

## **WEST LINDSEY DISTRICT COUNCIL**

MINUTES of the Meeting of the Corporate Policy and Resources Committee held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 28 July 2016 commencing at 6.30 pm.

**Present:** Councillor Jeff Summers (Chairman)  
Councillor Mrs Anne Welburn (Vice-Chairman)

Councillor Owen Bierley  
Councillor David Cotton  
Councillor Michael Devine  
Councillor Adam Duguid  
Councillor Steve England  
Councillor Ian Fleetwood  
Councillor John McNeill  
Councillor Tom Regis

**In Attendance:**  
Ian Knowles Director of Resources  
Tracey Bircumshaw Financial Services Manager  
Karen Lond Energy and Climate Change Officer  
Karen Whitfield Leisure and Cultural Services Team Manager  
Dinah Lilley Governance and Civic Officer

**Apologies:** Councillor Matthew Boles  
Councillor Reg Shore

**Membership:** No substitutes were appointed

### **31 PUBLIC PARTICIPATION PERIOD**

There was no public participation.

### **32 MINUTES OF PREVIOUS MEETING**

**RESOLVED** that the Minutes of the Meeting of the Corporate Policy and Resources Committee held on 16 June 2016 be confirmed and signed as a correct record.

**RESOLVED** that the Minutes of the Special Meeting of the Corporate Policy and Resources Committee held on 14 July 2016 be confirmed and signed as a correct record.

**RESOLVED** that the Minutes of the Meeting of the Joint Staff Consultative

Committee held on 2 June 2016 be noted.

**RESOLVED** that the Minutes of the Meeting of the Joint Staff Consultative Committee held on 7 July 2016 be noted.

### **33 DECLARATIONS OF INTEREST**

There were no declarations of interest

### **34 MATTERS ARISING SCHEDULE**

The Governance and Civic Officer noted for the Committee that one item was showing as black as having been completed, one was not yet due for completion and the Director of Resources was to give a verbal update on the remaining item.

The Director of Resources referred to the matter requesting that officers' names be included and suggested that this would not be appropriate as ultimately matters were the responsibility of the Director. The Committee therefore requested that Directors' names be included against items requiring improvement.

**RESOLVED** that progress on the Matters Arising Schedule as set out in the report be noted.

### **35 CARBON MANAGEMENT PLAN**

The Energy and Climate Change Officer introduced the updated Carbon Management Plan for approval. The Carbon Management Plan set out strategically how the Council could reduce its Carbon Dioxide emissions over the next five years and embed carbon management across the Council. The plan had been reviewed and updated but would still require further updates in due course. There were a number of references to EU policies which would need to be assessed, however there was still a commitment to the Climate Change Agreement.

The emission reduction target of 25% had not yet been reached, although 18% had been achieved. Some measurements had been difficult to quantify and assess, however the target of 35% by 2021, reduction from the baseline of 2008/09 was still in place.

Cost savings were dependent upon the energy market and fluctuating energy prices. Further work was required on the estimated revenue savings as set out in the table on page 5 of the report.

Members discussed the report and sought further clarification as to why the 25% target had not been achieved. Much of this was due to changes in the methodology of data collection however it was felt that the 35% target was achievable.

Assurance was given that the requested £130,000 did not include officer costs.

It was acknowledged that as fleet vehicles were gradually replaced more energy efficient models would be purchased, which would reduce carbon emissions and costs, thereby contributing towards the target.

The recommendations in the report were moved, seconded and voted upon.

**RESOLVED** that:

- a) West Lindsey's Carbon Management Plan be agreed and endorsed; and
- b) the release of the appropriate capital budget and £130,000 from Carbon Reduction Earmarked Reserve for the identified Carbon Management Projects over a five year period from ear marked reserves be approved; and
- c) it be noted that FITS receipts would contribute towards the corporate savings target from 2018/19 onwards (once £130K was achieved in Carbon Reduction Earmarked Reserve).

