration Solution) interface for the new repairs contract and the asset valuations, none of which were budgeted for.
- There is an expected £20,000 underspend in employee costs due to vacant posts during the year.

Excess Income £235,000:

- £30,000 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.
- £168,000 follows the final Severn Trent Water bill which was less than the amount estimated at the year end. The differences are in the brought forward credit and other credits which relate to incorrectly applied voids and commission going back some years.
- £30,000 relates to an expected increase in interest due to the increased balances over that budgeted.

#### Forecast Position

- The above figures, as shown at Appendix A, as at the end of December 2018, indicate a year to date underspend of £572,985 which is due to budget profiling, late invoicing, demand led expenditure not being spent and the Severn Trent credit as noted above. However, the updated forecast position for the end of January 2019 is an underspend of £480,000. The change in the forecast underspend is due to the fire risk assessment works not yet being scheduled and so they are now considered unlikely to be completed in the current financial year.

### **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 As the report is exclusively concerned with financial matters, there are no direct legal implications arising from the 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 9 and 14 January 2019.

## 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:  
Date:  
Appendices:  
Background Papers:  
Reference:

Carol King  
7 February 2019  
Appendix A – Summary of Expenditure & Income  
Oracle Financial Reports & Budget Holder Comments on Performance  
X: C'tees, Council & Sub-C'tees/Place/6-03-19/DG-Housing Revenue Account – Budget  
Monitoring 1 April 2018 – 31 December 2018

## PLACE COMMITTEE

APPENDIX A

## HOUSING REVENUE ACCOUNT

## SUMMARY OF EXPENDITURE &amp; INCOME

## APRIL TO DECEMBER 2018

	Original Budget as per Budget Book	Approved Budget @ Dec 18	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	324,760	324,760	274,967	240,508	0	240,508	-34,459	289,760	-35,000
2 Special Services	673,610	740,190	522,928	489,166	11,103	500,269	-22,659	721,190	-19,000
3 Repairs & Maintenance	2,000,240	1,937,240	1,488,390	1,047,807	117,898	1,165,705	-322,685	2,010,240	73,000
4 Bad & Doubtful Debts	100,000	100,000	0	0	0	0	0	100,000	0
<b>5 Total Controllable Expenditure</b>	<b>3,098,610</b>	<b>3,102,190</b>	<b>2,286,285</b>	<b>1,777,481</b>	<b>129,001</b>	<b>1,906,482</b>	<b>-379,803</b>	<b>3,121,190</b>	<b>19,000</b>
<b>6 Controllable Income (-)</b>	<b>-7,644,820</b>	<b>-7,648,400</b>	<b>-5,735,631</b>	<b>-5,940,438</b>	<b>0</b>	<b>-5,940,438</b>	<b>-204,807</b>	<b>-7,853,400</b>	<b>-205,000</b>
<b>7 Net Controllable Cost of Services</b>	<b>-4,546,210</b>	<b>-4,546,210</b>	<b>-3,449,346</b>	<b>-4,162,957</b>	<b>129,001</b>	<b>-4,033,956</b>	<b>-584,610</b>	<b>-4,732,210</b>	<b>-186,000</b>
8 Uncontrollable Expenditure	1,121,000	1,121,000	0	11,625	0	11,625	11,625	1,121,000	0
9 Depreciation	1,412,960	1,412,960	0	0	0	0	0	1,412,960	0
10 Uncontrollable Income	-55,110	-55,110	0	0	0	0	0	-55,110	0
<b>11 Net Cost of Services</b>	<b>-2,067,360</b>	<b>-2,067,360</b>	<b>-3,449,346</b>	<b>-4,151,332</b>	<b>129,001</b>	<b>-4,022,331</b>	<b>-572,985</b>	<b>-2,253,360</b>	<b>-186,000</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	-85,000	-85,000	0	0	0	0	0	-115,000	-30,000
<b>12 Net Operating Expenditure</b>	<b>-982,400</b>	<b>-982,400</b>	<b>-2,734,615</b>	<b>-3,436,601</b>	<b>129,001</b>	<b>-3,307,600</b>	<b>-572,985</b>	<b>-1,198,400</b>	<b>-216,000</b>
13 Contribution to Capital	0	0	0	0	0	0	0	0	0
14 Contribution to Reserves	1,470,790	1,470,790	0	0	0	0	0	1,470,790	0
<b>15 Surplus (-) / Deficit</b>	<b>£488,390</b>	<b>£488,390</b>	<b>-£2,734,615</b>	<b>-£3,436,601</b>	<b>£129,001</b>	<b>-£3,307,600</b>	<b>-£572,985</b>	<b>£272,390</b>	<b>-£216,000</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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## PLACE COMMITTEE

