

MINUTES of a meeting of the POLICY DEVELOPMENT GROUP held in the Council Chamber, Council Offices, Coalville on MONDAY, 12 FEBRUARY 2018

Present: Councillor M Specht (Chairman)

Councillors N Clarke, T Eynon, D Harrison, G Hoult, V Richichi, A C Saffell, S Sheahan (Substitute for Councillor J Geary) and N Smith

In Attendance: Councillors J Legrys

Portfolio Holders: Councillors R D Bayliss and A V Smith MBE

Officers: Ms T Ashe, Mr G Jones, Mrs B Smith and Mrs R Wallace

**38. APOLOGIES FOR ABSENCE**

Apologies were received from Councillors J Geary and P Purver.

**39. DECLARATION OF INTERESTS**

There were no declarations of interest.

**40. PUBLIC QUESTION AND ANSWER SESSION**

No questions were received.

**41. MINUTES**

Consideration was given to the minutes of the meeting held on 10 January 2018.

Councillor T Eynon asked for the following amendments:

- a) Minute number 32, Draft Capital Programmes 2018/19-2022/23 – Councillor T Eynon asked that her comments be amended to reflect that it was not the elevator that prevented people attending meetings but the access in general, as no more than two wheelchair users could be on the first floor at one time.
- b) Minute number 35, Joint Strategic Growth Plan Consultation – Councillor T Eynon asked for a paragraph to be amended and to read as follows:

‘At this point a heated discussion ensued between a number of Members, in response to a comment from the Chairman, regarding Planning Committee decisions and affordable homes, which due to its political nature was not relevant to the item being considered.’

Councillor D Harrison queried whether this amendment was appropriate as the matter was being dealt with under a separate process outside of the meeting. The Chairman was happy with the proposal as he felt it was a fair amendment. Members agreed.

It was moved by Councillor D Harrison, seconded by Councillor S Sheahan and

RESOLVED THAT:

Subject to the above amendments, the minutes of the meeting held on 10 January 2018 be approved and signed by the Chairman as a correct record.

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## 42. MEDIUM TERM FINANCIAL STRATEGY

The Chief Executive addressed the Committee. She thanked Members for attending the rescheduled meeting to consider the Medium Term Financial Strategy which detailed a new way of setting the budget by covering a five year period. It also promoted self-sufficiency and a clear direction for the Council.

The Head of Finance informed Members of a change of wording to the recommendation within the report as follows:

‘It is recommended that Policy Development Group comment on the Medium Term Financial Strategy before it is presented to Council on 27 February for endorsement.’

The Head of Finance reported that the new Medium Term Financial Strategy encouraged Members to look beyond the current planning period in considering actions to address future deficit years and self-sufficiency targets in respect of the General Fund, and consider financing or alternative actions to address the long range forecasts for the Housing Revenue Account, as well as the medium range five year forecasts for the Capital Programme. She also referred Members to the tables at section seven regarding funding versus budgeted expenditure, General Fund in-year position forecast, Self-Sufficiency Reserve illustration, Self-Sufficiency target forecasts and illustration of savings to be achieved to 2023.

In response to a question from Councillor N Smith, the Head of Finance referred to section three of the strategy which mentioned the UK economy in relation to the decision to leave the EU. She explained that it was difficult to predict what the impact would be but it was something that would be monitored. The Chief Executive added that work was being undertaken with major businesses in the District as to their predictions on this topic and information was currently being collated across Leicestershire by the Leicester and Leicestershire Enterprise Partnership.

In response to a question from Councillor S Sheahan, the Chief Executive explained that in accordance with the Council’s Constitution, the approval of the Medium Term Financial Strategy was the decision of Cabinet and was agreed at the last meeting.

