

Minutes

Meeting name	Policy, Finance and Administration Committee
Date	Tuesday, 26 September 2017
Start time	6.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair Councillor J. Orson (Chair)

Councillors

L. Higgins (Vice-Chair)	R. de Burle
P. Cumbers	A. Pearson
B. Rhodes	J. Wyatt
P. Chandler	M. Graham

Observers

Officers

- Chief Executive
- Deputy Chief Executive
- Corporate Director
- Solicitor to the Council (VW)
- Business Manager
- Administrative Assistant (KW)

Minute No.	Minute
P21	<p>Apologies For Absence Apologies were received from Councillors Glancy, Holmes and Hutchison.</p>
P22	<p>Minutes The minutes of the meeting held on 11 July 2017 were confirmed and authorised to be signed by the Chair.</p> <p>It was stated that a report for the Subscription to the Lightbulb project will be presented at the meeting of the Full Council on the 11 October 2017.</p> <p>A Member questioned why 7 King Street is currently boarded up. It was said that new tenants may be refurbishing the property and questions should be directed to the property services team.</p>
P23	<p>Minutes of the Policy, Finance and Administration Sub Committee The minutes of the sub-committee meeting held on 25 July 2017 were not authorised to be signed by the chair and will be reconsidered at the next meeting.</p>
P24	<p>Declarations of Interest Councillor Rhodes declared a personal interest in any items relating to Leicestershire County Council due to his position as a County Councillor, a further pecuniary interest was declared in item 8 Budget Framework 2018/19 around recommendation 2.8 due to his role within the County Council.</p> <p>Councillors Orson and Pearson declared a personal interest in any items relating to Leicestershire County Council due to their positions as County Councillors.</p> <p>Councillor Chandler questioned if she had a personal interest in item 13- recommendations from other committees. It was clarified that because of the nature of the report there would be no bias.</p> <p>The Chief Executive, Monitoring Officer and Section 151 Officer declared an interest in item 6 and left the room for the item.</p>
P25	<p>Update On Decisions The update on decisions were noted.</p> <p>The Chief Executive reminded Members that following the presentation in August, the draft response was currently being circulated for comments. Subject to those it will be submitted at the end of September.</p> <p><i>(The Chief Executive, Section 151 Officer and Monitoring Officer here left the meeting.)</i></p>

Disciplinary and Dismissal Procedures for Statutory Officers

The Solicitor to the Council submitted a report to consider a revised disciplinary procedure for the Head of Paid Service, Chief Finance Officer and the Monitoring Officer as required under the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015.

The Solicitor of the Council presented the report and explained that she has no officer interest in this item as she is not a statutory officer at Melton Borough Council. It was explained that this was a further report following the Council decision in July 2015 and the completion of the review of Chief Executive terms and conditions carried out by the JNC. A new Chief Executive Handbook has been issued which provides a model procedure and guidance to follow when dealing with complaints against a Chief Executive (Head of paid Service).

The revised procedure requires the authority to put in place an Investigating and Disciplinary Committee (IDC) to consider allegations and it was clarified that Policy, Finance and Administration Committee could incorporate the Terms of Reference recommended. The IDC is politically balanced and no Members on the IDC can also be members of the Appeals Committee as it will consider appeals against certain decisions of the IDC. If appropriate the IDC can appoint an independent investigator to investigate a complaint and the IDC will then consider the report and make certain recommendations. If the recommendation is for dismissal then an independent panel made up of at least two independent persons will need to meet to consider the recommendation before it is presented to Full Council. It is recommended that the current Appeals Panel amend their terms of reference to include this procedure.

A Member asked that if a recommendation for dismissal was to be discussed at Full Council would it be held in an open or exempt session. The Solicitor to the Council explained that it would be recommended to be held in exempt session due to the nature of the report but the decision falls with Full Council.

A Member questioned when the training would be required for the appeals committee and it was suggested that when a Member is elected onto the committee then they should participate in a form of overview training but more in depth or refresher training be given when the committee is called. A Member asked that a report be brought back to the next meeting when the training had been considered.

The Solicitor of the Council explained that the IDC Terms of Reference included the ability to suspend the Chief Executive. It was suggested that paragraph 4 of Appendix C should be amended to include the Section 151 (Chief Finance Officer) and the Monitoring Officer. It was also clarified that the IDC Terms of Reference be applied to the Policy, Finance and Administration Committee.

