

Minutes of a meeting of the **JOINT PERFORMANCE MONITORING PANEL AND POLICY DEVELOPMENT PANEL** held in the Council Chamber, Council Offices, Priors Road, Spalding, on Thursday, 25 January 2018 at 6.30 pm.

PRESENT

B Alcock	C J T H Brewis	M D Seymour
G R Aley	G K Dark	E J Sneath
J R Astill	L J Eldridge	A R Woolf
F Biggadike	A M Newton	Whitbourn
M D Booth	J L Reynolds	P E Coupland

Apologies for absence were received from or on behalf of Councillors H Drury, A Harrison, J L King and J Tyrrell

In Attendance: Executive Director Commercialisation, Head of Finance, Democratic Services Manager, Democratic Services Officer

25. ELECTION OF CHAIRMAN

Cllr Woolf was elected Chairman

26. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Harrison, Councillor King, Councillor Drury and Councillor Tyrell

27. DECLARATION OF INTERESTS

CPBS and Welland Homes

28. DRAFT BUDGET, MEDIUM TERM PLAN AND CAPITAL STRATEGY (SCRUTINY)

Consultation feedback - electric car charging points;

Query - Council tax – below £5 envelope or 3% whichever the greater.

Members were given a presentation from Christine Marshall outlining the budget setting, including the; General Fund, HRA and Capital Programme.

(Cllr McLean entered the chamber at 18:42)

Next Steps

Action By

**JOINT PERFORMANCE MONITORING
PANEL AND POLICY DEVELOPMENT
PANEL - 25 January 2018**

Public consultation ending
Cabinet 13th February

Members were invited to discuss and question the content of the presentation they had received:

General fund

It was questioned that if the costs relating to vehicles were taken out of the reserve then that fund could not be used for anything else. Officers responded that the reserve could be used for any purpose at the desire of the council. Members stated that the issue had been raised due to historical difficulties in fund flexibility, with reserves being ring-fenced strictly.

Members stated that from having read the figures, there was a clear habit of failure with the budget and being able spend the budgeted amount. Therefore members wanted assurances from officers that the budget was realistic. Officers suggested that the year's budget was tighter, therefore it was suggested there was a low risk of underspend. It was stated that the recent partnership with DWP and Welland Homes successes were examples of how things were improving in this regard.

The increase in employee costs was mentioned and it was questioned if this was due to a rise in high skill employees or due to built-in inflation. Officers claimed that the comparable 2017-18 staff costs figures were not as low as originally suggested due to the inclusion of savings values. This had been corrected in the 2018-19 staff costs. The increased costs were due to various factors including inflation, increased pensions, and new service developments.

Members wanted to know why costs caused a deficit to emerge in 19-20. It was suggested that increasing employee costs were what caused the forecast together with reducing government grant support. Officers suggested some resolutions to this, including raising fees and charges. She also suggested that the estimated deficit bottom line was actually not a bad position to be in, because it was not a deficit that was large enough to require large scale action to resolve.

Members expressed that the reliance upon NNDR New Homes Bonus should be reduced. Officers stated that a degree of reliance upon NNDR NHB was acceptable but that it was not a long term solution.

**JOINT PERFORMANCE MONITORING
PANEL AND POLICY DEVELOPMENT
PANEL - 25 January 2018**

Members expressed concern over the status of Legal Services, wanting to know if officers were convinced they now had a formula which would deliver a better level of service. Officers suggested that although they had no control over Legal Services, levels of service were good and that they were cheaper than buying in.

Members questioned what plans the council had for using its share of business rates surplus from the pilot. Officers suggested that the authority should try to move to investing in more economic developments and that if the pool performed well it would develop a decent share. It was recommended that the authority wait until the pilot was completed and the known value of any surplus was put into reserve, then the decision would be made as to how to spend it.

Members mentioned that Crease Drove had been in the budget for several years and wanted answers as to whether the council could carry out its budget commitments.

Members wanted to know if the budget had made no allowances for inflation at all. Officers stated that because the budget was small it was not going to be increased alongside inflation. However larger budgets would include built-in inflation. Where they existed RPI or other indexes would be linked.