6 MARCH 2019

### REPORT OF DIRECTOR OF GROWTH AND REGENERATION

#### FUTURE HIGH STREET FUND

##### 1.0 PURPOSE OF REPORT

- 1.1 To update the Committee on the work being done through the 'Town and Place Partnership' and seek approval to submit an expression of interest to the 'Future High Street Fund' by 22 March 2019

##### 2.0 RECOMMENDATIONS

- 2.1 **To seek approval to submit an Expression of Interest to the Future High Street Fund.**
- 2.2 **In consultation with the Chair of Place Committee, the Director for Growth and Regeneration be authorised to agree the content of any Expression of Interest to the Future High Streets Fund.**

##### 3.0 KEY ISSUES

##### 3.1 Place branding and Destination Management Plan

Melton Borough Council has facilitated the formation of Town & Place Partnership (T&P) with a view to create a coherent and shared vision by working with all relevant partners and stakeholders for the wider Melton area. The town and Place partnership currently consists of the following stakeholders:

- Town estates
- Melton Mowbray Market (cattle market)
- Melton BID
- Melton Promotions
- Leicestershire County Council
- Visit Belvoir
- Brooksby Melton College
- Stephen Hallam -Pork Pie shop
- Matthew O'Callaghan – food festival organiser
- PERA
- Melton Chamber of Trade
- Melton Times

- 3.2 Through this partnership, the Council commissioned a Place Branding Strategy and Destination Management Plan which are in the final stages of completion. The development of Melton Story and an Action Plan to improve Melton as a destination for visitors, investors and residents are key outcomes of this commission that the Partnership will work to deliver. The Future High Street Fund announced by the Government is a key opportunity to bid for money to help deliver the vision and plan being developed by the T&P.

### 3.3 Future High Street Fund (FHS) and eligibility

The Future High street fund was opened in December 2018. The objective of the Fund is to 'renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability'.

Any identified need for investment will need to fall under the following themes:

- 1) Investment in physical infrastructure
- 2) Land assembly to support housing, workspace and public realm
- 3) Improvement to transport access
- 4) Supporting change of use
- 5) Supporting adaption of high street in response to changing technology

The eligibility criteria of the fund states that in a two tier local authority system applications will only be accepted from District and Borough councils. If a bid is to be submitted for Melton Borough it would have to be through Melton Borough Council.

### 3.4 Bidding process

The FHS is split into 2 phases. The first stage is the submission of an Expression of Interest (EoI) which will require MBC to;

- define the bid area we will be submitting for,
- identify the challenges faced by our town centre,
- demonstrate how our proposals will seek to meet these challenges through a transformative project,
- highlight how this is aligned with the wider strategic vision for the area,
- evidence partner and stakeholder support for our proposals.

3.5 The request for funding that MBC will be submitting at this stage will be for revenue funding to develop a feasibility study. In order to meet the criteria for funding, this study will look at land assembly, use of underutilised buildings, highways infrastructure and activities to create an offer based around our food heritage, developing better food experiences and creating additional value by enabling food innovation.

3.6 The purpose of this will be to develop a detailed plan as to how MBC and its partners can enable the creation of strong heritage and food based experience offer within the town centre and improve connectivity between the residential areas, the Cattle market and Brooksby Melton College and the High Street to increase footfall. The Melton bid will build upon the investment made by the Council and its partners in the recent years such as the College, Cattle Market, Parkside building and PERA Business Park and seek financial support to implement the vision created by the T&P.