Councillor S Sheahan raised the following questions and comments:

- Councillor S Sheahan was pleased to see that officers were properly taking into account what might happen to finances, considering the sacrifice that had been made with freezing council tax and the future in-year deficits that were detailed at paragraph 3.3 of the report. He was very interested in how the Self-Sufficiency Reserve was going to be used for supporting local infrastructure and sustainable growth, and asked for some examples. The Chief Executive responded that the Self-Sufficiency Fund could be used for a multitude of things but focusing on sustainable growth, local businesses could be supported if needed within a number of areas such as productivity. Also, if businesses needed to bridge a gap then a number of funding streams could be investigated through the Leicester and Leicestershire Enterprise Partnership in order to bring growth forward. Overall it was about identifying opportunities to generate income into the Council and identifying areas to make efficiency savings. Councillor S Sheahan stated that it was not clear how local infrastructure would be supported and the report also referred to equality assessments and public consultations which, in his opinion felt like service cuts. The Chief Executive felt that any large scale changes to services should require an equality impact assessment, as well as policies brought before Members at committees and therefore did not believe that this indicated cuts to services. However, she could not say that with the forecasted deficit in 2020/21 that service reductions would not be

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considered. She also reminded Members that the Council was currently in a very good financial position due to how business has been conducted in recent years which meant that reserves could help with some of the difficult times ahead and do something innovative to bring money in.

- Councillor S Sheahan was shocked by the Housing Revenue Account deficit, considering that when it was set up Members were told that it would break even. The Head of Finance explained that when the Housing Revenue Account became self-financing in 2012 it was predicted that the authority would be debt free by the end of the 30 year period, but due to a national change to the rent formula, there had been a large shift in the forecasted deficit. Councillor S Sheahan asked which of the options to address the deficit was being considered. The Head of Finance explained that nothing had been specifically looked at as yet and the options listed within the report were examples of what could be investigated in the future if required. In response to a further question on the disposal of assets to generate income, the Strategic Director of Housing and Customer Services explained that a number of council properties of a high value had been sold to allow reinvestment in new builds but assured Members that an Asset Management Policy was in place to manage the process.
- In reference to the retained council housing stock and the number of new homes to be delivered by 2019, Councillor S Sheahan asked for further information on the timescale, as well as the number of homes lost due to the Right to Buy Scheme. The Head of Finance agreed to supply this information outside of the meeting.
- Councillor S Sheahan referred to a typographical error on page 33 of the report within table 1, as £000 should be £000,000.
- Councillor S Sheahan asked for clarification on 'the Government's policy intentions regarding devolution' within the recommendation to reduce the Council's reliance on Government grants in the future, which was mentioned under self-sufficiency. The Chief Executive explained that it was reflective of the fact that devolution was a national policy and it could be considered as an option if the opportunity arose.
- In relation to 'Review of current level of taxes, fees and charges with a view to maximise income' which was listed as an action within the Self-Sufficiency Programme, Councillor S Sheahan asked if this was about the tax paid or the tax charged. The Chief Executive explained that all of the bullet points within the report were possible options to consider and nothing had been looked at in any detail. She added that the options listed would be those identified by any good proper business. Councillor S Sheahan felt that this particular option was very ambiguous as it referred to tax which has been frozen for many years. The Chief Executive reported that there was no intention to look at council tax at this time and ensured that the wording of the bullet point would be clarified before the report was taken to Council.

In response to a question from Councillor V Richichi regarding the reduction of expenditure, the Chief Executive explained that there were many ways for this to be achieved including changing processes, shared services and investment in technology.

Councillor V Richichi asked if the housing maintenance department would be reviewed as he had been informed that a lot of money was being wasted by the operatives as products were being thrown away if not used. The Chief Executive commented that procurement of supplies was being reviewed as part of the efficiency savings. The Strategic Director of Housing and Customer Services added that there was a strict process regarding the allocation of jobs and the ordering of items required to carry out the task, therefore the waste of stock as mentioned should not occur. There was also regular stock takes and a review of what each operative ordered and used. Councillor V Richichi reaffirmed his

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earlier comment as he had spoken to a particular builder's merchant. The Strategic Director of Housing and Customer Services asked Councillor V Richichi to provide him with further details outside of the meeting and he would investigate the matter further.

