

Minutes



Meeting name	Cabinet
Date	Tuesday, 9 February 2021
Start time	4.00 pm
Venue	This meeting was held remotely

Present:

Chair Councillor J. Orson (Chair)

Councillors L. Higgins (Vice-Chair) A. Freer-Jones
A. Pearson

Observers Councillor R. Bindloss
Councillor P. Cumbers
Councillor J. Douglas
Councillor C. Evans

Officers Chief Executive
Director for Housing and Communities
Director for Corporate Services
Director for Growth and Regeneration
Assistant Director for Governance & Democracy
Assistant Director for Planning and Delivery
Democratic Services Manager
Democratic Services Officer (CR)

Minute No.	Minute
149	<p>APOLOGIES FOR ABSENCE Apologies for absence were received from Councillor de Burle.</p>
150	<p>MINUTES The minutes of the meeting held on 20 January 2021 were confirmed and authorised to be signed by the Chair.</p>
151	<p>DECLARATIONS OF INTEREST Councillors Orson and Pearson each declared an interest in any items relating to Leicestershire County Council, due to their roles as a County Councillors.</p>
	<p>LEADERS STATEMENT On Friday, 5 February 2021, Leicestershire County Council's Cabinet considered an urgent report, which sought authority for the disposal of a parcel of land at Lake Terrace, Melton Mowbray.</p> <p>Whilst there should be nothing remarkable about such a report, Melton Borough Council was concerned about the content and discussion which took place. The report set out a number of assertions, regarding the mechanism by which this Cabinet took a decision to dispose of land at its meeting held on 20 January 2021, specifically questioning the value of the deal secured and the level of engagement with the County Council.</p> <p>Melton Borough Council has negotiated a commercial deal, generating a capital receipt in accordance with the industry standard methodology and based on a valuation undertaken by our Royal Institute of Chartered Surveyors qualified surveyor. The deal has created the potential for significant wider benefits to be secured including 90 affordable homes, a sizeable s106 contribution towards infrastructure and £150k investment into access road improvements. Melton Borough Council's commercial interests are protected should any further development proceed. The deal has no direct impact on the County Council's commercial interest and they are free to negotiate directly with the developer themselves.</p> <p>The County Council's critique of our deal was based on an approximate figure reported in the media and did not refer to the wider benefits. The County Council became aware of its land interest in the site in March 2019 and had been repeatedly engaged in the planning process over the last 2 years. Given the County Council had only considered partial information, Melton Borough Council was unclear on how the County Council could form a reasonable view of the deal, nor does it understand how the County Council could be unaware of its own interest in the site. This is ultimately a matter for the County Council.</p>

MATTERS REFERRED FROM SCRUTINY COMMITTEE IN ACCORDANCE WITH SCRUTINY PROCEDURE RULES

Scrutiny's Response to Budget Proposals.

Councillor Pat Cumbers, Chair of Scrutiny Committee introduced the Committee's report, the purpose of which was to provide feedback to Cabinet on the Budget and Medium Term Financial Strategy.

Councillor Cumbers highlighted that Councillors had used the Scrutiny Budget meeting, held on 27 January to engage with the Council's budget proposals and financial status. A healthy financial position was vital to the delivery of Council services.

Councillor Cumbers thanked the Director for Corporate Services, her team, and the Portfolio Holder for Corporate Finance and Resources, noting the considerable work undertaken on financial matters and in preparing the budget.

The Leader thanked Councillor Cumbers and Scrutiny Committee Members for their contribution to the Council's budget proposals, noting that generally, there was consensus with Cabinet on this. The response from Cabinet had been published as an addendum to the Cabinet Agenda. He thanked the Director for Corporate Services and her team for their work, noting that many conflicting demands were placed on them.

CAPITAL PROGRAMME 2020-2025 - GENERAL FUND AND HOUSING REVENUE ACCOUNT AND CAPITAL STRATEGY 2021-22

Dawn Garton, Director for Corporate Services introduced the report, the purpose of which was to determine the General Fund and Housing Revenue Account (HRA) Capital Programme for 2020-25, provide information on the forecast outturn position for 2020-21 and provide an updated version of the Capital Strategy 2021-22.

