

## COUNCIL MEETING – 2 APRIL 2019

### REPORT OF THE RESOURCES COMMITTEE

20 March 2019

Present: Councillors Griffiths (Chairman), Partridge-Underwood (Vice-Chairman) and Councillors Bell, Allebone, Carr, Emerson, Francis, Harrington, L Lawman, Morrall, Scarborough, Simmons and M Waters.

Also present: Mrs L Elliott (Managing Director), Miss J Thomas (Director of Place and Strategic Growth), Mr S Darcy (Director/S151 Officer/Committee Manager), Mr A Piper and Mr E Symons (Assistant Directors), Mrs J O'Connell (Finance Manager) and Mrs C A Mundy (Democratic Services Officer - Committees).

(Councillor G Lawman attended as an observer.)

#### 1. APOLOGIES

Apologies were received from Councillors Graves and Henley.

#### 2. DECLARATIONS OF INTEREST

**RESOLVED** to note that in accordance with the Localism Act 2011, the council's code of conduct and the council's constitution, no declarations were made.

#### 3. CONFIRMATION OF THE MINUTES OF THE RESOURCES COMMITTEE MEETING HELD ON 6 FEBRUARY 2019

The minutes of the resources committee, held on 6 February 2019, were received.

**RESOLVED** that the minutes of the resources committee, held on 6 February 2019, be confirmed and signed.

(The chairman agreed to bring forward exempt agenda item 11 – Terms and Conditions of employment.)

#### 4. EXCLUSION OF PRESS AND PUBLIC

**RESOLVED** that the press and public be excluded from the meeting during consideration of the following items in accordance with section 100A(4) to the Local Government Act 1972 on the grounds that they would involve the likely disclosure of exempt information of the description shown in schedule 12A to the Act

<b>Minute No.</b>	<b>Item</b>	<b>Exemption</b>
5	Terms and conditions of employment	E3 & E4

(All officers and members of the public, other than the clerk, left the meeting.)

## **5. TERMS AND CONDITIONS OF EMPLOYMENT**

The annexed circulated exempt report of the head of paid services was received to propose a revision to the council's compensatory redundancy pay multiplier, as permitted under the Government's (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, with the aim of harmonising terms and conditions of employment with the neighbouring authorities who are anticipated to merge into the North Northamptonshire unitary model, these being Corby, East Northants and Kettering.

The chairman welcomed Sam Maher, Director of Human Resources and Member Development at East Midlands Councils to the meeting to answer any queries raised by members.

Miss Mayer presented the report and explained the benefit of revising the discretionary redundancy pay multiplier for the purpose of harmonising terms and conditions of employment with other authorities anticipated to merge into the possible North Northamptonshire Unitary Council.

Appended to the report were the following:

- Appendix 1: East Midlands Regional benchmarking data;
- Appendix 2: Draft equalities impact analysis initial screening.

The report informed the committee that the council had adopted the Government's (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, in February 2007 to include an additional multiplier of two. The council made the decision to remove the multiplier for all new contracts of employment for those employed after October 2010, which had resulted in a two tier compensation package for Wellingborough employees.

The report proposed that the council's redundancy calculations be aligned with neighbouring authorities, as it was believed that this would result in improved staff morale and also improve retention by ensuring that the borough council's terms and conditions are no less favourable than those of neighbouring authorities to whom staff would work alongside in a unitary authority. It also provided comparable compensation for loss of office in the event of redundancy termination.

Working in partnership with the trade unions, the report proposed to negotiate a collective agreement that utilises the Government's (Early Termination of Employment) (Discretionary Compensation) Regulations 2006, to include an

additional discretionary multiplier of 2.4, capped at 104 weeks, under the legislation (inclusive of both statutory and compensatory payment elements). If the proposals are accepted, a collective agreement will need to be reached with the trade unions to implement the proposed variations.

Members asked some points of clarification of Miss Maher and considered this to be a good way forward for the future of borough council employees ensuring that they were on the same terms and conditions as other employees across North Northamptonshire. It was felt that this would enhance staff morale and encourage staff retention.

