

**MINUTES OF A MEETING OF THE POLICY, FINANCE AND
DEVELOPMENT COMMITTEE HELD AT THE COUNCIL OFFICES,
WIGSTON ON TUESDAY 4 FEBRUARY 2014, COMMENCING AT 7.00 P.M.**

IN ATTENDANCE:

Councillor Mrs S B Morris – Chair
Councillor Mrs L Eaton – Vice Chair

Councillors L A Bentley, G A Boulter, J W Boyce, L Darr, Mrs J M Gore, K J Loydall,
Mrs R Kanabar and R Thakor

Officers in Attendance: Mrs A Court, J Dickson, Ms K Garcha, Mrs A Pathak-Mould,
P Loveday and G Richardson.

Also in Attendance: John Cornett (KPMG) and Tim Ridout (CW Audit)

Min Ref	Narrative	Officer Resp
66.	<u>APOLOGIES FOR ABSENCE</u> An apology for absence was received from Councillor R E R Morris	GR
67.	<u>APPOINTMENT OF SUBSTITUTES</u> None.	
68.	<u>DECLARATION OF INTERESTS</u> Councillors K J Loydall and G A Boulter noted that they were members of the Committee for the Peace Memorial Park, which formed part of the report in agenda item 12. However, the Head of Corporate Resources advised that, provided the interest was not pecuniary, they were entitled to vote on that matter.	
69.	<u>PETITIONS AND DEPUTATIONS</u> None.	
70.	<u>MINUTES OF PREVIOUS MEETING</u> Members noted that pursuant to a recommendation at the meeting of the Committee on 29 October 2013, they should have received a written advice setting out rent terminology in simple terms. It was confirmed that this had been circulated but it was agreed that it would be re-sent owing to some Members not having received it.	

	<p>RESOLVED: That the minutes of the following meetings of the committee be taken as read, confirmed and signed:</p> <p>(1) Ordinary Meeting of the Policy, Finance and Development Committee on 29 October 2013; and</p> <p>(2) Extraordinary Meeting of the Policy, Finance and Development Committee on 22 January 2014</p>	GR
71.	<p><u>ACTION LIST</u></p> <p>Members noted the contents of the Action List.</p>	
72.	<p><u>EXTERNAL AUDIT – ANNUAL AUDIT LETTER 2012/13</u></p> <p>John Cornett noted that the purpose of the report was to give an unqualified view on the Final Accounts and confirm comments made at a previous Committee meeting regarding the Accounts. The next meeting of this Committee would be presented with a work plan for the 2013/14 audit.</p> <p>The Chief Financial Officer noted his thanks for the good work of the Finance team.</p> <p>The Leader also passed on his thanks to the Finance team and asked whether the report could go into more detail when relevant the next time it came before the Committee.</p> <p>John Cornett noted that although the letter does not go into great detail, he recognises the effort put in by Officers and explained that as any issues identified by the audit were very minor and were better dealt with at Officer level rather than being identified to the Committee. He confirmed that any significant issues would be brought before Committee and reassured Members that there were no significant issues on this occasion, hence the brief report.</p> <p>RESOLVED: That Members noted the contents of the report.</p>	
73.	<p><u>INTERNAL AUDIT PROGRESS REPORT – 2013/14</u></p> <p>The Chief Financial Officer outlined the report as set out in agenda pages 22 to 66, which should be read together with these minutes as a composite document. He noted that the format of the report was a little misleading but reassured Members that a revised version would be presented to Members at the next meeting of the Committee in March 2014.</p> <p>The Chair echoed these concerns that the report was</p>	

misleading and confusing.

Tim Ridout explained the contents of the report and noted that it was largely positive. He added that there was some work being undertaken on updating the recommendations and welcomed Members comments. He noted that the end of the report contained a summary of the proposals for the internal audit plan moving forward.

Members asked that it be noted that the main message was that the audits completed over the last few months had returned significant assurances.

Members were concerned at the amount of detail in the report which made them unclear and it was felt that some of the information contained within it was more relevant to Officers rather than Members and Tim Ridout said that he was happy to reduce the contents of the report at the next Committee meeting. He added that this report was intended as a snapshot only but that future reports to Members would be simplified.

The Leader commented that pages 25-26 and page 56 onwards gave sufficient detail on this matter and that the rest of the report could be annexed as it is more beneficial to Officers.

