

- iii) **RESOLVED** that the Minutes of the Meeting of the Joint Staff Consultative Committee held on 31 March 2016 be noted.
- iv) **RESOLVED** that the Minutes of the Meeting of the Joint Staff Consultative Committee held on 20 April 2016 be noted.

7 DECLARATIONS OF INTEREST

There were no declarations of interest.

8 BUDGET AND TREASURY MANAGEMENT MONITORING REPORT - PERIOD 4

The report was introduced by the Financial Services Manager and set out the revenue, capital and treasury management activity from April 2015 to 31 March 2016. The current surplus totalled £1,214.9k, however after taking account of grants which had not been fully expended (£201.8k) and previously approved carry forwards (£287.8k), the reported surplus was £725.3k. This was comparable to the Q3 estimated forecast position of £797k. However year-end accounting transactions had yet to be finalised.

Of the remaining surplus of £725.3k a further £176.3k had been approved by the Corporate Leadership Team as legitimate carry forwards requested by Business Units, these were detailed within the report at Appendix A. After carry-forwards, the final surplus would be £549.0k.

It was proposed that from this surplus the following Earmarked Reserves be created;

- £108.0k to finance a new three year Councillor Initiative Fund
- £60.0k Neighbourhood Planning – funding for resources to support this function
- £43.8k to Earmark LDO funding to support delivery of the Housing Zone

The remaining balance, of £337.2k to be returned to the General Fund, £109k of which replenished the use of the reserve to balance the 2016/17 budget.

It was proposed that the Business Improvement and Transformation Budget and Invest to Earn budget be replenished to a value of £150k from their respective reserves.

With regard to the 2015/16 Capital Programme the request to carry forward underspent budget due to slippage/multi-year schemes totalled £1,468.5k. The Treasury Management activities during the reporting period were disclosed in the body of the report.

There had been no breaches of Treasury or Prudential Indicators to report and the Council again out-performed its benchmark in relation to investment yields. With regard to the Capital Budget 2016/17 a further £378k was requested for a number of

schemes, the funding of which was detailed within the report.

After initial publication of the report, an amended version was circulated with an additional appendix regarding the installation of a Multi-Use Games Area and outdoor fitness equipment on land in the Park Springs area of Gainsborough, and the report subsequently included an additional recommendation "That Members approve the incurring of expenditure for Capital Investment". Following the receipt of further information it transpired that this was not necessary, therefore that recommendation was withdrawn.

Members of the Committee welcomed the resource allocation for the Councillor Initiative Fund, and sought clarification on the criteria for allocation of spending. It was agreed that any structure should avoid a bottleneck at the end of the period, and noted that Councillors should be aware that receipt of this funding could restrict the award of funding from other sources, particularly for large projects. Scrutiny call-in applies to decisions by this Committee and therefore Members were reminded that funds could not be accessed until the period of call-in had expired.

Collection rates were noted as good, as in previous years, however questions were asked about the type and age of some of the outstanding debts. Assurance was given that old debts were still pursued where possible, even after being written off. Members requested that they be able to see an example of letters sent to pursue debts.

The earmarking of funding for specific projects was welcomed, however lengthy discussion took place regarding the replacement chairs which were proposed. Members felt that the existing furniture had not lasted long enough, and that the current replacement quote was too high. Clarification was given that the quote was the upper end, and alternatives were being sought.

Acknowledgement was made of current pressures within Enforcement and it was suggested that surplus resource could be directed to alleviate some of the strain.

Note was also made of the promotion of Building Control, the savings proposed to be achieved over time with Land Charges, and the costs of Planning Appeals (which it was noted that should not deter Members from refusing applications for development which they felt to be inappropriate, and for which training was provided to understand the impact of such decisions).

It was moved and seconded that the recommendations be approved, and on being voted upon it was:

RESOLVED that:

- a) the forecast out-turn position as at 31 March 2016 be accepted;
- b) it be recognised that grants not fully expended during 2015/16 are required for spend during 2016/17 of £96.8k;
- c) the Revenue budget carry forwards of £464.1k (at Appendix A) be approved;
- d) the creation of new Earmarked Reserves from the forecast surplus in 2016/17 to the value of £211.8k be approved;
- e) the Capital budget carry forwards of £1,468.5k be approved;

- f) the Treasury Management Report and Treasury position to 31 March 2016 be accepted;
- g) the use of Earmarked Reserves for 2016/17 of £66k be approved;
- h) the use of Earmarked Reserves for 2016/17 approved by the Director of Resources using Delegated Powers be noted;
- i) the amendments to the 2016/17 Capital Programme be approved; and
- j) approval be given to spend Capital budgets.

9 COMMERCIAL PROPERTY PORTFOLIO

The Council's Commercial Director presented the report, quoting that the Council's Corporate Plan Theme 3 Asset Management states:

"To support our entrepreneurial and commercial aspirations the effective yet creative use of our land and property assets is a key driver. We will use our assets to drive and facilitate inward investment and to also provide social benefits to our communities. We will ensure that our assets are in a good state of repair and our commercial tenants record high levels of satisfaction. We will strive to maximise sustainable returns on our current assets and take a strategic approach to disposals. The acquisition of any new assets will focus on maximising return on investment but will also take account of appropriate social returns where relevant."

In support of this objective the Council's Commercial Plan identified the aim of "developing and delivering a land and property programme (capital development programme) to add value and diversify the Council's property portfolio."

