

Minutes

Meeting name	Ad Hoc Policy, Finance and Administration Committee
Date	Thursday, 7 December 2017
Start time	4.30 pm
Venue	Parkside, Station Approach, Burton Street, Melton Mowbray LE13 1GH

Present:

Chair Councillor J. Orson (Chair)

Councillors L. Higgins (Vice-Chair) R. de Burle
P. Cumbers M. Glancy
E. Hutchison A. Pearson
B. Rhodes J. Wyatt

Observers Councillor T. Greenow
Councillor J. Simpson

Officers Chief Executive
Corporate Director
Solicitor to the Council (VW)
Administrative Assistant (KW)

Minute No.	Minute
P48	<p>Apologies For Absence Apologies were received from Councillor Holmes.</p>
P49	<p>Declarations of Interest Councillor Rhodes declared a personal and pecuniary interest in item 3 (Funding for the Melton Mowbray Distributor Road (MMDR)) as the Cabinet Lead for Finance at Leicestershire County Council and left the room for this debate.</p> <p>Councillors Orson and Pearson (upon arrival) declared a personal interest in any items relating to Leicestershire County Council due to their positions as County Councillors.</p> <p>The Corporate Director and Solicitor to the Council declared interests in item 5 (Corporate Structural Realignment and Associated Implications) and left the room for this debate.</p> <p>(Councillor Rhodes here left the meeting throughout this item. Councillor Pearson arrived during consideration of the item.)</p>
P50	<p>Funding for the Melton Mowbray Distributor Road (MMDR) The Corporate Director submitted a report to update the committee with regard to the submission of an Outline Business Case for the development of the Melton Mowbray Distributor Road (MMDR) and on discussions with Leicestershire County Council (LCC) to share the burden of the funding of the MMDR that will not be met from external sources and to seek approval to work with them further on identifying a solution.</p> <p>The Corporate Director explained that Members should have received an updated report with the additional sections highlighted in red along with Appendix A, the Leicestershire County Council's cabinet report and Appendix B, the negotiations of the Heads of Terms.</p> <p>Leicestershire County Council are requesting that letters are exchanged prior to their cabinet meeting on 12 December 2017. Funding for any shortfall in funding can be sought from the Business Rates Pool and the Business Rates Pilot, should that be successful. In addition Leicestershire County Council are requesting that any shortfall in funding be allocated from the New Homes Bonus and the Business Rates growth that is generated by the road. It is also proposed that the feasibility of Council tax being included in the funding arrangement should be assessed.</p> <p>Based on the attached Heads of Terms the detail would need to be developed based on legal advice and more detailed modelling before final submission to Full Council for approval.</p>

Paragraph 5.6 gives an indication of the scale of the contribution of the level of funding we are looking at but more modelling is still to be undertaken but the sums are over the life of the local plan and there are risks of overspends from such a large complex project but the risk in not developing the road is also great.

The Chief Executive explained to Members they would hope that the road could be funded through the bid to the Department for Transport (DfT) and contributions secured from developers but there also needs to be a plan should there be any shortfall or overspends. It was explained that there will be thresholds put in place both to ensure a baseline of funding is retained from the various funding sources as well as a maximum limit above which any agreement would have to be reviewed. This gave a level of protection to the Council and created a threshold within which the council would jointly share the cost of funding the road with the County Council.

The Chairman explained that this is the biggest decision the Council will make but there is risk to both authorities. It was explained that Sir Alan Duncan has been invited for a meeting to seek support to maximise funding from the DfT but there are no information on the detail around this. The Chairman stated that he was happy to move the recommendations but would like to amend recommendation 2.2 to include the Leader in the consultation along with the Corporate Director and the Solicitor of the Council.

Another Member explained that they were happy to second the amendment to the recommendation. It was felt by Members that £8.5k new homes bonus per house is too low and may not maximise the potential development contribution. The Chief Executive advised this is something they were aware of and explained that there was an expectation that greater contributions could be secured and that there was an ability to be flexible in relation to affordable housing provision to address viability issues should they become apparent. The Local Plan is projecting £26m could be achievable through developer contributions.

A Member explained this will put extra constraints on the Council for 15 years but the benefit of extra growth in the town will be seen.

(Councillor Greenow here left the meeting.)

It was said that Members on Planning Committee did not have an interest in this item as the discussions were on funding of the road and not planning issues.

A Member expressed his satisfaction with the consultation and said that Leicestershire County Council are positive as they recognise the impact the road will have on the County.

Another Member explained that every house and service will fund the road but Melton Borough Council and Leicestershire County Council need to get it right. It was said that there have been proposals put forward to have a rail link from Melton

	<p>to Nottingham and this would transform Melton. There are other assets Melton could investigate but if it is in the local plan then planning needs to be passed.</p> <p>A question about business rates pilot was asked and it was explained that it is unknown if the pilot will be successful but it is anticipated that this information will be released in the finance settlement.</p> <p>All recommendations were moved by Councillor Orson and seconded by Councillor Glancy.</p> <p>The motion was carried by a majority vote. Councillor Pearson abstained as he had arrived after the presentation of the report and during consideration of the item.</p> <p><u>RESOLVED</u> that:</p> <p>1) any unfunded element of the cost of the construction and delivery of the Melton Mowbray Distributor Road through a contribution of New Homes Bonus, Business rates and Council Tax as appropriate that is generated through the delivery of the road be financially supported.</p> <p>2) delegated authority be given to the Chief Executive in consultation with the Corporate Director, Solicitor to the Council and the Leader to develop the associated legal agreement with the Leicestershire County Council for submission to the Council for approval.</p>
P51	<p>Urgent Business 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 Paragraphs 1,2 and 3.</p> <p><i>(Councillor Rhodes here re-entered the meeting. The Corporate Director and the Solicitor to the Council here left the meeting.)</i></p>
P52	<p>Corporate Structural Realignment and Associated Implications The Chief Executive submitted a report to ensure resources, structures and capacity match the Council's aspirations for a structural realignment. An updated version of the report was presented to Members at the meeting.</p> <p><u>RESOLVED</u> that all recommendations within the report be approved.</p>

The meeting closed at: 5.50 pm

Chair