

**MINUTES OF THE MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE
HELD AT THE COUNCIL OFFICES, STATION ROAD, WIGSTON ON TUESDAY, 6 FEBRUARY
2018 COMMENCING AT 7.05 PM**

PRESENT

Councillor Mrs S B Morris (Chair)
Councillor D A Gamble (Vice Chair)

COUNCILLORS

E R Barr
L A Bentley
G A Boulter
J W Boyce
M L Darr
B Dave
R F Eaton
J Kaufman
Mrs L Kaufman
Dr T K Khong
R E R Morris

OFFICERS IN ATTENDANCE

S J Ball (Senior Democratic Services Officer / Legal Officer)
D M Gill (Head of Law & Governance / Monitoring Officer)
S Hinds (Director of Finance & Transformation / Section 151 Officer)
C Raymakers (Head of Finance, Revenues and Benefits)
J Stemp (Community Property Manager)

OTHERS IN ATTENDANCE

A Persaud (Audit Manager, CW Audit Services)

50. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillors Mrs K M Chalk and R E Fahey.

51. APPOINTMENT OF SUBSTITUTES

None.

52. DECLARATIONS OF INTEREST

None.

53. READING, CONFIRMATION AND SIGNING OF MINUTES

53a. MINUTES OF THE PREVIOUS MEETING HELD ON 31 OCTOBER 2017

By affirmation of the meeting, it was

RESOLVED THAT:

**The minutes of the previous meeting of the Committee held on 31 October 2017
be taken as read, confirmed and signed.**

53b. MINUTES OF THE EXTRAORDINARY MEETING HELD ON 23 JANUARY 2018

By affirmation of the meeting, it was

RESOLVED THAT:

The minutes of the extraordinary meeting of the Committee held on 23 January 2018 be taken as read, confirmed and signed.

54. ACTION LIST ARISING FROM THE MEETING HELD ON 31 OCTOBER 2017

By affirmation of the meeting, it was

RESOLVED THAT:

The Action List be noted by Members.

55. PETITIONS AND DEPUTATIONS

None.

56. INTERNAL AUDIT PROGRESS REPORT 2017/18

The Committee gave consideration to the report and appendix (at pages 13 - 27) as jointly-delivered and summarised by the Director of Finance & Transformation / Section 151 Officer and the Audit Manager at CW Audit Services, Mr Anand Persaud, which should be read together with these minutes as a composite document.

The Community Property Manager provided the Committee with a further verbal update in relation to the 'high risk' outstanding issues marked '16/17 Housing Repairs and Maintenance' and '16/17 Housing Void Property Management' of the Appendix (at pages 20 - 22). A summary of the up-to-date position is filled together with these printed minutes at Annex A. In brief, it was reported that further progress had been made in those areas and of those issues verbally reported on at the previous meeting in October 2017, these had either been fully completed or were still subject to work in progress.

The Committee noted with concern that the systems currently in place to manage and monitor the budgets for void properties provided less than robust controls in terms of consistency or means to identify value for money. Officers advised that in line with the objective requirements set out in the Contract Procedures Rules, future levels of control would be greatly improved with the introduction of an appropriately benchmarked Schedule of Rates and ad-hoc reviews of rates by Officers. It was also recommended by Members that the periodic testing of local hourly rates and the publishing of Officers' decisions would also help to improve budgetary outcomes.

It was raised by Members and advised upon by Officers that in respect of reviews of repair works undertaken, due to limited resources and capacity, follow-up inspections were either limited to larger and, or, high-value jobs or otherwise triggered on a risk-basis following information or feedback received. It was said that contractors were called back to address any known defects and that works undertaken were subject to quality guarantees. For smaller repair jobs, Members recommended that customer satisfaction forms be circulated by the contractor and before the works commenced.

The Committee noted that no response had been recorded against the 'high risk' outstanding issue marked '14/15 Street Cleansing and Grounds Maintenance' (at page 19)

and requested that this issue either be resolved by, or an update be provided for and the responsible Officer attend, the next meeting of the Committee.