Mrs. Garton advised that the Capital Strategy sets out forward capital projections over the medium term and strategic aspirations, which must be considered by the council alongside the budget and associated reports. It linked to the Treasury Management Strategy and to the revenue budgets elsewhere on the agenda for this meeting.

Mrs. Garton highlighted that the proposed General Fund Capital Programme was modest, which was reflective of the need to update asset management plans, including stock condition surveys (key actions set out in the Strategy). Future resources available to support further capital aspirations would be influenced by the Asset Development Programme and the availability of capital receipts in future.

Mrs. Garton highlighted that the proposed HRA Capital Programme was in line with the Interim HRA Business Plan (approved in February 2020) and linked to the Housing Improvement Plan, to ensure sufficient capital resources were available to meet the actions required. An update on spend in the current year's programme

was also included in the report.

Councillor Joe Orson, Leader of the Council commented that whilst a modest programme for the General Fund, there was a good balance of projects (with expenditure on IT, recognising the need to keep IT infrastructure up to date). The programme included the necessary investment required to continue the benefits of remote meetings and the broadcast of these to the web, whilst enabling this to continue upon return to the Council offices and to support hybrid meetings.

Councillor Orson noted that there was provision to use some business grants funding to support diversification of businesses in rural areas and despite modest resources, the Council had funded improvements to the footbridge at the Country Park (work which Councillors and the community had supported).

Councillor Orson advised that the HRA proposals continued the good work, which had been achieved following the approval of the Housing Improvement Programme last year.

During discussion the following points were noted:

- Members thanked the Director for Corporate Services, her team and the Portfolio Holder for Corporate Finance and Resources for their work.
- Inclusion of the Melton Country Park Bridgeworks project had been championed and lobbied for by Councillors Glancy, Lumley, Posnett and Wilkinson.
- The Rural Pubs Scheme had modified (during the Covid-19 pandemic) into a wider business diversification grant (Rural Diversification Business Grants). This helped communities and pubs in rural areas to continue and to thrive and also aimed to improve rural tourism.
- Members welcomed the inclusion of the Conversion of Electric Storage Heaters programme, noting that this was supported and eagerly anticipated by residents.
- The Council Chamber audio-visual equipment and replacement of the Content Management System (CMS) website programmes were welcomed by Members, who noted that these support community engagement and promote efficient communication.

DECISIONS (NON-KEY)

Cabinet **RECOMMENDED** to Council approval of:

- i. The General Fund Capital Programme for 2020-25;
- ii. The sources of funding for the General Fund Capital Programme for 2021/22;
- iii. The HRA Capital Programme for 2020-25;
- iv. The sources of funding for the HRA Capital Programme;
- v. Delegated authority to the Director for Corporate Services to amend the amount in the Capital Programme for Disabled Facilities Grants once funding confirmation had been received;

- vi. Spend on the Council Chamber Audit Visual Equipment Capital Scheme be incurred in 2020/21, if officers are able to commence the project earlier;
- vii. The Capital Strategy 2021-22;

Reason for the decision

Approving the capital programme will support the Council in delivering its commitment to manage its assets effectively and to ensure the benefits from them are maximised for the benefits of the Council and community as a whole. This Capital plans will support the effective delivery of these ambitions and will ensure appropriate levels of capital expenditure and investment are in place to meet Corporate priorities and objectives whilst ensuring that plans are affordable, prudent and sustainable.

The Capital Programme for 2020-25 for the General Fund is attached at Appendix A and HRA at Appendix D. The Programme gives the total cost of each scheme, the spending profile, the amounts authorised to be spent and the stage each scheme has reached within the Capital Programme.

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REVENUE BUDGET PROPOSALS 2021-22 - HOUSING REVENUE ACCOUNT

Dawn Garton, Director for Corporate Services introduced the report, the purpose of which was to update Members on the financial position of the Housing Revenue Account (HRA), set the rents of Council dwellings (being an average of 1.49%, in line with the Government's policy of Consumer Prices Index plus 1%) approve the HRA budget estimates for 2021-22 and set the working balance for 2021-22.