### **36 LEISURE CONTRACT REPROCUREMENT**

The Leisure and Cultural Services Team Manager set out the reason for the report as being the Council's current leisure contract with Everyone Active (previously SLM Ltd) was due to expire on 31 May 2018. The current contract included West Lindsey Leisure Centre in Gainsborough, and two chance to share facilities at De Aston School and Caistor Yarborough School.

The Council wished to take this opportunity of the impending contract end to assess future leisure provision within the District and identify a value for money solution to secure the leisure service going forward.

The background information to the existing contract was set out in the report and details of the good record of saving achieved, along with a high level of customer satisfaction.

A thorough options appraisal had been conducted seeking to identify the best value for money solution for leisure provision post the end of the current contract. As a result the recommended option was that the Council should re-procure its leisure contract but seek to do this with a surplus being provided, or at an absolute minimum that the contract should be at zero cost. Members of Prosperous Communities Committee agreed this course of action in December 2015 and supported Officers to commence a procurement exercise. The principles to form the basis of the exercise of the re-procurement contract were set out in the report at paragraph 3.2.

Following on from a strategic assessment of leisure need within the District linked to the development of the Local Plan, it had been concluded that there may be a commercial opportunity to develop a dry leisure facility in Market Rasen subject to a further business case and feasibility study. It is therefore the Council's intention to test the market to see what could be provided in Market Rasen with the proviso that this be cost neutral to the Council or generates a surplus.

Members noted they had faith in the officer in taking the project forward and moved the recommendations within the report. On being seconded the item was voted upon and it

was:

**RESOLVED** that:

- a) the procurement exercise be noted and the Procurement timetable be approved; and
- b) a further report be brought to Corporate Policy and Resources Committee once a preferred supplier had been identified.

### **37 PROGRESS & DELIVERY PERIOD 1**

The Director of Resources summarised the Progress and Delivery report for period 1 which, due to the timetable, was for April and May. The new format of the report dealt with the progress and delivery of projects which were aimed at the delivery of the corporate plan. This report highlighted those projects that had entered the delivery stage and were either off track or at risk of not delivering. The report also dealt with the progress and delivery of the services the council provided. It was an “exceptions” report and dealt with those services which were either performing above the required level or were below the target set for them. The report would also provide Members with a summary of activity across services.

Members agreed that the revised format of the report made for a clearer understanding which required little discussion or subsequent questions.

Discussion took place on the performance of the Enforcement Service and questioned why there was only one officer to deal with the volume of work involved. The Director of Resources assured Members that resources were being increased, and perhaps the method of reporting the difference between long and short cases could be considered.

Note was also made of the Affordable housing provision and the work of ACIS was commended. Further opportunities would be available through the adoption of the Central Lincolnshire Local Plan, the Devolution agenda, and also Community Infrastructure Levy.

**RESOLVED** that having reviewed the Progress and Delivery report Members were satisfied with the responses to the performance.

### **38 ANNUAL TREASURY MANAGEMENT**

The Financial Services Manager presented the Annual Treasury Management report which was a requirement of the Council’s reporting procedures. It covered the treasury activity during 2015/16 and the actual Prudential Indicators for 2015/16.

The report was similar to the Quarter 4 report which was submitted for Committee consideration in May. There had been no breaches of prudential indicators and a yield of 1.13% had been achieved against the benchmark LIBID of 0.36% which generated £281k of investment interest for the Council.

As at 31<sup>st</sup> March 2016 the Council held £20.2m of investments

Members commended the work of the Treasury Management officers and were pleased to note that the interest rate had broken the 1% barrier.

The recommendations in the report were then moved, seconded and voted upon.

**RESOLVED** that the Annual Treasury Management Report for 2015/16 be accepted and it be recommended to Council the approval of the actual 2015/16 Prudential and Treasury Indicators contained therein.