The chairman put the motion to the vote and it was approved unanimously.

**RESOLVED** that approval be given to the following variations to all staff terms and conditions under the Government's (Early termination of employment) (Discretionary Compensation) Regulations 2006, be approved:

- (a) the council exercising its right to utilise the discretionary payments available under the above regulations;
- (b) the level of discretion be recommend to be a multiplier of 2.4, to allow for meaningful negotiations to continue with the recognised trade unions;
- (c) delegated authority being given to the head of paid service to agree minor variations to the above proposals in respect of negotiating a collective agreement;
- (d) delegated authority be given to the head of paid service to agree an implementation date, ahead of the proposed April 2020 Vesting Day, as part of the collective agreement negotiations.

The chairman thanked Miss Maher for attending the meeting.

The chairman re-opened the meeting and officers and public returned to the meeting.

## **6. FINANCIAL MONITORING AND POSITION STATEMENT FOR 2018-19**

The annexed circulated report of the section 151 officer was received in relation to the monitoring position for revenue expenditure as estimated at 31 January 2019.

The council had set its net revenue operational budget in February 2019 at £11.059m, made up of £18.527m of gross expenditure and £7.46m of gross income, as summarised in the report.

The net budget of £11.059m was funded by using £1.842m of general fund reserves (of which £0.456m was from general reserves and £1.386m from earmarked reserves) plus other sources of external funding, such as council tax, business rates, revenue support grant, new homes bonus, earmarked reserves and general reserves.

Together the overall financing of the total expenditure is £18.527 and this was further detailed in the report. It had been reported in October 2018 that the anticipated sum of £203k of reserves would need to be used to fund the 2018-19 budget, giving a total use of general reserves of £659k. Further analysis of the spending position and re-profiling of expenditure gave a forecast of an overall increase in the budgeted level of reserves required of £308k, resulting in a revised use of general reserves of £764k, being an increase of £106k from that previously reported.

The principal reason for this related to the Castle Theatre, which was further detailed in the report, this had, however, been partially offset by the refund of software licence costs, a reduction in staffing levels and increased fees and charges.

Appended to the report was a summary of the revenue monitoring.

**RESOLVED** that the position on the revenue monitoring and reasons for the variances as detailed in the appendix to the report be noted.

## **7. CAPITAL PROGRAMME MONITORING**

The annexed circulated report of the section 151 officer was received in relation to the capital programme monitoring to 31 January 2019.

Appended to the report were the following:

- Appendix 1: Capital monitoring report to 31 January 2019;
- Appendix 2: Summary of capital resources

The report detailed the previously agreed capital programme movements within 2018-19. It was recognised that some schemes were dependent upon external factors in order to progress and these included the Wellingborough road adoptions, Wellingborough heritage and shop front grant initiative and the IT strategy implementation.

The report also detailed the schemes which it was considered would not complete in this financial year, including the compulsory purchase order budget, various schemes that were controlled via external sources and the temporary accommodation mitigation fund.

The report also referred to the re-profiling into 2019-20 of £3.098m which was further detailed in the report and the re-profiling of £100,000 from 2019-20 to 2018-19 following the number of adaptations under the disabled facilities grants scheme which had progressed well and completed.

With regard to the Castle Theatre, funding of £1.050m of capital monies for upgrade works at the Castle Theatre had been allocated, these had been progressed with phase 1 now having been completed. Phase 2 was now commencing and approval was sought for the re-purposing of the approved funding of £109.710, (previously agreed for the replacement of seating

wagons, recovering of seat pads and replacement of the sprung dance floor in the studio), being used to replace the auditorium seats.

Members made particular reference to the road adoptions schemes which had been ongoing for some years and asked for an update to be provided for the next resources committee. A number of members shared concern that the road adoption issues needed to be resolved as a matter of urgency.

Queries were also raised over Bassets Park, Skate Park. The Assistant Director, Mr Piper responded and confirmed that he had an officer working on consultation with the community, there appeared to be considerable support for the skate park and he was very hopeful that this would progress in the near future.