Mrs. Garton advised that the current year showed a forecast underspend, due to vacant posts and delays to repairs and maintenance projects (which would be carried forward into the next financial year to enable the works to proceed). This underspend was offset by reduced income, due to the proposed service charges not being implemented this financial year and reduced voids income.

Mrs. Garton highlighted the new service charge elements for Health & Safety works and Grounds Maintenance works, in line with the Rent and Service Charge Policy. The working balance was maintained at £750k (as previously approved) with additional spending, in line with the Housing Improvement Programme (HIP) being met from reserves. The projected reserves were set out at paragraph 5.7 of the report and there were currently no concerns regarding the level of reserves. However, this would be re-assessed as stock condition surveys were undertaken and the resulting financial implications were assessed and fed into the updated 30 year business plan.

Councillor Joe Orson, Leader of the Council highlighted that the HRA was a ring-fenced landlord account, which recorded certain defined transactions. The Council had a duty to maintain the HRA in accordance with accounting practices and to produce and publish the annual budget. He noted the estimated year end position for the current financial year, as detailed at paragraph 5.1 of the report.

During discussion the following points were noted:

- The Council's effective and transparent engagement with the Tenants Forum Executive Committee (TFEC) had been vital in gaining feedback from tenants on the Council's Housing service.
- The work of the Housing Improvement Board had been essential to delivering improvements in the Housing service.
- Members noted the good work undertaken by the Chief Executive and the Director for Housing and Communities, which had resulted in significant improvements in Housing service.
- Members thanked the Leader for his work to implement and Chair the Housing Improvement Board and Councillor Pearson for his continuous work.
- Members thanked TFEC for their engagement and feedback.
- Capital works, such as the repair and maintenance of windows and bathrooms etc. had been delayed due to Covid-19 but works would be undertaken as soon as possible.
- Periodic (every 5 years) review of the 30 year business plan was noted.
- The Council would need to focus on the energy efficiency of its housing stock, which would result in work such as replacing boilers etc.
- Providing good quality social housing was a core Council priority. Affordable housing helped people to reduce housing and fuel costs, resulting in more disposable income to spend in the local economy.
- Concerning the average rent increase of 1.49%. Members noted that this represented the Council's second rent increase and that it had previously made rent reductions over a 4 year period.
- The Council was committed to the work yet to be undertaken, to fully deliver its aims and aspirations tenants.

DECISIONS (NON-KEY)

Cabinet:

- 1) **NOTED** the new service charge elements for Health & Safety works and Grounds Maintenance works in line with the Rent and Service Charge Policy;
- 2) **RECOMMENDED** to Council that:
 - i. The budget estimates for 2021-22 be approved;
 - ii. An average rent increase of 1.49% for all Council dwellings for 2021-22 be approved with effect from 1 April 2021;
 - iii. The working balance is maintained at the approved minimum balance of £750,000 and any residual amounts be transferred to the Regeneration & Development Reserve as approved in February 2020 for the current year.

Reason for the decisions

The Local Government and Housing Act 1989 requires the Council to produce and

publish an annual budget, including the setting of rents, for the HRA which avoids a deficit. It is a requirement that this be scrutinised prior to its submission which falls within the Cabinet's remit.

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GENERAL FUND REVENUE BUDGET 2021-22 AND MEDIUM TERM FINANCIAL STRATEGY 2021/22-2024/25

Dawn Garton, Director for Corporate Services introduced the report on the Revenue Budget for 2020/21 including the proposed level of council tax for borough council purposes and the Medium Term Financial Strategy (MTFS) 2021/25.

