

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Corporate Policy and Resources Committee held in the Council Chamber - The Guildhall on 4 December 2019 commencing at 6.30 pm.

Present: Councillor Giles McNeill (Chairman)
Councillor Mrs Anne Welburn (Vice-Chairman)

Councillor Owen Bierley
Councillor Stephen Bunney
Councillor Michael Devine
Councillor Ian Fleetwood
Councillor Paul Howitt-Cowan
Councillor John McNeill
Councillor Mrs Jessie Milne
Councillor Mrs Mandy Snee
Councillor Trevor Young

In Attendance:

Eve Fawcett-Moralee	Executive Director of Economic and Commercial Growth
Ian Knowles	Executive Director of Resources, Head of Paid Service and S151 Officer
Michelle Carrington	Strategic Lead Customer First
Amanda Bouttell	Senior Project and Growth Officer
Holly Hansard	Home Choices Apprentice
Alison McCulloch	Revenues Manager
Amy Potts	Senior Project Support Officer
Gary Reeve	Property & Assets Manager
Ady Selby	Assistant Director Operations
James Welbourn	Democratic and Civic Officer

Apologies: Councillor Matthew Boles
Councillor David Cotton
Councillor Robert Waller

Membership: Councillor Jessie Milne substituted for Councillor Robert Waller

50 VARIATION OF THE AGENDA

With the agreement of Committee, the Chairman proposed that the 'Made in Gainsborough' item be the first item considered after 'matters arising'.

51 PUBLIC PARTICIPATION PERIOD

There was no public participation.

52 MINUTES OF PREVIOUS MEETING

The minutes of the meeting held on 7 November 2019 were approved as a correct record.

53 DECLARATIONS OF INTEREST

There were no declarations of interest.

54 MATTERS ARISING SCHEDULE

The Chairman asked officers to investigate whether it would be possible for them to gather information of their own regarding the Leisure Centre Contract matter, rather than receiving a subset of data.

The results of this query would be fed back into a future meeting.

The remaining matters were noted.

55 MADE IN GAINSBOROUGH PHASE 2

Members considered a report on the delivery of a Level 2 and 3 Engineering Apprenticeship Programme within Gainsborough in partnership with the Lincoln College Group and the Made in Gainsborough Engineering Consortium.

The Senior Project and Growth Officer introduced the report, and informed Members of the following:

- The project had started initially as a direct request from employers in Gainsborough;
- At a national level, the number of apprenticeship starters had reduced; the Apprenticeship Levy introduced in 2017 had not fulfilled its full purpose;
- In 2017, The College Consortium, West Lindsey District Council, and a local consortium worked together on a two year programme for apprentices;
- 100% of the course needed to be developed in Gainsborough. To achieve this, the college in Gainsborough had had to reconfigure its existing premises. This had incurred additional costs, and which were required to cover fixtures and fittings;
- Part of phase 1 of the project was still to be completed. Phase 1 included a welding and fabrication workshop; phase 2 contained milling and turning capabilities;

Following this introduction, Mark Locking from the Lincoln College Group addressed Members, and added the following points:

- The aim was to make Gainsborough College an exemplar of performance in mechanical engineering and construction;

- £168,000 was invested collectively as a community to create a successful programme. Last year, 20 students were recruited (consisting of 16 apprenticeships, 4 students on a full-time programme), working with 10 local employers;
- 100% of the students that finished in the previous educational year received distinctions in their endpoint assessments. It was believed that part of the reason for this success was because the programme was intensive at 5 days week;
- 65% of those students resided in Gainsborough; the rest were from areas in, and just outside the district of West Lindsey;
- The programme cannot develop without the necessary funding. Students were on occasion travelling to Lincoln as part of their studies; however an aim of the programme was to keep students local to Gainsborough.

Members then provided comment on the report:

- The report epitomised what can be achieved by partnership working – the results were hugely encouraging. What was also encouraging was the number of applications to join the course;
- In a rural area with a tradition of engineering it was important to attract the best investment possible;
- The apprenticeship scheme was an excellent way of regenerating industry;

Officers were thanked for their support on this project.

RESOLVED to:

- (1) Support the proposal for officers to seek external funding for the project as a priority;
- (2) Approve the request to re-allocate up to £75,000 of the Investment for Growth Earmarked Reserve designated for Phase 1 to gap fund Phase 2 of the project. This will only be utilised should the project be unsuccessful in securing external funds as outlined in (1) above and subject to the project meeting required due diligence outlined within the Gainsborough Growth Fund (GGF) process;
- (3) Agree to delegate the signing of any funding agreement to the Executive Director of Resources in consultation with the Chairman of the Corporate Policy and Resources Committee.

56 CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEM

Members considered a report proposing procurement of a Customer Relationship Management System (CRM), including drawdown of capital monies and the provision of

transitional revenue monies.