Members wanted to refer to pensions. Stating that it was a continual risk area due to no level of control. Officers stated it was a national issue and that differences in Lincolnshire existed due to historical decisions and that the authorities fund was mature – therefore, fairly predictable. However, there was no control to be exerted unless the government changed the relevant regulations.

Members raised the UK municipal bond agency. They claimed that although the authority had invested, they had never received a statement. Officers agreed to respond to Council over this issue.

Members wanted to know what the authority was doing to promote the open to business policy, and to promote partnerships. Officers suggested that the authority had good potential for income opportunities through the use of assets, but also that increases in planning fees would act as a good income opportunity.

Members asked if leisure contracts were due in 2019 and if they

JC, RF, CM

**JOINT PERFORMANCE MONITORING
PANEL AND POLICY DEVELOPMENT
PANEL - 25 January 2018**

were post-this-budget. Officers stated it would be added as is when implemented but that the contracts had several issues to resolve. But that there were opportunities to invest to create more revenue streams here.

Members wanted to know if the upcoming catering contract for South Holland centre had been examined for value for money and if revenue opportunities were present here. They also wanted to know if investment could increase revenue. Officers suggested that while the leisure market was an interest, it was a competitive market and that it would require significant investment, suggesting that the current policy would continue for another 5 years before issues relating to leisure were addressed. Members expressed extreme dissatisfaction with the 5 year timescale, suggesting that this was too long to wait for something to be done about leisure in the district. Officers rebuffed that if the authority wanted to take significant steps into improving leisure by commissioning a large scale leisure project, the turnaround on such a project would be around the 5 year mark. Therefore it was suggested that 5 years was a realistic turnaround period and the authority was urged by both officers and members to consider such a project so that proceedings could begin in earnest.

Members wanted an explanation as to how the authority had gotten into the situation with SHC. It would be reported back to PMP.

JC, RF, CM

Members recalled a transformation meeting which addressed commercialising assets. It was claimed that this issue had not since been raised and that asset commercialisation could have been underway. Officers suggested that some projects (i.e. crease drove) had made good progress, therefore asset commercialisation had begun in earnest. However officers did concede that they had not reached the targets that they had hoped to yet, but that projects were picking up speed.

Members reiterated that Councillors could have good insight and to bring issues straight to council would miss out on members' good ideas for commercialisation. It was suggested that a joint panel should be organised.

Members claimed that recommendations made by task groups on leisure had been accepted but nothing had ever happened.

Members followed up on commercialisation of assets and wanted to mention that there should be an opportunity to look into the finer details of such possibilities.

JC, RF, CM

**JOINT PERFORMANCE MONITORING
PANEL AND POLICY DEVELOPMENT
PANEL - 25 January 2018**

HRA

Members suggested that the authority needed to increase its resources to carry out the programme. They also wanted to know if the HRA could impact upon the general fund. It was answered in the negative, that HRA stood alone.

Capital Programme

Members wanted to mention Spalding special expenses. Increases had materialised in areas such as allotments. It was requested that an allocation be made in the budget for these expenses, or that they come from the contingency. Officers stated that this issue would be addressed in Cabinet.

Members wanted to be updated on Spalding Cemetery costs. Officers stated that they would get back to members in greater detail

JC, RF, CM

Members mentioned that the Spalding Town forum viewing the Spalding special expenses had seemed to end. Officers suggested that this was not intentional and that it would be addressed at the next forum in March.

Spalding Town Forum, it was noted, required a special meeting to be arranged so that the Spalding Special Expenses could be examined in fine detail.

JC, DS

Members asked how the contents of this meeting would move forward. Officers suggested that they would be fed into the report for cabinet. Members requested a summary of the meetings content to double check. Officers provided this summary.

Members mentioned that the authorities used to receive information over the uses and costs of leisure facilities but that the members seemed not to be involved in this anymore, but that the members had a right to that information. Officers answered that the members would receive a budget book and that the Councillors' feedback could be noted and that information could be fed back to members. It was agreed that PMP should look at this. Especially if looking at leisure

JC, RF, CM

29. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE URGENT

None

**JOINT PERFORMANCE MONITORING
PANEL AND POLICY DEVELOPMENT
PANEL - 25 January 2018**

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(The meeting ended at 8.22 pm)

(End of minutes)