Members asked that as well as listing those recommendations which have been outstanding for over 6 months, the report should set out what is being done to rectify these, and requested that only the most up to date information is given, stating which things are positive and which things are negative.

Members asked whether there were any issues with shortfalls in till receipts at Brocks Hill and Tim Ridout confirmed that there were not any big issues and that any significant shortfalls would be identified.

The Chair and the Chief Financial Officer confirmed that when debts are written off the Council keeps a record of the details of the debt such that it can be resurrected at a later date if required.

Members noted that they were happy to receive these reports in black and white with colour versions presented on the screens in the Council Chamber from now on so as to save on cost.

RESOLVED: That Members noted the content of the progress report for 2013/14.

74. OVERALL GENERAL FUND REVISED FINANCIAL POSITION 2013/14 AND DRAFT BUDGET 2014/15

The Committee was updated on a communication received from Central Government that afternoon which requires recorded votes for any budget setting meeting and Members were advised that, to promote transparency, in cases of any items relating to draft budgets which were to be considered by this Committee, individual votes would be recorded. Members were advised that standing orders will be amended as soon as practicable following the regulations coming into force on 26 February 2014.

The Chief Financial Officer outlined the report as set out in report pages 67 to 88, which should be read together with these minutes as a composite document. He noted that this was the usual report which comes before Members prior to the setting of Council Tax for the ensuing year.

He noted that there were complications this year in that Central Government hasn't yet issued all the relevant information to Local Authorities meaning that the work had been based on assumptions, although the provisional figures were believed to be relatively accurate.

The Chief Financial Officer noted that the key issues and pressures on the budget had been set out in the report and a full review of the medium term financial strategy, which looks ahead for the next 3 years, would be given at the meeting of the Committee in March.

He pointed out that although the budget was balanced for this year, there is a potential shortfall of £600,000 for the 2015/16 year and the Council is looking at ways of managing this reduction. He discussed the positive effect of the New Homes Bonus and also the ability for the Council to charge 150% Council Tax on empty properties which had resulted in 41 homes being brought back into occupation.

The Chief which looks ahead for the next 3 years Officer discussed the business rates pool and noted that it had not gone particularly well in the first year with a loss forecast, largely owing to uncertainty of outstanding appeals against NNDR. The pool will be aborted for 12 months after which time it will be reviewed with the possibility of being reinstated in 2015/16.

He noted that there was further pressure in terms of County Council grants and funding, as they were required to make savings of £110 million over the next 4 years; this is likely to

impact on recycling credits and there are going to be several potential indirect impacts on the Council's budget like this.

He went on to discuss the review of salaries of senior managers, with effect from 1 April 2014, and the backfilling of posts, but noted that this was within the Council's overall salary budget.

It was noted that the Council's reserves will be reviewed to determine which ones are still relevant and where potential new reserves may be required.

Some Members noted that the report was very technical and suggested that the next report be less technical if possible.

Members asked why there is a budget of £10 million for redevelopment of the leisure facilities when Members had actually approved a budget of £9.2 million. The Finance Manager and the Director of Services noted that this was a provision which might be required to fund additional elements such as consultants, surveys and planning applications.

When asked about a new reserve being set up in the sum of £150,000, the Chief which looks ahead for the next 3 years Officer advised that this was to encourage Officers to take a greater risk, provided that it was reasonable to do so, when estimating and forecasting income.

The Leader commended the Council on maintaining a balanced and largely predictable budget. He noted that there had been no cuts to front line services and that provision for residents was improving, giving the example of the redevelopment of the leisure facilities. He was pleased that the Council had once again confirmed no increase in Council tax and made an absolute commitment to not increase the Council Tax rates in the coming year.

Councillor Mrs J M Gore abstained from the vote. All other Members present at the Committee voted in favour of the recommendations contained within the report.