### **39 BUDGET AND TREASURY MANAGEMENT MONITORING Q1**

The Financial Services Manager summarised the Budget and Treasury Management Monitoring report for Members, noting that the £170k surplus, relating to a pension fund overpayment, previously reported to Members, was being addressed by an adjustment to the General Fund.

The report set out use of Earmarked Reserves which had been delegated for approval by the Director of Resources.

Appendix B of the report set out Fees and Charges graphs based on income and demand for services, to be reported quarterly.

A small underspend was noted in the Capital Programme.

Paragraph 6.4 of the report noted that within the capital programme there was £1,200k for the acquisition of a property to facilitate to support the regeneration of Gainsborough. Members were requested to approve up to £1,200k for the acquisition of the site.

Resurfacing of the car park at Bridge Street was proposed, at a cost of £50k, as included within the Car Parking Strategy, this will also create additional spaces in the town centre.

There had been no breaches of Prudential Indicators, and interest received had been in excess of the 7 day libid benchmark (0.36%) with an average yield of 1.30%.

The information relating to the year end accounting entries for NNDR retention and final accounting adjustments, resulted in an amount of £350k being transferred to the Business Rate Volatility Reserve. This statement was stated within the Narrative Report to the Statement of Accounts 2015/16.

Further discussion ensued and clarification was given regarding the pension fund overpayment. Members further questioned the allocation of funding of £1,200k for the acquisition of a property, and it was noted that this had been in the original capital programme for Gainsborough growth. Members sought assurance that they would be kept informed on progress with this project.

The recommendations in the report were then moved, seconded and voted upon.

**RESOLVED** that:

- a) the forecast out-turn position as at 31 May 2016 be accepted;
- b) the use of Earmarked Reserves approved by the Director of Resources

using Delegated powers be accepted;

- c) the use of Earmarked Reserves of £230k (£93.5k in 2016/17) be approved;
- d) the reduced Pension Deficit payment of £170.8k be returned to General Fund balances be approved;
- e) the incurring of Capital expenditure be approved
- f) the amendments to the Capital and Revenue budget, including creating budgets for projects funded by grants and not included in the original Capital Programme be approved; and
- g) the Treasury Management Report and Treasury position to 31 May 2016 be accepted.

#### **40 MEMBERS UPDATE ON ICT RELATED MATTERS**

The Director of Resources gave Members an update on progress against the ICT Action Plan which had been presented in November 2015, and set out the current position in relation to the development of the ICT Strategy.

Significant progress had been made and Enterprise Architecture was now in place. More people in the organisation were engaged assisting in delivery of service to residents. The main highlights were set out in the report as being:

- The implementation of the Council's new web-site incorporating selfserve and improved design/layout
- The appointment of a replacement ICT Shared Services Manager
- The creation of the role of Intelligent Client to support systems development
- The implementation of 'Enterprise Architecture' and associated principles to facilitate consistent yet robust ICT related decision making
- Identification and reporting of relevant ICT related performance metrics
- Implementation of a shared ICT help-desk across both WLDC & NKDC with improved automation and reporting facilities
- Consideration paid to the Council's ICT refresh approach
- Revised ICT Incident Management Policy produced
- Commencement of review of telephony requirements

The ICT Strategy was under development and would be reported back to Committee for approval in due course.

Consideration had been given as to whether a rolling refresh was the most appropriate way of replacement, and the cost implications considered against a need to maintain up to date equipment. The current Samsung tablets were no longer available. It was suggested that a refresh take place on a needs basis and a full replacement within 18 months.

**RESOLVED** that the approach taken be supported and associated developments noted.

#### **41 WEST LINDSEY TRADING COMPANY**

The Director of Resources noted that as the Commercial Director was on leave and had submitted apologies for the meeting he would update the Committee.

Following the acquisition of SureStaff the purpose of the report was to consider the establishment of a group of trading companies to support the Council's commercial activities.