The Committee also heard that budgetary and other financial training sessions were to be arranged for Members and Officers, particularly those in second-tier management and upwards, via the Council's e-learning platform, Learning Pool.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The content of the Progress Report for 2017/18 be noted by Members.

57. INTERNAL AUDIT OPERATIONAL PLAN 2018/19

The Committee gave consideration to the report and appendix (at pages 28 - 44) as jointly-delivered and summarised by the Director of Finance & Transformation / Section 151 Officer and the Audit Manager at CW Audit Services, Mr Anand Persaud, which should be read together with these minutes as a composite document.

It was raised by the Committee and advised upon by Officers that the days allocated to each audit assignment for 2018/19 were estimations and, therefore, subject to +/- variation once the work requirements for each had been scoped out accordingly.

It was also highlighted that the number of days allocated did not necessarily indicate the level of inherent risk involved, but an estimate of the time it would physically take to complete each assignment according to its work demands, and that "risks" were adjudged against controls if such controls were found not to be operational.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The Operational Plan for 2018/19 be approved by Members.

58. MEDIUM TERM FINANCIAL STRATEGY (MTFS) UPDATE

The Committee gave consideration to the report (at pages 45 - 59) as delivered and summarised by the Director of Finance & Transformation / Section 151 Officer which should be read together with these minutes as a composite document.

The Committee noted the uncertainties faced by the Council and ability to forward-plan its finances beyond 2019/20 given the unprecedented financial pressures posed by central government and the constant ebb and flow of funding assumptions. It acknowledged that budget-setting was now, in practice, a year-round process of near constant test, challenge and refinement throughout which the authority was open to consider any and all available options so to keep its financial position viable.

The Committee requested that a communication apolitically-framed be released to inform residents about the Council's financial settlement and budget implications.

The Committee also recognised the significance of the forward-looking investments made by of the Council, and the multiple existing and emerging projects and offerings which had, and were to contribute to, a more balanced economic outlook. This was said to also include the transformation of Customer Services, the Council's Strategic Asset Review, the

investment at Parklands Leisure Centre and Brocks Hill Visitor Centre and the wholly-owned housing company, Bushloe Developments.

In respect of the possible creation of parishes with the Borough, it was expressed by Members that although the collection of parish precepts was a potential and additional income stream, the threat to residents and to local democracy would be profound should, for whatever reason, the Council itself experience service failure.

In respect of New Homes Bonuses (NHB's), it was reported that given a slow direction of growth within the Borough, the MTFS was predicated on worst-case scenario planning regarding NHB's. However, it was hopeful that, once the Council's emerging Local Plan and Strategic Growth Plan for Leicester/shire were adopted in the near future, subsequent development would come online and positively impact on budgets.

It was raised by Members and accepted by Officers that the cleaning contract would not, owing to operational reasons, deliver the savings anticipated and that questions surrounding its variation to enable the scaling back of contract requirements and, commensurately, the contract price remained unanswered. As such, an update was to be circulated to all Members regarding the contract's capacity to be varied and the Internal Auditor was to carry out a review of the letting and monitoring of the same.

The Committee further noted that whilst a 98.5% Council Tax collection rate target was laudable, and although based on existing collection performance, being overly optimistic could result in a detrimental effect and, therefore, should be raised as a discussion point at the next meeting of County Treasurers and kept under review.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

- (i) Subject to a further report to Full Council on 22 February 2018, the overall draft Medium Term Financial Strategy and budget for 2018/19 and 2019/20 be recommended in principle to Council;**
- (ii) The levels of Reserves (as set out at paragraph 11 of the report) be approved; and**
- (iii) The provisional outturn figure for 2017/18 be noted.**

59. COMMITTEE BUDGET REVENUE AND CAPITAL REVIEW (APR - NOV 2017)

The Committee gave consideration to the report and appendix (at pages 60 - 64) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

The Committee requested that the sizeable £350k budget allocation in respect of the Compulsory Purchase Order at 41 Canal Street, South Wigston, which was understood to be based on historical figurework, be revisited and reviewed.

