

**MINUTES OF A MEETING OF THE POLICY, FINANCE AND DEVELOPMENT COMMITTEE
HELD AT THE COUNCIL OFFICES, STATION ROAD, WIGSTON ON TUESDAY, 2
FEBRUARY 2016 COMMENCING AT 7.00 PM**

<p><u>IN ATTENDANCE:</u></p> <p>Chair - Councillor Mrs S B Morris Vice-Chair - Councillor D A Gamble</p> <p>COUNCILLORS (11):</p> <table border="0"> <tr> <td>G S Atwal</td> <td>J W Boyce</td> <td>B Fahey</td> </tr> <tr> <td>T Barr</td> <td>M L Darr</td> <td>J Kaufman</td> </tr> <tr> <td>L A Bentley</td> <td>B Dave</td> <td>K J Loydall</td> </tr> <tr> <td>G A Boulter</td> <td>R F Eaton</td> <td></td> </tr> </table> <p>OFFICERS IN ATTENDANCE (3):</p> <table border="0"> <tr> <td>S J Ball</td> <td>Mrs A E Court</td> <td>M Hone</td> </tr> </table> <p>OTHERS IN ATTENDANCE (1):</p> <p>T Ridout</p>	G S Atwal	J W Boyce	B Fahey	T Barr	M L Darr	J Kaufman	L A Bentley	B Dave	K J Loydall	G A Boulter	R F Eaton		S J Ball	Mrs A E Court	M Hone
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Min Ref.	Narrative	Officer Resp.
61.	<p><u>APOLOGIES FOR ABSENCE</u></p> <p>An apology for absence was received from Councillors R E R Morris and Mrs L Eaton.</p> <p>An announcement was made by the Chair informing Members of the recent passing of the late Denis 'Elwyn' Elliott who was known to this Council for his philanthropic work in trust for The Mayor's Charities.</p>	
62.	<p><u>APPOINTMENT OF SUBSTITUTES</u></p> <p>Councillor R F Eaton substituted for Councillor Mrs L Eaton.</p>	
63.	<p><u>DECLARATIONS OF INTEREST</u></p> <p>None.</p>	
64.	<p><u>MINUTES OF THE PREVIOUS MEETING HELD ON 27 OCTOBER 2015</u></p> <p>RESOLVED THAT:</p> <p>The minutes of the previous meeting of the Committee held on 27 October 2015 be taken as read, confirmed and signed.</p>	
65.	<p><u>ACTION LIST ARISING FROM THE MEETING HELD ON 27 OCTOBER 2015</u></p> <p>Councillor J W Boyce requested an update from Officers in respect of targets met in relation to the 'Actions to be Taken' (at page 12).</p>	

	<p>Interim Chief Financial Officer (Section 151 Officer) reported that ‘Minute Ref. 42 - Internal Audit Progress Report 2015/16’, ‘Minute Ref. 44 - Overall Budget Position - April to August 2015’ and ‘Minute Ref. 47 - Overall Budget Position - Resident Forum Budget Position and Allocation Requests’ had been duly actioned.</p> <p>The Director of Services reported that in respect of ‘Minute Ref. 57 - Social Media Policy’, a meeting with the Strategic and Creative Marketing Director at Big Sound Marketing Ltd had not been possible and, as such, the report would be brought before the next meeting of this Committee on 29 March 2016.</p> <p>RESOLVED THAT:</p> <p>The Action List be noted by Members.</p>	
66.	<p><u>PETITIONS AND DEPUTATIONS</u></p> <p>None.</p>	
67.	<p><u>INTERNAL AUDIT - PROGRESS REPORT 2015/16</u></p> <p>The Committee gave consideration to the report and appendices (at pages 13 - 36) as jointly-delivered by the Interim Chief Financial Officer (Section 151 Officer) and Chief Internal Auditor at CW Audit Services, Mr Tim Ridout, which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Financial Officer stated that the Internal Audit Progress Report for 2015/16 (“the report”) confirmed the sound financial-standing of the Council citing that significant levels of assurance were received across the Council’s Council Tax, Benefits and Fraud Investigation service-areas. It was said that there were concerns over the ability of service-area managers to implement the report’s outstanding recommendations as agreed (at page 16 - 33). However, he assured Members that significant improvement would be made in this respect ahead of March 2016.</p> <p>The Chief Internal Auditor directed Members’ attention to particularly significant and noteworthy sections and paragraphs contained in the appendix (at pages 14 - 36). He reported that three reviews had been completed since the previous meeting of this Committee on 27 October 2015 (at page 15). He stated that each review had a positive outcome, and the attendant assurance given, that was reflective of a helpful Council workforce in delivering a good end-result. It was noted that although there were several high-risk/priority issues that were six-months overdue for implementation, most notably regarding Health and Safety (H&S), updates had been received by managers and implementation dates have been revised accordingly. The Chief Internal Auditor stated that CW Audit Services would continue to work with the Senior Management Team (SMT) in order to realise the report’s full implementation.</p> <p>Councillor D Dave expressed his discontent with the comments and concerns raised by the Internal Auditors as contained in the report. With reference to ‘Health and Safety - Policy and Procedures’ (at page 17) citing</p>	