RESOLVED: That Members:

- (1) Noted the overall revised General Fund revenue budget position for 2013/14;
- (2) Recommended in principle to Council the overall draft General Fund revenue budget for 2014/15, which will be the subject of a further and full report to Council on 25 February 2014; and

	<p>(3) Recommended in principle to Council the overall draft Capital Programme for 2014/15 and noted the forward programme to 2016/17, which will be the subject of a further and full report to Council on 25 February 2014.</p>	
75.	<p><u>DRAFT HOUSING REVENUE ACCOUNT BUDGET AND HOUSING CAPITAL PROGRAMME 2014/15 INCLUDING THREE YEAR FORWARD FINANCIAL FORECAST TO 2017/18</u></p> <p>The Chief Financial Officer outlined the report as set out in report pages 89 to 110, which should be read together with these minutes as a composite document. He noted that the HRA budget had already gone to the Service Delivery Committee and the recommendation had been to increase rent levels by an average of 6.4%</p> <p>He noted the vast improvements that had been made by the Community team in the past year, since the restructure and commended a well run service. He went on to discuss the 30 year business plan and noted that it had been reviewed by an external expert who had commented that it was sound and sustainable, allowing for the possibility of new builds.</p> <p>The Chief Financial Officer discussed the Right to Buy scheme, noting that the Council had agreed to a scheme of building one new affordable home for every one which was sold. He noted that Right to Buy sales have accelerated and as such further monies will be required to fund the new builds.</p> <p>The Head of Community emphasised the anticipated increase in the number of Right to Buy sales in the current financial year and noted that, with the assistance of partners, 12 new homes are being delivered at Canal Street, Wigston. She added that talks are ongoing with developers in relation to other sites.</p> <p>The Head of Community confirmed that there was a reducing 5 year claw back period for repayment of the discount within the first 5 years after the Right to Buy sale. She noted that valuations were carried out by an independent, third party valuer.</p> <p>Members commended the joint report of the Head of Community and the Chief Financial Officer and noted that it gave an indication of a well managed service that has shown vast improvement. There was some concern as to the level of discount given on Right to Buy sales, but it was noted that this was statutorily set, and Members emphasised that some of the new build affordable housing should be Council stock.</p>	

	<p>Members requested that a restricted report be presented to the next meeting of the Committee stating in more detail the current state of negotiations with developers regarding affordable housing provision at other sites.</p> <p>All Members present at the Committee voted in favour of the recommendations contained within the report.</p> <p>RESOLVED: That Members:</p> <ul style="list-style-type: none"> (1) Recommended to Council for Approval the Revenue budget forecast for the Housing Revenue Account in 2014/15 and the three forward financial years to 2017/18; (2) Recommended to Council for approval the proposed rent and service charge increases for 2014/15; and (3) Recommended to Council for approval the HRA capital programme for 2014/15. 	
76.	<p><u>RISK MANAGEMENT UPDATE</u></p> <p>The Chief Financial Officer outlined the report as set out in report pages 111 to 120, which should be read together with these minutes as a composite document.</p> <p>Members asked why “Economy/Regeneration” was identified as a red risk despite all the development in the Borough and the hard work of Officers. The Chief Financial Officer noted that the level of risk was largely owing to the state of the economy and the recession. The Finance Manager added that although the inherent risk is high, the Council has controls in place to reduce this risk.</p> <p>The Leader noted that he was confident that there were appropriate controls in place to alleviate the risk.</p> <p>RESOLVED: That Members noted the review of the Strategic Risk Register.</p>	
77.	<p><u>RESIDENTS FORUM BUDGET POSITION</u></p> <p>The Chief Finance Officer outlined the report as set out in report pages 121 to 123, which should be read together with these minutes as a composite document. He confirmed that this was the usual report which went to Committee.</p> <p>RESOLVED: That Members:</p>	

	<p>(1) Note the position of the Forum's budget; and</p> <p>(2) Approve the allocations requested by the Forums as set out in the report.</p>	
78.	<p><u>BURIAL PROVISION WITHIN THE BOROUGH</u></p> <p>The Director of Services outlined the report as set out in report pages 124 to 128, which should be read together with these minutes as a composite document.</p> <p>The Leader expressed his concerns that this is a demand led budget with no cap or controls in place and stated that in these difficult times it was not necessarily fair for all members of the community to contribute towards a subsidy for a few. He said that this was not about religion but was instead about sustainability and cost in the current economic climate.</p> <p>He recommended that Place Shaping Working Group should be asked to carry out work regarding the provision of a new cemetery within the Borough. He also recommended that a report be presented before a later Committee regarding the remaining capacity at the existing cemeteries in Oadby and Wigston.</p> <p>In relation to recommendation 2.1 as set out in the report, the Leader commented that this is a highly complicated and sensitive issue that needs a considerable amount of further research and consultation into how best the Council provides burial provision in the future for all faiths and this is likely to take some time. He noted that in light of the information in the report it is not sustainable for the Council to continue to contribute at the financial level it currently does and whatever the Council decides should apply equally to all faiths.</p> <p>He went on to propose that the Council should consider withdrawing the subsidy during the next financial year that it has traditionally paid to members of a specific faith to fund burials outside of the Borough where we cannot facilitate them within the Borough.</p> <p>He noted that this represents a big change and therefore in the shorter term proposed that the Council should provide grants of up to £1,000 for burials outside of the Borough for a member of any faith community where it cannot facilitate them within it.</p> <p>He suggested that the Council needed to consult on these proposals and added that the grant system should be implemented for a period of no more than 2 years.</p>	