Councillor T Eynon commented that she was unsure about the use of the word 'endorsement' in relation to the recommendation within the report as she felt that the Medium Term Financial Strategy should have been considered by the Policy Development Group before Cabinet approved it. She also commented that the options for self-sufficiency were all high level and she was unsure what some of them were, she suggested that examples be included to ensure clarity. Councillor T Eynon asked how Members would be involved as she was aware that at Leicestershire County Council there was a Transformation Board to consider such matters. The Chief Executive commented that she would like Members endorsement of the Medium Term Financial Strategy but would take advice on the exact wording of the recommendation to ensure it was right for Council. She reported that the Medium Term Financial Strategy identified what the Council wanted to do in the future and what could be done to achieve the transformation, the next step would be to start looking at the options in detail with the involvement of the Portfolio Holder, Cabinet and the Policy Development Group. A plan had not yet been written but it would be considered by the Policy Development Group as soon as possible. Regarding a possible Transformation Board, that would need to be discussed with the Portfolio Holder.

Councillor T Eynon asked a further question regarding the possibility of a unitary authority as part of the collaborative working mentioned within the report. The Chief Executive explained that she could not comment on a unitary authority as it was not her place to do so but that shared services would be considered as collaborative working.

Councillor N Clarke felt that the report was excellent and that everyone's contribution should be congratulated. He then raised the following questions and comments:

- Councillor N Clarke was pleased to see that one of the four key programmes was related to customer services as he felt it was very important.
- In response to a request for clarity, the Head of Finance gave an explanation as to the threat of future adjustment to the baseline above its current 0.4 percent level in relation to the New Homes Bonus.
- Councillor N Clarke referred Members to the amount of money lost due to the constant freeze in council tax rates and questioned if it was still prudent to maintain the freeze. He commented that he was aware that the matter was politically sensitive but felt that it should be highlighted.
- In relation to a question regarding any future predictions on the possible reduction of recycling income, the Head of Finance reported that nothing had been built in at this stage but it was something that was under constant review.
- Councillor N Clarke asked if the Capital Receipt Reserve was used to fund the new build council homes. The Head of Finance confirmed that it was, as part of the 'Right to Buy' and 'One to One' policies.
- Councillor N Clarke pointed out that the predicted self-sufficiency reserve was £3.1million by April 2020, which happened to be approximately the amount lost by the freeze in council tax rates. The Chief Executive could not comment due to this matter being a political decision.

- In relation to the Self-Sufficiency Reserve, Councillor N Clarke asked if it could be used to protect essential services as well as to fund commercial initiatives to generate future revenue. The Chief Executive confirmed that it could be used in a number of ways including to balance the books or bridge a gap in funding. There would be ongoing discussions on the use for the reserve.
- In reference to the use of the New Homes Bonus to 'incentivise growth through our regeneration and economic development activities', Councillor N Clarke asked for an example of how money had been used in this way. The Chief Executive explained that the New Homes Bonus paid for a number of things including the Regeneration and Economic Development Team. The team provided support to businesses looking to come into the area as well as current local businesses. Another example was the funding of the shop frontage scheme in Coalville.
- Regarding the 'development of a commercial mind-set', the report referred to a People Plan to develop skills. Councillor N Clarke asked what the cost would be for the training. The Chief Executive confirmed that there would be a cost associated with training staff, to support the changing core skills and competencies needed to run a successful modern local authority. This would form part of the People Plan which would be brought to the Policy Development Group once it had been written.
- In response to a question regarding aligning resources to priorities, the Chief Executive stated that the focus was definitely on what was important to the authority and therefore there would be things that were less of a priority, this was part of business. She explained that the budget was set in accordance with the Council's priorities and therefore would be the focus areas.
- Councillor N Clarke questioned whether Customer Services could be improved at the same time as reducing costs, as in his experience, the kind of improvements referred to require a lot of funding. The Chief Executive agreed that it did cost money to make improvements to Customer Services and investment had already been approved by Cabinet
- Councillor N Clarke commented that on the whole the Self-Sufficiency Reserve seemed like a good idea which he was happy to support.