that 'the current policy does not fulfil the legal requirements', the Member noted the seriousness and longevity of the issue and enquired as to whether the Council was complying with H&S legislation.

The Director of Services / Monitoring Officer advised that an experienced, permanent Health and Safety Officer had been in-post since November 2015 who was in the process of drafting a new Health and Safety Policy due to be brought before the next meeting of this Committee on 29 March 2016. The Officer was said to have no serious concerns regarding the Council's current H&S Policy and was presently implementing a new Fire Safety Evacuation Process and completing Fire Safety Warden training.

The Chief Internal Auditor advised that discussions with SMT were being held on a monthly-basis to ascertain how best the Internal Audit Plans 2014/15 and 2015/16 were to be achieved as outlined in sections 5 and 6 of the report (at pages 34 – 26).

With reference to 'Health and Safety - Training and Awareness' (at page 18) citing the need to produce a 'documented training needs assessment' and that 'some training had been carried out', Councillor B Dave stated that the provision of immediate training was required. He enquired as to whether the Council had carried out any such assessment and what H&S training has been provided to which members of staff and elected-Members, its nature and when it was delivered.

The Chair advised that the provision of H&S training was an operational matter and, as such, the information requested by the Member could neither be presently given at this meeting nor in the level of detail requested.

Councillor J W Boyce acknowledged the concerns raised by Councillor B Dave. It was said that careful consideration was required in order to adequately address any non-conformities in the policy. The Member stated what it was reasonable to request a report as to the number staff and Members who have received training upon a particularly H&S subject over a defined time-period. The Member sought an assurance from Officers as to whether the Council was currently compliant with H&S legislation and, or, that it would be compliant within the preceding six-week period.

The Director of Services / Monitoring Officer confirmed that such a report would be provided to Members and sought to clarify that reference to 'the current policy [not fulfilling] legal requirements' was a management update. It was advised that a Health and Safety Working Group was currently being commissioned and tasked to address any policy non-conformities. She reported that none of the interim successive H&S Officers had expressed that this Council was at either at serious or immediate risk.

With reference to 'Void Property Management - Budgetary Control' (at page 21) citing the need to 'set and monitor the costs etc.', Councillor D Dave enquired as to why such void properties were not being monitored on a monthly-basis.

The Director of Services / Monitoring Officer referred Members to the 'Community Services Update' report addressing the subject-matter in question as delivered by the Interim Community Services Manager at a meeting of the Service Delivery Committee held on 19 January 2016. An

action arising from that meeting (i.e. an evaluation of voids) was said to provide a more detailed response to the Member's enquiry in due course.

Councillor J W Boyce acknowledged that although there were nine outstanding high-risk/priority issues, he directed Members' attention to the so-said importance of such an internal audit process. He stated that significant assurances were required to ensure that the matters in-hand were to be resolved by the next meeting of this Committee and, or, where that was not possible, that an action plan be devised addressing the long-term risks whilst taking into consideration reasonable output.