A Member asked that recommendation 2.4 includes "standing Appeals Committee" to allow for substitutes. The Solicitor of the Council agreed that more work is required to be completed before presentation to Full Council. A Member highlighted

to the Solicitor of the Council that a change to the substitute policy had been requested.

It was clarified to a Member that the independent investigators are appointed on a rota system from a list maintained by the JNC.

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

All Members were unanimously in favour.

RESOLVED that:

1) the revised disciplinary procedure which applies to the position of Chief Executive as set out in Appendix A and B which includes the current guidance issued from time to time by the Joint National Committees be adopted.

2) the disciplinary procedure referred to in 2.1 is used as the reference guide in circumstances where disciplinary action against the Chief Finance Officer or Monitoring Officer be contemplated.

3) recommendation be made to Full Council that the Policy, Finance and Administration Committee be appointed as an Investigating and Disciplinary Committee which is politically balanced with no less than 5 Members which is set out in appendix C. Appendix C to be amended to include the Section 151(Chief Finance Officer) and the Monitoring Officer.

4) the terms of reference of the Standing Appeals Committee are amended as set out in Appendix D and the Solicitor to the Council to bring back a report to the next meeting setting out how the provisions relating substitutes apply in this context prior to referral to Council for consideration.

(The Chief Executive, Section 151 Officer and Monitoring Officer here re-entered the meeting.)

P27

A Corporate Review of Charges 2018/19

The Corporate Director submitted a report to provide information on the various fees and charges that are made by this committee and to recommend changes to these charges to operate from 1st April 2018.

The Corporate Director explained that these levels of charges will feed into the budget setting process and the report highlights the various charges that are proposed to above or below inflation.

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

All Members were unanimously in favour.

RESOLVED that the committee determined the level of charges for 2018-19 for each of the services to operate from 1st April 2018.

P28

Budget Framework 2018/19

The Corporate Director submitted a report to consider a number of key items which will feed into the Council's Medium-Term Financial Strategy (MTFS) and the 2018/19 budget and corporate planning preparation process.

The Corporate Director explained that 2018/19 will be the third year of the four year funding settlement which was guaranteed with the submission of the efficiency statement. It was said that there is still much uncertainty surrounding the Local Government finance with a fair funding review underway and changes to the New Homes Bonus still on the agenda. It was explained that the Autumn statement is due on 22 November 2017 which may bring further information.

It was said that the budget process and MTFS review is being started and it would be timely to revisit efficiency plans as done with other assumptions as part of this process. It may become necessary to utilise reserves over the life of the MTFS in order to balance the budget whilst longer term savings are identified and delivered as the Council pursues its growth and commercialisation agenda.

It was also explained that a technical consultation is out at present which has proposals to limit council tax to the higher 2% or £5. The council tax was raised by £5 last year and this is included in the forward projections in the MTFS.

The Corporate Director further explained that based on previous experience and inflation forecasts it is proposed that no inflation be provided for non pay costs even by way of a contingency but that 1% be included in the estimates for pay and pay related costs and 2.5% for fees and charges. It was said that the other key issue considered as part of the report is the review of working balances. The risk model attached at appendix B has been updated and confirms that the current level of £640k for the general fund working balance is reasonable. No changes are proposed for the special expenses and HRA working balances.

A handout was distributed amongst Members which proposed a new budget timetable. The Chair explained that this was produced following discussion at the Conservative Chairs meeting and is a way of streamlining the budget setting process as there is an overlap in the current process. A Member expressed his dissatisfaction of taking this process and giving it to an informal body which potentially diminishes the role of the Policy, Finance and Administration Committee and queried whether this was a step towards a cabinet structure. It was noted that the Conservative Chairs meeting cannot make decisions and the purpose of utilising this meeting was to enable ideas to be developed before they were brought forward to the committee for discussion and decision making.

A Member explained that the Council already utilised member away days for this purpose.

The Chief Executive explained that the proposal was seeking to create a clear process and ensure member involvement in the development of ideas and options at the earliest possible stage. It was agreed that the timetable would be amended by replacing the conservative chairs meeting both at the end of November and in early January 2018 with Policy, Finance and Administration Committee.

A Member questioned if there is an incentive that we could give in relation to business rates retention and the Corporate Director explained that she does not have the detail but there is flexibility in the scheme, however a policy would be required. A Member was concerned at the impact of business rates increases on local businesses. The Corporate Director explained to a Member that local businesses have been hit by the re-evaluation. The government had provided some relief which is being distributed but we are retaining some funding to use as a hardship fund should this be required. The Government have changed the appeal to make it more difficult and the situation is being monitored and the figures can be made available.