Reference was made to the improvements to the Hind Hotel as well as the work undertaken to the shop fronts. Members thanked officers for the progression made with both these projects and asked if a members briefing note could be issued informing members of the works that had taken place.

With regard to the financing of the skate park improvements at Earls Barton, members asked for a members briefing note in relation to the section 106 funding from the David Wilson Homes development at Earls Barton.

Officers confirmed that they would prepare briefing notes as requested.

The Director of Resources, Mr Darcy was asked what he considered would be the 'actual' expenditure to the end of March. He informed the meeting that currently expenditure stood at £2.4m and he considered that with work progressing well on other schemes that it would be over £3m.

**RESOLVED** that:

- (i) the projected outturn and anticipated variances as at 31 January 2019 be noted;
- (ii) the external funding be noted;
- (iii) the scheme re-profiling as detailed in 7.2 and 7.3 in the report be noted;
- (iv) approval be given to the previously awarded funding for works at the Castle Theatre to be re-purposed for the replacement of the auditorium seats.

## **8. CAPITAL AND INVESTMENT STRATEGY FOR THE MEDIUM TERM**

The annexed circulated report of the section 151 officer was received to present committee with the capital strategy for the medium term, together with a list of all agreed capital schemes for the coming years, including the asset investment strategy and non-treasury investment indicators.

Appended to the report were the following:

Appendix 1: Capital strategy for the medium term (March 2019);

Appendix 2: Capital programme 2019/20 onwards as agreed in February 2019.

The section 151 officer's aim was to provide greater accuracy and certainty in the planning and governance of the capital programme with improvements to the internal monitoring and reporting continuing to be made.

The capital and investment strategy was agreed annually and the report detailed the capital strategy and governance arrangements that will be in place for the next financial year.

In order to keep projects moving and prevent delay it had been agreed that a tolerance level of up to 10% of the total project costs, not to exceed £20k in total, could be agreed by the section 151 officer, in consultation with the chairman and/or vice-chairman of resources committee. This would avoid the need for urgent action between committee dates; any expenditure will be reported to committee at the next available opportunity.

The director of resources particularly pointed members to item 3.16 of the strategy and the flexible use of capital receipts as outlined as part of the financial settlement from central government.

Members discussed the strategy and suggested some minor amendments thereto with particular reference to the following:

3.7 - Capital grants the word 'inconsistent' be amended to consistent;

4.4 - Generate further revenue - bullet point two the words 'council owned land' be added;

6.7 - Investment guidelines - bullet point 8 be changed to read 'the borough of Wellingborough';

6.11 – Governance - When forming an investment panel, the leader of the opposition would also be involved and this should be added. Delegated powers - in accordance with the constitution officers had delegated powers which they considered to be a necessity to retain. Members asked, however, that at line five, the word 'may' be deleted and the words '*should normally, time permitting*' be added.

Members thanked officers for the excellent report, which they had found most useful.

**R1 RECOMMENDED** that the capital and investment strategy, updated with the minor amendments, be approved.

## **9. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY 2019-20**

The annexed circulated report of the section 151 officer was received in relation to the council's treasury management process.

The director of resources reported that the council was currently debt free with no borrowing but referenced the provision, included in the strategy at 6.5 that should a capital investment scheme necessitate borrowing, and if there was a strong business case that would mitigate the cost of borrowing, this could be considered.

The report also detailed the cash flow from service expenditure and the income therefrom, as well as revenue and capital reserves all of which give rise to investment balances. The report set out the policies and strategies which needed to be approved to comply with the CIPFA Treasury Management Code of Practice (the code).

The report also detailed the revised CIPFA treasury management code of practice 2017, the CIPFA prudential code, the balanced budget requirement, the treasury management strategy for 2019-20, the treasury limits for 2019-20 to 2021-22, the prudential and treasury indicators for 2019-20 to 2021-22, the current treasury position, the prospects for interest rates, the borrowing requirement and strategy, the policy on borrowing in advance, the annual investment strategy, the creditworthiness policy, country limits, levels of investment, Banks, Building Societies, Local Authorities, policy on the use of external service providers and the scheme of delegation.