Councillor G A Boulter reiterated that the internal audit process was an investigatory tool used by the Council so to identify any problem-areas and to respond accordingly.

The Director of Services / Monitoring Officer added that access to the audit-recommendation tracking system had been granted to Heads of Service and/or Interim Managers (to whom the issues identified have been respectively assigned) so that the necessary management updates can be made ahead of the next meeting of this Committee.

With reference to 'Equalities - Equality Impact Assessment (EIA)' (at page 22) citing that EIA's were 'not being completed', Councillor D Dave enquired as to why EIA's had not been undertaken in respect of a number of new and, or, revised policies.

The Chair stated that no new policies had recently been received by this Committee and that of those policies that had been previously received, each were to her understanding accompanied by an EIA.

The Director of Services / Monitoring Officer sought to clarify that the response to the EIA recommendation (at page 22) was made by the Head of Corporate Resources approximately one-year previously (i.e. on the 31 March 2015). Subject to clarification, she stated that all policies received in recent months have had a completed EIA and that she would revert back to the Member in due course with a more conclusive answer. It was said that although it was the position of this Council to aspire to best practice in terms of EIA's, she advised that the legal requirements in respect of same had, to the best of her knowledge, been relaxed.

Councillor J W Boyce requested that a report be brought to the next meeting of this Committee on the 29 March 2016 outlining the conditions upon which an EIA is (or is not) required and that a set of relevant indicators (viz. applicable, not applicable) be appended to all reports, documents etc. henceforth so to provide for greater clarity upon the same.

The Chief Internal Auditor stated that the review in question was undertaken two-years ago and, as such, any response should have due regard to its obtaining context and perpetual-nature. He stated that any assurance given to could assume the form of a reconciliation process that would effectively sign-off the review as closed.

Councillor D Dave sought to refer an exempt item before Members' at a previous meeting of this Committee.

	<p>The Director of Services / Monitoring Officer advised the Member that the item so referred to was one raised under, and that remained subject to, exempt provisions as defined in the respective paragraph(s) of Part 1 of Schedule 12A of the Local Government Act 1972 (Exempt Information) and, as such, subject to the Chair discretion, could only be referred to if the Committee were to go into closed session.</p> <p>Councillor J W Boyce requested that the Committee go into a short recess.</p> <p>The Chair permitted the Member's request.</p> <p>The Committee went in to recess at 7:35 pm.</p> <p>The Committee came out of recess at 07:39 pm.</p> <p>Councillor J W Boyce moved the recommendation contained in the report.</p> <p>RESOLVED THAT:</p> <p>The content of the progress report for 2015/16 be noted by Members.</p> <table data-bbox="279 869 606 969"> <tr> <td>Votes For</td> <td>10</td> </tr> <tr> <td>Votes Against</td> <td>0</td> </tr> <tr> <td>Abstentions</td> <td>3</td> </tr> </table>	Votes For	10	Votes Against	0	Abstentions	3	
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68.	<p><u>EXTERNAL AUDIT - ANNUAL AUDIT LETTER 2014/15</u></p> <p>The Committee gave consideration to the report and appendices (at pages 37 - 46) as delivered by the Interim Chief Financial Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Financial Officer stated that the Annual Audit Letter for 2014/16 ("the Letter") prepared by external auditors KPMG confirmed the Council's positive achievements in comparative terms of value for money vis-a-vis the cost, quality and impact on the community of Council services. The Letter was reported to certify that all financial statements were carefully and properly prepared, attaching significant assurance to the accounts as a true and accurate record of the Council's expenditure and service-delivery. The Council was also said to have successfully submitted its statutorily-required Whole of Government Accounts Return to the Department for Communities and Local Government confirming the Council's robust financial management. The Interim Chief Financial Officer reported one concern in respect of the difficulties auditors experienced arising from delays in responding to requests for explanatory information which in turn incurred an additional cost of £7,016.00. He stated that discussions were held with Officers (in respect of the Closing Programme for 2015/16) to identify these issues and was confident that they would not re-occur in the future.</p> <p>Councillor J W Boyce moved the recommendation contained in the report.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>The content of the report be noted by Members.</p>							

69.