The Committee further requested that, in view of the ongoing technical issues besetting the same at various meetings, the amplified speech system and hardware installed in the Council Chamber be retested and repaired or, if necessary, replaced.

The Committee was also advised that the forthcoming internal reconfiguration of the reception area at Bushloe House was to accommodate two new meeting rooms and a new interview room, the latter to comply with the requirements of the Police and Criminal Evidence Act 1984 for the holding of recorded interviews under caution.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The current position be noted by Members.

60. CAPITAL PROGRAMME 2018/19

The Committee gave consideration to the report (at pages 65 - 68) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

The Committee was advised that Members' approval was sought in only relation to the indicative amount(s) of funding as outlined in the report and that those capital schemes that had not yet been approved by the relevant Committee would be subject to Committee approval before spend could commence. It was also stated that each capital scheme to be reported to Full Council on 22 February would feature the capital cost and a brief narrative explanation of the scheme, highlighting which Council priorities they supported and any ongoing revenue implications, and that the programme for 2018/19 was to be monitored via a Project Management Board, and reported to Committee on a quarterly basis, following industry best practice.

It was raised by Members and accepted by Officers that the £135k recorded against 'Erwins Lock - Pedestrian Footbridge' at paragraph 3.4 of the report (at page 66) represented the entire project allocation as part of the growth expenditure account, which included the carry forwards from previous financial years. A breakdown of the financials regarding the £250k allocation recorded against 'Blaby Road Park Pavilion', and whether this included the £30k grand contribution made to the Elliott Hall Youth and Community Centre in South Wigston, was also requested by Councillor R E R Morris and was to be brought to the meeting of the Full Council on 22 February.

It was further raised by Members and ensured by Officers that clarification in respect of an approved project for the installation of outdoor gym equipment at Uplands Park in Oadby, regarding details as to whether the allocation was to be funded as part of the capital programme, contributions secured under section 106 Agreement or the Oadby Residents' Forum budget, would be provided to the Chair of the Committee, the Chair of the Forum and Councillor J Kaufman outside the meeting accordingly.

The Committee also requested that all future reports include a laypersons breakdown of indicative project funding and information identifying the source(s) of the funding.

It was moved by the Chair, seconded by Councillor J W Boyce and

UNANIMOUSLY RESOLVED THAT:

- (i) The indicative funding for schemes put forward for 2018/19 (as outlined in paragraph 3.4 of the report) be approved; and**
- (ii) The indicative for Schemes to be carried forward from 2017/18 (as outlined in paragraph 3.5 of the report) be approved.**

61. COLLECTION AND WRITE-OFF OF MISCELLANEOUS DEBTORS

The Committee gave consideration to the report (at pages 69 - 71) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

By affirmation of the meeting, it was

UNANIMOUSLY RESOLVED THAT:

The contents of the report be noted by Members.

62. RESIDENT FORUM OUTTURN BUDGET POSITION AND ALLOCATION REQUESTS

The Committee gave consideration to the report and appendices (at pages 72 - 76) as delivered and summarised by the Head of Finance, Revenues and Benefits which should be read together with these minutes as a composite document.

The Committee was advised that the grant request received from Age UK (Oadby & Wigston) had been reported to this Committee as it fell outside the scope of the new and approved third-sector and community support (TSCS) funding procedure which going forward was to be rigorously applied in considering all future funding requests.

The Committee also raised concerns regarding the general lack of available and up-to-date information, and communication from Officers, on the timescales involved and the progress made on approved Resident Forums' projects. This was said to have resulted in Members being ill-informed when attempting to answer enquires from residents. Noting these concerns, Officers assured the Committee that all future reports would include further and meaningful information as requested by Members.