A Member was concerned about the level of the working balances and the increase of emergencies across the world. The Corporate Director explained that there is a risk assessment which looks at the kinds of costs involved and those in the working balance are emergencies not covered by insurance which are averaged over a period of time.

Another Member questioned the impact of universal credit and the Corporate Director explained that the main impact would be rents on the HRA account, it was explained that this is recognised in the corporate risk register and figures have been sought for this and it is being monitored.

All recommendations 2.1 to 2.7 were moved by Councillor Orson and Councillor Graham seconded.

The motion was carried by a majority vote. One Member abstained from voting.

RESOLVED that:

1) The proposed corporate planning and budget framework timetable for 2017/18, in respect of the 2018/19 financial year, set out at and amended in the circulated document, be approved.

2) No inflation be provided for in the 2018/19 budget at service budget level, other than fees and charges which has been provided for at the rate of 2.5%, unless adjusted for known prices by budget holders and 1% for pay.

3) Council retains its objective of setting a balanced budget for over the life of the Medium Term Financial Strategy.

- 4) The level of working balance for General Expenses, taking into account the revised calculations set out in Appendix B, is maintained at £640k.
- 5) The existing target levels of working balance be retained for special expenses (Melton Mowbray) at £50,000 and the Housing Reserve Account (HRA) at £750,000.
- 6) The Management Team continue to determine the relative priority of schemes for Members to consider and allocate funding based on the information set out in the project mandates.
- 7) The key dates for the budget process be noted.

(Councillor Rhodes here left the meeting whilst recommendation 2.8 was considered.)

The Corporate Director explained that the previous government had intended to implement 100% business rates retention in 2019/20 or 2021/22 however that policy is now under review. An invitation has been issued to authorities to bid to be a business rates retention pilot in 2018/19. It was explained that there is a tight deadline on this with submissions required by 27 October 2017, it was also explained that this is not risk free but to mitigate the risks some gains given from the pool would be held back and not passed to the LLEP. The Corporate Director explained that this is a good offer that should be explored.

The Corporate Director also explained to a Member that there are £8-10k in consultancy costs plus officer time but that the county council as the lead authority for the pool had indicated they would pick this up but if not it would be split across all partners. It was said that if we were a pilot this year then between £18-19m would have been retained within Leicestershire with no detriment. There are concerns that if we do not move in now then more could be lost.

Recommendation 2.8 was moved by Councillor Orson and Councillor Wyatt seconded.

All Members were unanimously in favour.

RESOLVED that:

- 8) Delegated authority be given to the Corporate Director in consultation with the committee chair to become a 100% business rate pilot as part of the Leicestershire business rates pool should it be in the best interests of the Council.

(Councillor Rhodes here re-entered the meeting.)

P29	<p>Budget Monitoring April - June 2017</p> <p>The Corporate Director submitted a report to provide information on actual expenditure and income incurred on this Committee's services compared to the latest approved budget for the period 1st April 2017 to 30th June 2017.</p> <p>The Corporate Director explained that the budgets which are high risk are subject to more scrutiny on a monthly basis and the position on these budgets to the end of July are attached at Appendix B. The overall predicted position at the year-end on the end of July key services monitoring is an overall underspend of £46k. The key variances for this committees services are set out in paragraph 3.8 of the report.</p> <p>A Member questioned the loss due to the Council having to reduced rents which had reduced social security costs to the Government. The Corporate Director explained that the figure is estimated to be around £35m over the life of the business plan which is money that could have been spent improving homes.</p> <p>A Member explained that a review is required to be carried out around the long term effect of not improving homes and that when the backlog of repairs will peak. A Member said that if the Council is clever then the planned maintenance programme will look expensive in the short term but will save money long term. It was stated that it is 3 years until the rent can be increased.</p> <p>All recommendations were moved by Councillor Orson and Councillor Higgins seconded.</p> <p>All Members were unanimously in favour.</p> <p>RESOLVED that the financial position on each of this Committee's services to 30th June 2017 be noted along with the year end forecast.</p>
P30	<p>Items for Approval Under Financial Procedure Rules</p> <p>The Corporate Director submitted a report to submit requests for approval of this Committee under Financial Procedure Rules and to provide information on amounts approved under delegated powers and to report the impact of these on the Council's reserves and balances.</p> <p>The Corporate Director explained that recommendation 2.6 had been removed from the recommendations due to the decision made at Governance Committee. It was explained that non-perishable items would be trialled for a period of 6 months and the cost of this would be negligible.</p> <p>A Member asked if the Cattle Market project manager had an alternative, cheaper contractor. The Corporate Director explained that the alternative contractor was sought and Gillstream Markets contributed to the work. Recommendation 2.5 is an adjustment on the budget due to the additional funding from Gillstream Markets.</p> <p>With regard to the request for additional funding for the public conveniences a</p>

Member explained that he is worried when supplementary estimates are asked to be approved as this means that the Council is spending more than the budget.