3.7 If successful at the first stage, Melton will be required to commission these feasibility studies and develop business cases to inform a bid to phase two of the future high street fund. This bid will be required to identify how much capital funding will be require to enable any identified projects to proceed and how will this be match funded by other public and private sector partners.

3.8 The Future High Street Fund provide a unique opportunity for Melton Borough to capitalise on several work streams currently being undertaken by the council and its partners and bid for funding to develop a business case to develop a

transformative project(s) in the Melton town centre area. This bid will sit within the context of and compliment several other activities already taking place. These being

- 1) The masterplanning and development of the Cattle Market using £80k funding secured through the LLEP.
- 2) Demands and Needs assessments currently being carried out to assess the demand for residential, leisure, commercial and retail uses.
- 3) The development of MBC landholdings in Melton area.
- 4) The development of feasibility studies to look at the use of food based Manufacturing Zones to promote growth and attract inward investment located just outside the Town Centre area using £75k secured through the Midlands Engine.
- 5) A study looking into the feasibility of a Melton to Nottingham rail link using £30k funding secured from the LLEP.
- 6) Work being carried out by Brooksby Melton College (BMC) for development of food production, performing arts and catering courses.
- 7) Potential plans for maintenance and enhancement of land-holdings by the Town Estate.
- 8) Projects and activities within the BID business plan
- 9) And actions by all partners towards the enhancement of the town centre.

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

- 4.1 This project will help delivery towards achieving priorities as set out in the corporate delivery plan specifically:  
**PL2 Developing a thriving town centre and rural offer; recognised as a great place to invest, live and visit**

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

- 5.1 At this stage there is no requirement for match funding and this bid is seeking revenue funding to produce business cases for submission of future capital projects future stages of this fund. The amount of funding to be sought will be decided following further work being carried out to refine what these capital projects will entail.

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

- 6.1 MBC as the lead bidding authority will be solely responsible for the administration of any funding should the bid be successful.

#### 7.0 **COMMUNITY SAFETY**

- 7.1 none

#### 8.0 **EQUALITIES**

- 8.1 There are no equality implications as a result of submitting this application. Any future equality impacts would be picked up on a case by case basis during the development of the business cases should this application be successful

9.0 RISKS

9.1 .

<b>L I K E L I H O O D</b>	<b>A</b>	<b>Very High</b>				
	<b>B</b>	<b>High</b>				
	<b>C</b>	<b>Significant</b>	2			
	<b>D</b>	<b>Low</b>				
	<b>E</b>	<b>Very Low</b>	1			
	<b>F</b>	<b>Almost Impossible</b>				
			<b>Negligible 1</b>	<b>Marginal 2</b>	<b>Critical 3</b>	<b>Catastrophic 4</b>

**IMPACT**

<b>Risk No</b>	<b>Risk Description</b>
<b>1</b>	Lack of consensus between partners regarding the bid. This is a low risk due to the work already being undertaken through the Town and Place Partnership. Ongoing communication will be maintained with the partners to mitigate against this.
<b>2</b>	Redundant effort if the bid is not successful. The bid is being prepared with the in-house team and with support from partners. The first stage of bid is to secure funding to develop the details of the bid for the next stage. Even if the bid is not successful, the work carried out will be re-usable to source alternative delivery mechanism for the projects identified.

10.0 CLIMATE CHANGE

10.1 None

11.0 CONSULTATION

11.1 During the development of this bid, all Town & Place members who are active stakeholders for all town centre related matters, have been consulted on its content and given the opportunity to inform the project that are included and feedback on their thoughts. A briefing session is arranged for all councillors prior to the Full Council meeting on 27<sup>th</sup> February to update the members on this.

## 12.0 **WARDS AFFECTED**

### 12.1 Town centre wards would be most affected

Contact Officer        Lee Byrne

Date:                    22 Feb 2019

Appendices :         *None*

Background Papers:   None

Reference :            X : Cttee,Council&SubCtees\Place Committee\201819\6-060319\7

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