OVERALL GENERAL FUND REVISED FINANCIAL POSITION 2015/16 AND DRAFT BUDGET 2016/17

The Committee gave consideration to the report and appendices (at pages 47 - 63) as delivered by the Interim Chief Financial Officer (Section 151 Officer) which should be read together with these minutes as a composite document.

The Interim Chief Financial Officer directed Members' attention to particularly significant and noteworthy sections and paragraphs contained in the report (at pages 47 - 55) that would in turn be brought before the next meeting of the Council on 18 February 2016 for resolution, namely:

- 4.2** It was said that owing to the non-availability of the Council Tax Freeze Grant from 2016, an increase in Council Tax of the maximum rate of 1.99% (short of triggering a Local Council Tax Referendum) was to be proposed to Council. This increase was said to be in line with that of the other District and Borough Council's in Leicestershire, while the County Council was likely to approve an increase of 3.99% (including 2% which had to be spent on adult social care).
- 4.1** It was said that despite the aforesaid increase of 1.99%, local authorities were still likely to experience economic difficulties due to an increase in service-demands vis-a-vis a reduction in local governments' financial settlements that will see the phasing out of the Local Government Revenue Support Grant (RSG) by 2020. The implications for this Council was said to be a year-on-year reduction of approximately £400,000 per annum. He noted that the intended devolution of powers from central to local government by 2020 allowing local authorities to retain 100% of local business rates was unlikely to raise sufficient additional revenue to offset the loss of RSG because the Borough would not be able to stimulate sufficient economic growth commensurate to what is needed to offset the RSG revenue losses.
- 5.2.** It was reiterated that given the consequential impact on local government resourcing, the Council would need to reassess future-funding levels in line with the Council's strategic objectives and focus on the delivery of front-line services and to make these, and other service areas, more efficient as part of cost-consolidating exercise: the resolution by Council on the 08 December 2015 in respect of suspending parts of the HR Policy was cited as an example of means to deliver an approximate saving of between £120,000 - £150,000.
- 16.** It was said in view of the aforesaid budgetary-constraints, an amount of £145,000 to be applied from the Council's General Fund Reserves (GRF) was needed to bridge the financial gap. It was added that although the Council's GRF sat at a healthy c. £800,000, Members should be mindful that any sum borrowed from the same would not mitigate the need for this Council to find further savings.

The Interim Chief Financial Officer acknowledged the challenges ahead faced by this Council although stated that he was confident that the necessary efficiency-savings could be achieved in accordance with the proposals outlined in the report. He assured Members that given the government's recent announcement(s) as to the medium-term financial settlement for local authorities for the next five years, prudent and forward-

thinking plans could now be prepared and implemented in advance to provide for greater resilience in the years to ahead.

With reference to Appendix 1 - 'General Fund Budget Summary 2016/17' (at page 56), Councillor B Dave enquired as to whether the level of the Council's financial reserves in respect of Capital Financing was 10% of the Council's net-budget and whether this percentile represented the norm.

The Interim Chief Financial Officer advised that the increase in the same was a result of the Council's recent renewing of its refuse vehicles fleet, for which the borrowing costs would need to be carried for the next 6-7 years before a decrease is realised.

With reference to Appendix 5 - 'Movement Between Original and Revised Budget 2015/16' (at page 57), Councillor B Dave requested that the format in which the figures are presented be simplified to render the information more accessible. With reference to 'Council Reserves at 21 March 2016' (at page 62), the Member further enquired as to whether the GRF of +£1 million was included in the Reserve or was an addition.

The Interim Chief Financial Officer advised Appendix 5 outlined a list of reserves identified for special purposes, and that the approximate figure of £1 million was in effect unallocated. He stated that, in accordance with government guidelines, it was not advisable to have too-high reserves and therefore the application of £145,000 to help bridge the funding gap for 2016/17 was prudent.

With reference to Appendix 3 - 'Changes in Budget Between 2015/16 and 2016/17' (at page 59), Councillor B Dave enquired as to whether any risk analysis has been undertaken if the efficiency targets as outlined in the appendix cannot be met.