The Chair explained that it was his understanding that there are two toilets planned to be erected but if there was just one toilet then there would be savings. A Member disagreed with this and explained that the extra £50k is required because costs kept changing and explained that costs for the drawings were high. It was agreed that having one set of toilets would make savings, but this would be very emotive and to gain the purple flag award two toilets would be essential. It was stated that savings would be made in the future. It was identified that the value of Park Lane toilets would be approximately £30k and the majority of the savings would come from staffing costs.

Members agreed that the supplementary estimates were required however Members would like the best value and for Officers to shop around. The Corporate Director explained that Officers had gone out to the market when tendering for the toilets and had assistance from consultants, however the bidders were discouraged because of the location. It was argued that the location that was agreed was the best position for the toilets as the bus stops were not lost for the tourists, there is better lighting and also better security.

A Member questioned if the pub could be put to use as they had indicated previously that the public are able to use their facilities but it was said that it is a busy road to cross and older people may not feel comfortable going to a pub.

Another Member explained that Melton Borough Council is part of the BID, however so is Town Estate so it was asked if Town Estate could contribute as they would be using the facilities.

Another Member stated they were not keen on having the toilets.

All recommendations were moved by Councillor Cumbers and Councillor Graham seconded.

The motions were carried with a majority vote. Two Members abstained from voting on recommendation 2.5.

RESOLVED that:

- 1) the virements approved under delegated powers (para. 3.1.1 refers) be noted.
- 2) the budget reductions approved under delegated powers (para. 4.1 refers) be noted.
- 3) the Cattle Market Phase 1 capital programme be increased by up to an additional £15k as recommended by the Rural, Economic and Environmental Affairs Committee and outlined in paragraph 6.1.

	<p>4) the financing for the Cattle Market Wash Down Area is adjusted to take into account the contributions from Gillstream Markets as recommended by the Rural, Economic and Environmental Affairs Committee and outlined in paragraph 6.2.</p> <p>5) a supplementary estimate of £50,000 to be funded from capital receipts for the Public Conveniences project to construct two new facilities as recommended by the Community and Social Affairs Committee and outlined in paragraph 6.3 be approved.</p>
P31	<p>Capital Programme Monitoring to 31 August 2017</p> <p>The Corporate Director submitted a report to update the Committee on the progress of schemes within the Capital Programme to 31 August 2017.</p> <p>The Corporate Director explained that the details for individual schemes are set out in appendix A. It was said that there is a forecast underspend due to one project no longer proceeding in the current format and the programme will be refined and updated at the next meeting of the committee when the capital programme is reviewed and updated in preparation for next years annual budget process.</p> <p>All recommendations were moved by Councillor Orson and Councillor Higgins seconded.</p> <p>All Members were unanimously in favour.</p> <p><u>RESOLVED</u> that the progress made on each capital scheme be noted and that the capital programme be amended as part of the budget setting process as outlined in sections 5.2.</p>
P32	<p>Urgent Business</p> <p>There was no urgent business.</p> <p><u>EXCLUSION OF THE PUBLIC</u></p> <p><u>RESOLVED</u> that the Public be excluded during the consideration of the following item(s) of business in accordance with Part 1 of Schedule 12A of the Local Government Act 1972 (Access to Information: Exempt Information) under Paragraph 3.</p>
P33	<p>Recommendations From Other Committees</p> <p><u>Community and Social Affairs Committee: 13 September 2017: Minute C29. - Public Conveniences- Replacement Proposals</u></p> <p><u>RESOLVED</u> that all recommendations within the report be approved.</p>

P34	<p>Commercialism Pilot The Deputy Chief Executive to submit a report to inform Members of the progress of the Commercialism Pilot.</p> <p><u>RESOLVED</u> that all recommendations within the report be approved.</p>
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The meeting closed at: 8.40 pm

Chair