The Strategic Lead for Customer First introduced the report, and highlighted the following points:

- West Lindsey District Council (WLDC) was undertaking a transformational programme, with a vision of putting customers at the centre of everything it did. Further service efficiencies were being sought when looking at how customers access Council services;
- WLDC had a range of IT systems focussed on specific services. This range of systems could make it tough on the customer experience, and could also make it difficult to relay information from the back office to customer facing staff;
- A number of the systems currently in place were old; these old systems did not have the capability to take advantage of technological advances;
- One proposal was to adopt CRM software. This was aimed at the customer, and holding all of their requests in one place. It would also allow for better communication with customers;
- A soft market test had been undertaken on CRM systems; some of the current WLDC processes could be run through these systems. New modern technology was taken into account during this testing; it also gave a wider understanding of the current state of the market, and identified a cost envelope;
- The soft market test also identified a set of benefits, and how software could be used to generate savings. One of these benefits would be that more vulnerable customers could be highlighted to staff.

Following this introduction, Members asked questions of officers present. Further information was provided:

- It was not possible to demonstrate a working product at this point because the tendering process was still underway. However it would be possible to demonstrate any new product to Members once it had been chosen.

Officers were looking for a capable product that would support CRM style technology;

- It was expected that any new system would fall within a government framework of 4 years; however it should last between 7-10 years, but this could not be guaranteed. Officers wanted a product capable of being supported, as well as leaving scope for growth over a 4 year term;
- Testing of the product would have to form part of any contract; it would be imperative that officers were satisfied with any product that they purchased;
- When addressing a concern that the product may be considered inexpensive at £130,000, the Strategic Lead for Customer First informed Members that market

leading products had been looked at and would be considered, however some of these market leading, or larger systems would have more functionality than a small district would ever need;

- There were three parts to purchasing a new system; procurement, ongoing support and maintenance, and implementation;
- WLDC did not want to be reliant on expensive consultative staff from those larger, pricier suppliers. The new system was seen as an opportunity to develop existing staff.

RESOLVED to:

- (1) Commence a procurement of a CRM system and award to the preferred supplier;
- (2) Approve the drawdown of up to £130,000 of monies from the existing Customer First Capital Budget to cover the cost of the implementation activities.

57 ENTERPRISE RESOURCE PLANNING (ERP) - FINANCE SYSTEM

Members considered a report regarding the potential replacement of the current finance system with a new product.

The Executive Director of Resources introduced the report and raised the following points:

- The current finance system had been in place since 1999, although it had been upgraded in 2008;
- A new system gave the opportunity for a fully integrated enterprise system in the future;
- There had originally been an idea of buying one platform to look after both Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM); however it had since become clear that the market cannot provide such a product.

Integrating these products in the future would be something that can be worked at; it was anticipated that the new systems would be retained for 7-10 years;

- The new finance system would not be just basic accounting software; it would be able to extend into other areas;
- The Finance department had undergone a full review in 2018 with support from the Chartered Institute of Public Finance and Accountancy (CIPFA). This review highlighted that data processing was taking place outside of the existing finance system in spreadsheets; it was proposed that the specification for the new system would include a full reporting suite which would allow processing to take place within the finance system. This in turn would give improvements on budgeting processes;

- It was anticipated that further efficiencies would emerge after the introduction of the new system. This would be looked at in future business cases.

Members then asked questions of officers present; further information was provided:

- The report mentions 'high risk' in implementing a new system; Members were assured that although there was a risk in implementing a new system, this would be the case with any new product replacing a system that had been in place for some time.

There would be an effort to mitigate risks at every available opportunity;

- An example of budget monitoring was given; managers would be able to enter reports directly onto the system;
- WLDC worked with two other authorities on a shared finance system, however this was halted during the procurement process. There was a partnership in place with North Kesteven District Council for the IT systems; however they were not ready to take this step with their finance system. Working with partners can be beneficial if they were ready to change systems at the same time;
- The wider market for these products was quite confusing, as it seemed possible to buy a multitude of different products, and there didn't seem to be one recommended template for a finance system;
- WLDC had been through 3 market engagements, leading to the recommendation of a preferred Cloud system as it appeared to be more cost effective. In the future, the costs of the Cloud system would ultimately reduce.

RESOLVED to:

- (1) Approve the acquisition of a new Enterprise Resource Planning (ERP) system for Finance, incorporating Performance Management from the capital budget of £270,000 funded from the Project Investment Reserve;
- (2) Support the development of the Enterprise Resource Planning system to enable future integrated corporate systems to transition to Enterprise Resource Planning at a suitable time.

58 5-7 MARKET PLACE REFURBISHMENT

Members considered a report investigating the refurbishment of 5-7 Market Place, Gainsborough.

The Executive Director for Economic and Commercial Growth gave an introduction to the report. The building was purchased back in 2013, and had been a cost to the Authority ever since. Structural repairs were carried out in 2016, and helped formed the current overview of the building.