	<p>The Leader added that the budget for 2014/15 should be increased accordingly to recognise the overspend already in the 2013/14 budget.</p> <p>Members voted on the revised proposal as stated by the Leader. Councillor R Thakor abstained from the vote.</p> <p>RESOLVED: That:</p> <ol style="list-style-type: none"> (1) The Council withdraws the subsidy of £2,200 during the next financial year that it has traditionally paid to members of a specific faith to fund burials outside of the Borough where they cannot be facilitated within the Borough and that this be replaced by a scheme whereby the Council provides grants of up to £1,000 for burials outside of the Borough for a member of any faith community where it cannot facilitate them within it, such scheme to be implemented for a maximum period of 2 years; (2) A report be prepared for the next meeting of the Policy, Finance and Development Committee on 25 March 2014, setting out the remaining capacity at the existing cemeteries in Oadby and Wigston; (3) Place Shaping Working Group are instructed to carry out work regarding the provision of a new cemetery within the Borough by identifying the capital requirement, the potential for external funding and the potential revenue cost to the Council; (4) The budget for 2014/15 be increased accordingly in recognition of the overspend in the 2013/14 budget. 	
79.	<p><u>FUTURE GOVERNANCE AND MANAGEMENT OF COUNCIL COMMUNITY FACILITIES</u></p> <p>The Director of Services outlined the report as set out in report page 129, which should be read together with these minutes as a composite document. She confirmed that this report in no way indicated an intention to sell off the Council's community assets.</p> <p>The Leader noted that this report was written in response to the Council being approached by a number of organisations about our community buildings. The concern was that our approach in the past had been piecemeal and that a consistent approach in line with a specific policy should now be followed when dealing with community assets.</p>	

	<p>Members asked about costs and it was suggested that these would be minimal.</p> <p>RESOLVED: That:</p> <ul style="list-style-type: none"> (1) The Council funds a one off specific piece of work in order to establish if there are alternative governance and management options for the future operation of the Council's community facilities; (2) The report is presented to a future meeting of the Policy, Finance and Development Committee for discussion and decision; and (3) This one off piece of work is funded from the Management of Change Reserve. 	
<p>80.</p>	<p><u>REVISED CORPORATE RESOURCES POLICIES</u></p> <p>The Head of Corporate Resources outlined the report and noted that these were revisions of existing policies which have received Union approval and have had Equality Impact Assessments conducted on them.</p> <p>She confirmed that all Officers named in the policies would receive training and additional refresher training would be given where required. She also confirmed that she has a delegated authority to amend the Officers named in the appendices owing to new starters and leavers and that, by naming such Officers rather than simply giving their job title, HR was forced to regularly review the policy. She noted that HR was best placed to make these amendments.</p> <p>Members noted that these were superb policies which were very comprehensive and well written.</p> <p>RESOLVED: That Committee adopted these policies.</p>	
<p>81.</p>	<p><u>BOULTER CRESCENT – REFURBISHMENT WORKS</u></p> <p>The Head of Community outlined the report, which concerned the process for the tender. She noted that it had been made clear at the outset that tenders would be reviewed on several factors and not simply price.</p> <p>It was confirmed that the process was carried out in accordance with the Council's Procurement Policy and Members were happy that an open and transparent process had been followed</p> <p>It was further confirmed that if the approved contractor declined</p>	

the offer of contract then the matter would be brought back before the Committee.	
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RESOLVED: That Members:

- (1) Noted the competitive procurement approach taken and the outcome of that process;
- (2) Approve the appointment of Contractor 4; and
- (3) Delegate to the Head of Community in conjuncture with the Chief Finance Officer and in consultation with the Chair of the Policy, Finance and Development Committee the oversight of the delivery of the project.

The Meeting Closed at 8.45 p.m.