Councillor D Harrison congratulated the officers on presenting a first class report to the Committee. He commented that although the Medium Term Financial Strategy had been questioned, it was important to remember that it was a five year plan and therefore some areas could not be too detailed. He felt it was a good clear indication of what was to come and agreed with the importance of investment for the future.

Regarding the comments made in relation to the freeze in council tax rates, Councillor N Smith felt it was the right thing to do for the people of the District.

Councillor S Sheahan congratulated officers on providing detailed answers to questions by Members but would have appreciated the attendance of the Portfolio Holder to deal with the more political questions. He requested that the Portfolio Holder be invited to any future meeting that was considering a financial report.

It was moved by Councillor N Smith, seconded by D Harrison and

RESOLVED THAT:

The report be noted.

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### 43. STAR SURVEY REPORT

The Strategic Director of Housing and Customer Services presented the report to Members and highlighted the headline results of the survey. Although satisfaction levels had improved in the majority of areas since the survey was last conducted in 2015, improvements were still required regarding communication as well completing repairs first time. There would also be focus on the complaints process and a plan has been put into place to deal with the issues with car parking.

Councillor S Sheahan was pleased that benchmarking analysis was going to be undertaken and was very interested in the results.

In response to a question from Councillor S Sheahan, the Director of Housing and Customer Services gave reassurances that he would be actively acting on the results of the survey to make further improvements. Councillor S Sheahan was not convinced as it was hard to tell if the service was improving overall as Members no longer received the full picture, he asked if the service was improving. The Strategic Director of Housing and Customer Services responded that the service was improving and the results of survey proved that. He added that the service was regularly monitored and there was various tenant panels which reported to Cabinet. However, results of some previous benchmarking has shown that the service was in the lower quartile of landlords, so he was aware that there was still improvements to be made.

Councillor N Clarke was pleased to see the increase in satisfaction levels but was concerned about a number of areas. In particular 'Council listening to views and acts upon them', which had improved only slightly and was at 54 percent, he hoped the proposed improvements to Customer Services as referred to in the previous agenda item would have an impact.

Councillor N Clarke commented on the low result regarding how anti-social behaviour was dealt with as this was often raised during his casework and was an important issue.

Councillor N Smith commented that anti-social behaviour was the responsibility of the Police Service and in his experience, it was not always taken seriously. The Chairman explained that tenants had conditions within their tenancy regarding anti-social behaviour and he believed this was what the survey questions were based on.

Councillor N Clarke raised concerns that only 84 percent of those surveyed were happy with their homes, considering the amount of money that had been invested in the Decent homes Programme he would have expected that figure to be higher.

Councillor N Clarke was pleased that focus was being placed on completing repairs first time. In relation to the decrease in satisfaction for getting hold of the right person, he referred to comments made by the Chief Executive at a previous Council meeting regarding empowering officers and hoped this would help in the future.

The Chairman commented that he would like to see a customer survey undertaken on the District as a whole which could be delivered along with the annual council tax letter.

Councillor T Eynon asked for some further details on how the poor perception of the complaints handling was being addressed. The Strategic Director of Housing and Customer Services explained that the Tenant Scrutiny Panel had been investigating the complaints process for the last six months and a report would be considered by Cabinet in March containing all of their findings and recommendations which would be put into practice. He reported that the main issue was with repairs maintenance and improvements had already been seen in response to actions already put in place to

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complete more jobs first time. He also added that there was a dedicated officer to oversee the complaints and further monitoring to ensure any follow up work took place.

By affirmation of the meeting it was

RESOLVED THAT:

The report be noted.

**44. ITEMS FOR INCLUSION IN THE FUTURE WORK PROGRAMME**

RESOLVED THAT:

The Future Work Programme be noted.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.57 pm