The report set out the proposed structure and management and set out clarity regarding shareholders, removing conflicts of interest wherever possible. Advice had been taken from KPMG.

Initially the companies in the group structure would be configured as a 'Teckal' company (WLDC Staffing Services Ltd). This would enable the company to trade directly with the council, and potentially other public sector bodies. A Teckal company would provide Services to the Council and other legal persons controlled by the Council (within the meaning of regulation 12 of the Public Contracts Regulations 2015) in accordance with any business plan then in force and on terms agreed between the Teckal Company and the Council.

Once a group holding company was established with approved Articles of Association and Shareholder agreement, any future subsidiaries that the Council be created through a 'Deed of Adherence'. In essence, this meant that any subsidiary companies will be bound by the approved Articles and Shareholder agreement. This did not preclude the Council from establishing other companies or Special Purpose Vehicles outside this structure.

Some Members of the Committee spoke as members of the Council's Commercial Steering Group and agreed that the project was a good idea. It was questioned whether Members would see management accounts. The Director of Resources stated that as a non-executive Director he would see the accounts and would present a summary to the Committee as part of the Annual Business Plan.

Members welcomed the start of a new era and new way of working for the Council, following changes to Government legislation. It was acknowledged that it was a balancing act to give freedom to act whilst maintaining supervision, but Members were satisfied that the model was robust.

Discussion ensued as to whether it would be feasible for a Councillor to be a representative on the board, whether the Chief Executive was an appropriate appointment, or whether an independent person should be appointed.

Councillor McNeill proposed an additional recommendation that an independent person be appointed. It was noted that the Council already had a number of independent persons appointed, particularly those lay members on the Governance and Audit Committee. It was noted however that this would incur additional costs not accounted for. But Members felt that it would add objectivity, independence and robust scrutiny.

It was moved and seconded and on being voted upon it was **RESOLVED** that a further recommendation be added to authorise the appointment of a suitable independent person as a non-executive Director in time for the Company's second AGM.

The recommendations were then moved en bloc and on being seconded and voted upon it was:

**RESOLVED** that:

- a) it be recommended for Council approval the proposed group structure for trading companies (the trading arm) to facilitate the return of profits to the Council which can be used to ensure the sustainable delivery of front line services;
- b) it be recommended that Council delegates authority to the Committee for approval of annual business plans and accounts for the Group Holding Company and its individual subsidiaries;
- c) it be recommended to Council that it approves the Shareholder Agreement for the Group Holding Company and its associated subsidiaries;
- d) it be recommended to Council that it approves the Articles of Association for the Group Holding Company and its associated subsidiaries;
- e) it be recommended to Council the nomination of the Commercial Director as Company Director and Chief Executive as Non-Executive Director for the Group Holding Company (WLDC Trading Ltd) and its Sure Staff subsidiaries (Sure Staff Lincs Ltd and WLDC Staffing Services Ltd);
- f) it be recommended to Council the nomination of the S151 Officer, (the Director of Resources) as the Council's Shareholder representative;
- g) authority be delegated to the Council's Section 151 Officer and the appointed Director of the SureStaff subsidiaries to agree the format and content of a Resourcing Agreement for the supply of services by the Council; and
- h) it be recommended to Council authority to appoint a suitable independent person as a non-executive Director in time for the second AGM.

## **42 COMMITTEE WORK PLAN**

With regard to the setting of fees and charges it was requested that communication be ensured in order for Parish Councils to have sufficient information in order to set their own precepts. Members also noted that it was not widely known that Parish Councils were able to purchase Council services such as grass cutting.

The Director of Resources informed the Committee that communication had been sent to Parish Councils that week and that he would forward said letter to Members for their information.

**RESOLVED** that the Work Plan be noted.

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Subject to Call-in. Call-in will expire at 5pm on 17 August 2016

The meeting concluded at 7.55 pm.

Chairman