Mrs. Garton highlighted that:

- Estimated year end position 2020/21 - the finances for the current year had been extremely challenging due to the impact of the pandemic but had become easier to manage as clarity had emerged over the level of Government support. However savings had to be made, particularly in the early part of the financial year, in order to avoid a draw on reserves. A surplus of £206k for General Expenses and £4k for Special Expenses Melton Mowbray was forecasted and this underspend provided flexibility to deal with ongoing costs and resources for Covid-19 response and recovery and support needed in key areas where additional resources may now be required to maintain momentum and also deal with any backlog of work.
- Finance Settlement - the final settlement had been published (for debate in Parliament tomorrow) and was in line with the provisional settlement. No changes to the estimates were required as a result. The referendum limit remained at the higher of £5 or 2% and a £5 overall increase was proposed. The settlement saw additional resources made available to deal with the ongoing impact of Covid-19 and these were welcomed. However, there remained much uncertainty regarding the future funding of local government, which impacted on future financial forecasts.
- Budget 2021/22 - The proposed budget was in line with the Corporate Strategy (approved in September 2020). Assumptions had been made concerning the ongoing impact of Covid-19 on expenditure and on income streams, when they were likely to return to pre Covid-19 levels and the level of government support. A contingency had been set aside to accommodate unexpected Covid-19 related expenditure and lost income not contained in the budget.

A number of growth and savings proposals for General Expenses were proposed at paragraph 4.4.3 of the report and these were further detailed in Appendix B and incorporated into the budget and MTFS, as detailed in Appendix A.

The MTFS had forecast deficits for the next 3 years but these could change significantly depending on the outstanding local authority funding review. A Financial Sustainability Programme would be initiated following the budget to consider a range of areas where efficiencies could be made or income generated in sufficient time to inform the 2022/23 budget at an early stage.

The reserves position had stabilised with a balanced budget being set for 2020/21 and proposed for 2021/22. On the basis of all available information, the robustness of the estimates and the adequacy of the reserves was satisfactory.

Councillor Joe Orson, Leader of the Council reiterated that it had been an extremely challenging year for the Council's finances. The Council had made much progress since the start of the pandemic and since its first draft budget in November 2020. Through hard work, innovative thinking, the additional support the Government had provided through the spending review and the settlement, the Council had achieved a balanced budget, with some contingency for unforeseen Covid-19 costs.

Councillor Orson highlighted that despite the need for caution, the Council had provided some growth in areas of priority (community support, town centre investment etc.) This had been a tremendous achievement. The Council's financial future remained uncertain and the work on the financial sustainability programme would ensure adequate planning and preparation was undertaken. Government support from 2022/23 onwards was unknown and businesses and the community would need support as Melton moved from response to recovery. The necessary finances needed to be in place to provide this support.

During discussion the following points were noted:

- Members thanked the Director for Corporate Services and her team for their considerable work.
- Regard must be given to the comments of the Director for Corporate Services, as the Council's Section 151 Officer.
- Members noted the work undertaken by the Council to support the community during the pandemic.
- The Council would consider how it could promote Melton's recovery, encouraging use of its industrial units, the town centre and leisure centres etc.

DECISIONS (NON-KEY)

Cabinet:

- 1) **NOTED** the year end forecast and financial position for the General Fund and Special Expenses for 2020/21;
- 2) **DELEGATED** authority to the Director for Corporate Services to make any amendments necessary to the estimates prior to their submission to Council for approval, as a result of changes to the final finance settlement over the provisional and as a result of the final NNDR 1 form used to calculate retained business rates;

- 3) **RECOMMENDED** to Council, subject to any amendment arising from the final finance settlement that:
- i. The proposals for General Expenses and Special Expenses Melton Mowbray be approved for inclusion in the 2021/22 budget resulting in the estimates;
 - ii. Delegated authority be given to the Director for Corporate Services to release the funding for the growth items for town centre improvements, place survey and discretionary council tax support subject to conditions;
 - iii. The revenue budget for 2021/22 for General and Special Expenses be approved, resulting in an overall council tax increase of £5;
 - iv. Any increase or shortfall against the target working balance on General Expenses at 31 March 2021 be transferred to/from the Corporate Priorities Reserve and for Special Expenses Melton Mowbray any surplus/deficit be transferred to/from the Special Expenses Reserve, thereby bringing the actual balance back to the target;
 - v. Members note the changes made to the risk categorisation of budgets.

Reason for the decisions

The Council, having set a Budget at the start of the financial year, needs to ensure the delivery of this Budget is achieved. Consequently, there is a requirement to regularly monitor progress so corrective action can be taken when required, which is enhanced with the regular reporting of the financial position.