It was further emphasised by Members that the Residents' Forums could only advise and recommend on the direction of Council spending and that the proper processes regarding the administration, monitoring and sign-off/governance arrangements of TSCS funding must be respected. It was requested that guidance on the same be disseminated to the Forums and that all future funding requests provide sufficient information and assurances so that informed decisions could be made thereon.

It was moved by Councillor J W Boyce, seconded by Councillor L A Bentley and

RESOLVED THAT:

- (i) The current position of the Forums' Budgets be noted; and**
- (ii) A grant of £5,500 to Age UK (Oadby & Wigston) for the period of one-year be approved.**

Votes For	12
Votes Against	0
Abstentions	1

THE MEETING CLOSED AT 9.05 PM



Vice-Chair

Tuesday, 01 May 2018

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Internal Audit Progress Report 2017/18**Verbal Update of the Community Property Manager**

- **Housing Repairs and Market Testing - We are currently investigating options including adopting the National Schedule of Rates and will report back early in the New Year.**

Procurement Overview Report has been prepared in draft and as at 05/02/18 is having some further detail added. This has a wider remit but includes this item. A formal quote is awaited for purchasing the National Schedule of Rates books, initially as a means to test value for money on a sample basis while decisions are made and implemented on future procurement. Full adoption of the schedule of rates and associated products is one possibility but has resource implications both in terms of initial costs and ongoing operating costs e.g. in measuring of jobs to apply the schedule rates.

- **Rechargeable Repairs - There is now a consistent approach to re-charging tenants and the Maintenance Officer meets regularly with the Customer Services Team to agree and sign off recharges**

These are now being raised on a regular monthly basis. The maintenance officer post referred to was a temporary assignment which ended early when the post holder gave notice and left at the end of January having been off sick all that month. No replacement is being recruited pending the outcome of the current Communities Team restructuring exercise. Orchard records are currently being checked to see there have been no omissions in raising these invoices. Temporary arrangements have been put in place to authorise raising invoices and the latest monthly batch have just been received.

- **Post Inspection of Empty Properties - 100% of void properties are now taking place in accordance with the 2014 Policy and appropriate records are being maintained. We also post inspect repairs over the value of £2000**

There was an action note for this procedure to be reviewed by February 2018. This review has taken place and the procedure is being moved onto a risk based approach i.e. no longer carrying out random inspections but instead aligning inspections to bandings of the new contract procedural rules and where specific issues have been raised e.g. customer complaints. Inspections being carried out under contract to check the quality of work under the main Gas Safety and Servicing contract have also been brought within the remit of this procedure.

- **Void Turnaround Times are within the target of 20 days and there are no undue delays, any exceptions however are recorded**

We continue to meet these targets and the improved standard of record keeping. Re-let turnover is currently very low which has helped over recent weeks when there has been no maintenance officer.

- **Contractor performance data - This is work still in progress and we are testing new working procedures which we hope to implement from the beginning of the new financial year 2018/19.**

We will be concluding this work over the coming weeks.

- **Market testing of Void Work costs - We are currently carrying out a benchmarking exercise to compare our costs with the market and consideration is being given to procuring a separate voids contract in 2018/19 which may provide better value for money.**

It has proved difficult to find comparative data in terms benchmarking and there are always issues of whether comparisons are actually like for like. A representative from Housemark did visit some months ago to promote their service (which is much wider than just for re-let costs) but it was decided not to proceed with this as the requirements for producing data would be too onerous given resources available and we were not convinced of the benefit this would achieve. Future procurement and test of value for money is included in the report referred to under the first bullet point above.

- **Budgetary Control Variations to orders are now being monitored and managed effectively.**

This statement is correct but there is an underlying issue in terms of the accuracy of initial commitment being entered onto the system. A meeting is due to take place with the customer services team where data will be provided and further guidance given.

All of the updates have now been entered on to the Audit System and we will ensure that in the future they are updated in a timely manner to reflect the accurate positions.