The Interim Chief Financial Officer advised the 'Stage 1' was currently being delivered and removed from the base-salary structure considering the normal turnover of staff. 'Stage 2' was said to be underway in respect of costs associated with agency, placement or contract workers. 'Stage 3' was said to be under current evaluation in respect of consolidating service-costs whilst retaining good service-delivery across front-line services. It was acknowledged that although the restructuring scheme outlined may not be possible before 01 April 2016, in order to manage the risks involved, the use of the Equilibrium Reserve could be used but upon the understanding and obligation that the Council repay any sum borrowed the following financial year: to do otherwise was said to expose the Council to the risk of service failure. The prudent course of action, therefore, reported to achieve restructuring aims was through natural wastage, the aversion of dislocating services and incurring redundancy costs.

Councillor J W Boyce opined that the Council's 25-year record of strong financial management would allow Members to deal with a difficult financial settlement and manage the delivery of a balanced budget.

Councillor J W Boyce moved the recommendations contained in the report.

RESOLVED THAT:

	<ul style="list-style-type: none"> (i) The content of the progress report for 2015/16 be noted by Members; (ii) The overall revised General Fund revenues budget position for 2015/16 (Appendices 1 and 2) be approved; (iii) The overall draft General Fund revenue budget for 2016/17, subject of a further and full report to the Council on 18 February 2016 (Appendix 1 and 3), be recommend in principle to the Council; (iv) The overall draft Capital programme for 2016/17, subject of a further and full report to the Council on 18 February 2016 (Appendix 5), be recommend in principle to the Council and the forward programme to 2018/19 be noted by Members; (v) The use of reserves as outlined in Appendix 1 be approved; and (vi) The Council to remain in the Business Rate Pool for 2016/17 be agreed. <p>Votes For 10 Votes Against 0 Abstentions 3</p>	
70.	<p><u>DRAFT HRA BUDGET AND HOUSING CAPITAL PROGRAMME 2016/17</u></p> <p>The Committee gave consideration to the report (at pages 64 - 67) as delivered by the Interim Chief Financial Officer (Section 151 Officer) which should be read together with these minutes as a composite document.</p> <p>The Interim Chief Financial Officer summarised the update in respect of the progress made in implementing the Housing Revenue Account's (HRA) 30 year business plan, noting a number of changes to central government policy impacting on the HRA going forward. This was said to include, amongst other things outlined at paragraph 3.3 of the report (at page 64), a new social housing policy affecting the rent convergence mechanism by reducing rents by 1% per annum for the next four years with a move to return to rent convergence thereafter. Nonetheless, it was said that the Chartered Institute of Housing deemed the HRA Business Plan to be fully viable albeit marginally affected insofar the challenges faced by the Council to potentially invest less in housing-stock and to carry out maintenance works. The Interim Chief Financial Officer emphasised however that non-dwelling rents were not subject to the aforementioned regime and, as such, service charges and garage rents were to increase by CPI + 1% and that the same would be communicated to the Council's social tenants.</p> <p>The Chair moved the recommendations contained in the report.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <ul style="list-style-type: none"> (i) A 1% rent decrease in dwellings rent as detailed in Section 4 of the report be recommended to the Council; and (ii) A 1.1% rent increase in service charges and garages rent as detailed in Section 5 of the report be recommended to the Council. 	
71.	<p><u>RESIDENT FORUM OUTTURN BUDGET POSITION AND ALLOCATION REQUESTS</u></p> <p>The Committee gave consideration to the report and appendices (at pages 68 - 72) as delivered by the Interim Chief Financial Officer (Section 151 Officer) which should be read together with these minutes as a composite</p>	