To propose to Council a General Fund budget and level of council tax for the 2021/22 financial year which takes into account the proposals set out in the approved Corporate Strategy. The proposals take into account the net expenditure that the Council expects to spend in the next financial year to deliver services to our customers. The report also includes recognition of efficiencies secured and details of the funding and income received to support these services to ensure a balanced budget is proposed.

The Council also holds a number of reserves which can be drawn upon to fund future expenses. The level of reserves is considered within this report, as is the future outlook for spending in the years ahead in order for the Council's future financial resilience to be considered as part of the proposals.

Cabinet and Council are required to consider and approve the General Fund Revenue Account budget proposals in order to set the budget and council tax for the forthcoming financial year.

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TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2021/22

Dawn Garton, Director for Corporate Services introduced the report, the purpose of which was to outline the Council's prudential indicators for 2021/22 – 2023/24 and set out the expected treasury operations for this period.

Mrs. Garton advised that this linked to the Capital Strategy and capital proposals presented to Members at this meeting. The indicators contained within the report were split between the General Fund and the Housing Revenue Account (HRA).

Councillor Joe Orson, Leader of the Council commented that the various indicators and supporting narrative demonstrated how well the Council managed its finances in a prudent and measured way. They show how cash-flow was managed to good effect and how well investments and borrowing were managed in a challenging environment.

During discussion the following points were noted:

- Members noted the work of the Director for Corporate Services, her team and the Portfolio for Corporate Finances and Resources, commenting that the plan was robust.

DECISIONS (NON-KEY)

Cabinet:

- 1) **RECOMMENDED** to Council the prudential indicators and limits be adopted and approved;
- 2) **RECOMMENDED** to Council the Treasury Management Strategy;
- 3) **RECOMMENDED** to Council the Minimum Revenue Provision (MRP) Statement which set out the Council's policy on MRP be approved;
- 4) **NOTED** the linkages to the Capital Strategy due to the integral nature of how the Council manages its treasury finances to support capital development.

Reason for the decisions

The Treasury Management Code requires the Council to approve annually a Treasury Management Strategy and to provide a mid-year update on Treasury Management activities to the Council. It is a requirement that Treasury Management is scrutinised during the year which falls within Cabinet's remit.

To facilitate the decision making process and support capital investment decisions the Prudential Code requires the Council to agree a minimum number of prudential indicators.

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APPROVAL OF THE COMMUNITY SAFETY PARTNERSHIP STRATEGIC PLAN

Andrew Cotton, Director for Housing and Communities introduced the report, the purpose of which was to seek approval to adopt the proposed Community Safety Strategy 2021-23, provide an overview of the issues impacting on communities across the borough and set out how the Council and partner agencies seek to resolve long standing issues.

Mr. Cotton advised that the Strategy set high level priorities and the approach of the Community Safety Partnership in working together to meet the needs of the community, in relation to crime and anti-social behaviour. The Strategy sought to bring partner agencies together with a unified approach and these agencies were detailed at paragraph 4.3 of the report (delivery would involve additional agencies, including the voluntary sector).

Mr. Cotton highlighted that adoption of the Strategy would place a greater emphasis on engagement with communities to understand the needs of residents and also progress proactive and preventative work. Key areas of focus for the Strategy were detailed at paragraphs 5.5 to 5.11 of the report.

Mr. Cotton confirmed that the Strategy had been developed in consultation with the public and other stakeholders and agreed with the Community Safety Partnership. If adopted, a community safety action plan would be developed to identify specific actions and areas of focus and progress would be reported to Scrutiny Committee annually.

Councillor Alan Pearson, Portfolio Holder for Housing and Communities commented that much work was being undertaken on community safety, with a focus on issues relevant to Melton and linking to county and national work. Domestic violence had been identified as an area of concern and the Council had entered into the Perpetrator Programme to focus action to tackle this. It was crucial to challenge crime and anti-social behaviour and the Council was doing a great deal of preventative work.