In March 2016, Council approved a five year capital programme as part of the Medium Term Financial Plan. The capital programme allocated £20m for the acquisition of commercial properties during 2016-2020. The report set out the proposed process for acquisition and sought approval to negotiate commercial property deals. The Chief Executive had suggested that delegation to negotiate be delegated to herself however the Committee felt that the most appropriate posts be those as set out in the report i.e. the Commercial Director and s151 Officer, following consultation, with the Leader and Chair of Policy Resources. Assurance was given that due diligence and governance would be adhered to and that the final decision on any commercial acquisitions would be put to the Committee for approval.

However it was recognised that The Leader of the Council and the Chairman of Corporate Policy and Resources were now the same person, therefore it was proposed that the recommendation be amended to be "following consultation with the Leader and Vice-Chair of Corporate Policy and Resources".

The current net book value of the Council's land and property assets was £10.9m and included 104 properties. The property portfolio included a number of retail units and offices (properties leased to commercial businesses) that generated a rental income of approximately £0.507m per annum. It was proposed that the Council sought to acquire additional commercial properties in order to extend its property portfolio and increase the annual rental income. The principles which should guide

the acquisition of new commercial properties were set out in the report.

Members felt that a minimum gross return of 8% and a net return of approximately 3% was an ambitious target, these figures however were still under review. It was also noted that consideration would be given to the acquisition of commercial properties both within the district and beyond the local authority boundaries. This would give greater scope to generate a reasonable rate of return as the Council could invest in more buoyant property markets.

It was moved and seconded that the amendment to recommendation 4 be agreed, and on being voted upon it was:

RESOLVED that the Commercial Director and s151 Officer be authorised to negotiate the acquisition of commercial properties, in consultation, with the Leader and Vice-Chair of Corporate Policy and Resources Committee.

The recommendations with the amendment were then proposed en bloc.

RESOLVED that:

- a) the acquisition of commercial properties up to a value of £5million during the financial year 2016/17 be approved in principle;
- b) commercial properties locally, regionally and nationally to respond to competitive market conditions may be acquired;
- c) the Council acquires and manages the commercial properties, in line with the agreed acquisition and disposal policy, using in-house staff resources and its retained agents;
- d) the Commercial Director and s151 Officer be authorised to negotiate the acquisition of commercial properties, in consultation, with the Leader and Vice-Chair of Corporate Policy and Resources Committee; and
- e) the Corporate Policy and Resources Committee will make the final decision on the acquisition of individual commercial properties based on the business case and due diligence.

9a PROGRESS AND DELIVERY - SERVICES - PERIOD 4

The Director of Resources presented the first of the quarterly Progress and Delivery reports for period 4, on the Council's Services.

The report provided information on those services that were either performing below their target level or had exceeded the expected performance. The report also contained information on services which were included in the last period's exceptions report, but had subsequently improved to the extent that they were not included in this report. This was to demonstrate to Members that remedial measures which had been put in place were working.

An update was then given on those issues highlighted in the Third Quarter report, namely:

- Complaints received
- Gainsborough Markets
- Local Land Charges
- Development Management
- Enforcement

Measures highlighted for the current quarter not already mentioned were then set out in the report.

- Assets and Facilities Management
- Council Tax
- Trinity Arts

Other areas which were on target and delivering as anticipated worthy of note were:

- Home Choices
- Absence management
- Staff survey

Members welcomed all the aspects of good news and commended the achievements of officers, however felt that they would like to see colour coding reinstated in the report.

The Deputy Leader felt that it was not necessarily appropriate to have a target set for complaints, as it was more about how they were dealt with, than the numbers received.

RESOLVED that, having examined the report Members were assured that the arrangements in place to oversee Services across the Council are effective.

10 PROGRESS AND DELIVERY - PROJECTS - PERIOD 4

The Director of Resources presented the second of the quarterly Progress and Delivery reports for period 4, on the Council's Projects.

The report set out the projects the council was delivering in order to meet the objectives it had set itself in the corporate plan. Only those projects which were in the "delivery stage" will be reported through this mechanism.

The following programmes/projects were designated as Amber and were considered to be at risk of delivery within agreed timescales and/or costs, or the intended outcomes are at risk of being realised. Recommendations and/or rectifications had been offered by project managers and have been considered by the relevant Boards.

- Fraud Investigation Services
- Hemswell Masterplan

One project previously designated as Amber was updated for the Committee i.e. Gainsborough South West Ward Programme.

RESOLVED that, having examined the report Members were assured that the arrangements in place to oversee Programme and Project development across the Council are effective.

11 COMMITTEE WORKPLAN

RESOLVED that the Work Plan be noted.

12 EXCLUSION OF PUBLIC AND PRESS

RESOLVED that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

13 PROGRESS AND DELIVERY - PROJECTS (CONT'D)

The Director of Resources circulated a confidential, commercially sensitive appendix to the Progress and Delivery – Projects report which summarised a current list of the Council's projects and listed their current stage of progress through the Council's Board.

Members welcomed the information and noted that it would be useful to see timelines as to projects' progress. It was acknowledged that not all projects reached stage 2 or 3, and it would also be useful to see information on those projects taken off the list either due to completion or non-pursuance.

The Director of Resources agreed to provide Members with a half yearly update on projects which reached stage 3.

The meeting concluded at 8.08 pm.

Chairman