	<p>document.</p> <p>The Chair requested that the allocation request of £500 in favour of the Oadby and Wigston Civic Orchestra in support of its commemorative event in 2016 (as approved at a meeting of the South Wigston Residents' Forum held on 10 November 2015) be added to the 'Approved Spending' report at appendix 1 (at page 70).</p> <p>Councillor J W Boyce moved that the Interim Chief Financial Officer be granted delegated authority to add the aforementioned allocation request.</p> <p>The Chair moved the recommendations contained in the report.</p> <p>UNANIMOUSLY RESOLVED THAT:</p> <p>(i) The position of the Resident Forums' budget(s) be noted by Members;</p> <p>(ii) The allocation requested by the Resident Forums as set out be approved; and</p> <p>(iii) The Interim Chief Financial Officer be granted delegated authority to add an allocation request of £500 in favour of the Oadby and Wigston Civic Orchestra.</p>	
72.	<p><u>CUSTOMER SERVICES TRANSFORMATION</u></p> <p>The Committee gave consideration to the report (at pages 73 - 76) as delivered by the Director of Services which should be read together with these minutes as a composite document.</p> <p>The Director of Services reported that the statistics showing the number of full enquires fielded by the Customer Services Centre (CSC) had increased by 40% since its opening on 12 October 2015. A significant increase of 235% in turnaround times for quick enquires in like-for-like terms (between January 2015 - January 2016) was said to have been achieved owing to the added provision of additional self-service access points. It was said that the CSC had received overwhelming levels of positive feedback from service-users. This transformation was said to reinforce the Interim Chief Financial Officer's earlier comments insofar it was this Council's ongoing aspiration to continue to change the ways in which it operates to secure the best utilisation of resources to the betterment of the Borough's residents. The Director of Services advised the second phase of the transformation project was to commence imminently and was to deliver the several new scheme as outlined in the report at 3.6. (at page 74).</p> <p>The Director of Services stated that the overall transformation costs had already been factored-in: however, Members were asked to note at 3.6. of the report (at page 75) the potential of an added financial implication of £2,800 for the renewal of additional software licences should the TCA partnership fail to deliver within timeframes.</p> <p>The Director of Services sought to add to the report's recommendations that Members be minded to approve the £2,800 for the aforementioned reason.</p> <p>The Chair commended the positive outlook of the report and requested that a decision be taken to issue a press release in respect of the same.</p>	

	<p>Councillor J W Boyce commended the Council's achievements in being able to provide a new-and-improved service to the residents of the Borough on a cost-effective basis during austere economic times. He welcomed the report and again congratulated all those Officers involved in CSC transformation process.</p> <p>Councillor J W Boyce moved the recommendation contained in the report and the further recommendation to approve an additional amount of £2,800 in respect of the possible renewal additional software licences.</p> <p>UNANAMIOUSLY RESOLVED THAT:</p> <p>(i) The information provided with the report be noted by Members; and (ii) An addition of £2,800 be approved in respect of the possible renewal additional software licences.</p>	
73.	<p><u>LOCAL DEVELOPMENT SCHEME (LDS)</u></p> <p>The Committee gave consideration to the report and appendices (at pages 77 - 105) as delivered by the Director of Services which should be read together with these minutes as a composite document.</p> <p>With reference to 'Regulation 19/20 Consultation (preferred options)' under the heading 'Timetable' in the appendix (at page 103), the Director of Services advised that this ought to read 'Regulation 18' and Local Development Scheme document shall be amended to such effect ahead of its full publication.</p> <p>The Chair moved the recommendation contained in the report.</p> <p>UNANAMIOUSLY RESOLVED THAT:</p> <p>The Local Development Scheme for publication be approved.</p>	
74.	<p><u>PUBLIC REALM WORKS WITHIN THE BOROUGH</u></p> <p>The Committee gave consideration to the report (at pages 106 - 107) as delivered by the Director of Services which should be read together with these minutes as a composite document.</p> <p>The Director of Services summarised the proposals in respect of the proposed Public Realm Improvements to Wigston and South Wigston town centres as outlined at paragraph(s) 3.1 - 3.8. in the report (at pages 106 – 107).</p> <p>The Chair moved the recommendation contained in the report.</p> <p>UNANAMIOUSLY RESOLVED THAT:</p> <p>The spending of approximately £11,000 - £13,500 on public realm improvements to Wigston town centre and the installation of a digital display screen in South Wigston town centre as detailed in this report to be funded from the remaining money in the Council's Public Realm Reserve be approved.</p>	

THE MEETING CLOSED AT 8.18 PM



CHAIR

TUESDAY, 29 MARCH 2016