During discussion the following points were noted:

- Members thanks the Director for Housing and Communities, his team and Councillor Pearson for their work.
- Members were pleased with the work undertaken by the Council as part of the Community Safety Partnership.
- Crime had a huge impact on the victim and on the community.
- Promoting community safety was important to the public.
- Domestic violence had increased and it was important to encourage victims to report this crime and ensure their safety.

DECISIONS (NON-KEY)

Cabinet:

- 1) **NOTED** the report and the ongoing contribution of the Community Safety Partnership to ASB issues across the borough and the direction of travel for the Community Safety Partnership;
- 2) **RECOMMENDED** to Council that the proposed Community Safety Strategy 2021-24 be approved.

Reason for the decisions

The Council's Corporate Strategy 2020-24 commits to two key priorities which impact upon the Community Safety Strategy:

- Excellent services impacting positively on our communities (Priority one);
- Connected and led by our community (Priority six)

The strategy seeks to enable the Council and partner agencies to be able to deliver community focused services in an efficient and effective manner, meeting the needs of our diverse and complex communities.

Section 6 of the Crime and Disorder Act 1998 sets out the requirement for responsible agencies, including Melton Borough Council, to work together in formulating and implementing a strategy to tackle crime and disorder in the area.

Additionally, the Crime and Disorder (Formulation and Implementation of Strategy) (Amendment) Regulations 2012 set out the requirement for Community Safety Partnerships to share such strategies with the Office of the Police and Crime Commissioner and for these to be reviewed on an annual basis.

The proposed strategy will replace the existing strategy (2017-20) with a greater focus on services understanding the needs of communities, and seeking to facilitate change from within the community as opposed to externally facilitated service delivery.

The strategy will also seek to build on the operational focus of the previous strategy (2017-20) by allowing communities to see the services provided by the partnership as part of the fabric of the community where underlying causes of demand and vulnerability can be addressed.

The strategy also seeks to cement the relationship of partner organisations under one defining approach to service delivery, one of localised services with a strong engagement philosophy.

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ALLOCATION OF COMMUNITY GRANTS

Andrew Cotton, Director for Housing and Communities introduced the report, the purpose of which was to seek approval for the award of the Community Grants budget for the financial year 2021/22, subject to the approval of the 2021/22 budget.

Mr. Cotton advised that community groups and voluntary organisations had been invited to apply for grants and the criteria for award had been set by the Policy (adopted in October 2019). The application and assessment process was detailed at paragraphs 5.1 to 5.4 of the report and a wide range of organisations benefited from the awards, which totalled over £44k.

Councillor Alison Freer-Jones, Portfolio Holder for Climate, Access and Engagement highlighted that these grants directly impacted community organisations and their work in the Borough. Applications had been reviewed by a

Panel (the Leisure, Culture and People Manager, the Community Policy Officer and herself) and the process was fair, transparent and involved the consideration of Scrutiny Committee. The 3 unsuccessful applicants and those part funded had been offered further help, support and guidance and the Council undertake additional work with community groups to promote services and support for the public.

During discussion the following points were noted:

- Members thanked Councillor Freer-Jones and Panel members for their work.
- Members were pleased that the unsuccessful applicants had received an offer of support and guidance.
- Members noted that best value was a consideration of the Panel when reviewing applications.

DECISIONS (KEY DECISION)

Cabinet:

- 1) **APPROVED** the award of Community Grants, subject to the approval of the 2021/22 budget;
- 2) **APPROVED** the use of the remaining £3,186 from 2020/21 budget;
- 3) **DELEGATED** authority to the Director for Housing and Communities to approve in-year small grants awards, in consultation with the Portfolio Holder, for the remaining budget during 2021/22.

Reason for the decision

Each year, the Council ensures a budget is available for community groups and voluntary agencies to bid for. The grants support the corporate theme of “Helping People” and the Council’s role both as supporter and facilitator of community-based activities. The allocation of the grants is important in supporting activities that benefit the residents of the Borough, and bring positive social value.

The allocation of the grants has been made following a robust, clear and transparent assessment panel in line with the approved Community Grants Policy.

The meeting closed at: 5.10 pm

Chair