Appended to the report was the treasury management strategy statement including the minimum revenue provision policy statement and annual investment strategy 2019-20.

Members considered the report and made reference to the potential to borrow which they felt was a good addition for flexibility. Some members considered that the council should remain debt free but that should there be a requirement to borrow that such decision needed to be made by full council. The director of resources and managing director responded to members concerns and explained that a quick decision about the necessity to borrow may be required which would prohibit the decision being put before council, interest rates change twice daily and time may be of the essence in deciding whether to borrow at a certain rate and a certain time.

The chairman gave members his assurance that they would be notified of any large scheme where borrowing may be required.

Clarification was also sought over where investments were held. The director of resources confirmed that all investments were in the UK.

**R2 RECOMMENDED** that:

- (i) approval be given to the treasury management strategy statement as appended to the report;
- (ii) approval be given to borrowing being considered as a source of financing for certain capital schemes, based on a strong business case for investment and revenue returns to cover the costs.

## **10. PROPERTY MATTERS UPDATE**

The annexed circulated report of the director was received to provide members with a summary in relation to the current situation with ongoing approved projects.

The report detailed how the current projects were progressing and confirmed that it was intended to establish a project steering group to support the governance of projects and that further improvements would be made to the updating of the project lists in the future.

Appendix 1 referred to the current projects and Appendix 2 to the projects that were 'business as usual'.

Reference was also made to the Wellingborough Homes Land Transfer and the progress made with regard to the project. In February 2018, this committee had resolved to agree, in principle, to the transfer of land on ex council housing estates to Wellingborough Homes, and to receive a future report on the detail of the transfers. It was further resolved to provide a binding commitment to enable Wellingborough Homes to progress the developments proposed at Milner Road, Finedon, Penrith Drive and Fulmar Lane off Nest Farm Road, Wellingborough. The freehold of the properties at Penrith Drive and Milner Road had been transferred and work had started on site. The transfer of the Fulmar Lane site was expected at the end of March.

Members were very pleased at the progress made with the sites which would bring a number of much needed new dwellings to both Wellingborough and Finedon, and thanked officers.

Members were also pleased with the progress made to bring flats above shops in the town centre back into use. They also commented on the improvements being made to the Tresham building and the enhancements proposed to the public realm.

**RESOLVED** that the progress made on the projects as outlined in the appendices to the report be noted.

## **11. COMMUNITY ASSET TRANSFER REQUEST**

The annexed circulated report of the director was received in relation to the transfer of an asset, under the community asset transfer policy, to Finedon Town Council.

The report detailed the request and subsequent application by Finedon Town Council for the transfer of land at the Pocket Park/Tainty Field which has been used and maintained by the town council (formerly parish council) since 1987.

Appended to the report was the business case from Finedon Town Council requesting a 'freehold' transfer. The council's community asset transfer policy



did not reference 'freehold' transfers and, as such, it was suggested that the transfer be based, in accordance with the policy, on a long lease at a peppercorn rent, to include sufficient protection of the asset for the future use by the public. The committee could, however, dispose of the freehold if it wished.

Any transfer would need to be drawn to ensure that the town council used the land for the purpose intended in the longer term and the transfer document will include such provision.

Members considered the proposal and felt that the transfer of the freehold would be more beneficial to the town council; this would enable the town council to apply for grant funding to make improvements to the area which in some places was hard to access. It was felt that the park was an example of biodiversity at its best and that the town council's aspirations would make it an excellent custodian of the park.

The chairman therefore proposed that the freehold of the land be transferred to Finedon Town Council this was seconded by Councillor Bell and on being put to the vote was carried unanimously.

**RESOLVED** that:

- (i) approval be given to the freehold transfer of the land at Finedon, edged red on the plan appended to the report, to Finedon Town Council;
- (ii) the terms of the freehold transfer be negotiated between the council's assistant director (corporate landlord) and Finedon Town Council in order to ensure that the council's interest is protected.

Chairman

The meeting concluded at 8.55pm.