£75,000 of the capital budget spend was from the Local Enterprise Partnership (LEP) Living Over the Shop fund; a minimum of £72,000 was from the Townscape Heritage Fund, and £15,000 was the grant for Gainsborough Shop Fronts. The remaining £376,500 was funded from Capital Receipts.

It was envisaged that the proposed refurbishment would lead to a payback for WLDC in 15-25 years.

Overview and Scrutiny Committee had made 5 recommendations at their meeting on 12 November. Two of these recommendations ('the report should be succinct with 3 clearly identified options', and 'a simplified cash flow') were actioned within the report. The remaining 3 recommendations were outlined and answered by the Executive Director for Economic and Commercial Growth and the Chairman of the Committee:

- *The scheme should have a cost plan* – this scheme was at a pre-commencement stage of the works, so there was a good indication of costs. If the report were approved, then the project would move onto the next stage, and there would be a detailed cost plan as part of the contract;
- *Using local labour* – this would be selected using a framework scheme;
- *A site visit be undertaken prior to any decision being taken* – this could potentially prejudice any decision taken by the Planning Committee should those Planning Members on Corporate Policy and Resources Committee be present.

Members then provided comment on the report, and asked questions of officers. Comments against the proposals were provided:

- A great deal of money had been spent on this property already;
- It was hard to see who would want to live in the town centre in market square; conversion into flats was a risk;
- The yearly rental returns were £6000;
- Other options, such as de-listing the property or giving it away should be considered;
- The Brexit process may cast doubts on current figures projected for the development.

Comments in favour of the report were provided:

- A similar townscape heritage initiative in Caistor had been transformational in the town;
- Heritage comes at a price; Market Street was in the process of regeneration, and now the buildings in Market Square needed to be looked at as it could be a platform for future development;

- The project had some value over time, and could come with social benefits. Having people in place in new flats in that area would be beneficial for the town;

Officers provided information on the points raised:

- The Townscape Heritage bid has to be highly specific rather than broad. The approach from WLDC would be specific and be about building repairs;
- Regeneration on other projects in the town was progressing well; the new cinema would take up a large portion of frontage in the town centre;
- Other options had been looked into. One of these options would be to sell, or to put the property up for auction. There had been no confirmed interest in the property in previous years. In addition, because of townscape heritage officers believed it was right to take responsibility for this property rather than transferring ownership to a third party.

Another option would be to add this property into the Market Street Renewal project; however this could lead to 5-7 Market Place getting a lower standard of renovation;

- The likelihood of being able to rent the new flats would be looked into;
- Officers were trying to reverse the stigmatisation of the town centre as a place to avoid by the process of regeneration;
- Historic spend on the property was considered in financial terms as 'sunk'; i.e. these were costs that could not be recovered as they had already been spent. The money that had already been spent on the property had brought the asset to its current state and should not be included in current or future investment decisions;
- If the property were de-listed, then it would not be looked on favourably by English Heritage;
- Giving the property away with a 'dowry' to do the works had also been explored but discounted;
- The conversion of the property would be over three floors, with high quality flats as part of this. The shop unit on the bottom floor was small. There would be very little else that could be done with this building, other than a 'shell and core' renovation, resulting in letting the building as an office.
- Valuation reports always include caveats on risky events such as Brexit. A decision on this building had been pending for a number of years.

At the end of discussion, an alternative recommendation to defer the item to a future date was moved and seconded; this motion to defer the item was put to the vote. Cllrs Young and Bunney requested that this vote be recorded. The results were:

For deferral: Cllrs Bunney, M Snee and Young.

Against deferral: Cllrs Bierley, Devine, Fleetwood, Howitt-Cowan, G McNeill, J McNeill, Milne and Welburn

The motion to amend the recommendations was not carried.

The vote then reverted back to the original recommendations in the report – these were taken en bloc. Again, Cllrs Young and Bunney requested that the vote be recorded. The results were:

For: Cllrs Bierley, Devine, Fleetwood, Howitt-Cowan, G McNeill, J McNeill, Milne and Welburn.

Against: Cllrs Bunney, M Snee and Young.

Therefore, it was:

RESOLVED to:

(1) Approve the capital budget of up to £538,500 (including £68,500 client owned risk register) and expenditure to obtain:

- a finalised design;
- statutory approvals; and
- carry out the associated construction works

to convert the current building at 5-7 Market Place, Gainsborough into three flats and a ground floor commercial unit as an ongoing rental stream. This scheme is to be funded from the capital receipts net of any grant awards received.

(2) Note the recommendations from Overview and Scrutiny Committee.

59 ENFORCEMENT OF THE DOMESTIC MINIMUM LEVEL OF ENERGY EFFICIENCY

Members considered a report on the proposed introduction of a penalty charge of up to £5,000 relating to the Minimum Level of Energy Efficiency Regulations 2015.

Members and officers provided comment on the report:

- More work with landlords could have been demonstrated within the report; in particular assistance from the Authority to landlords in meeting these requirements around energy efficiency;
- The report was purely about energy efficiency, and only affected private landlords and not social landlords;

- In the future, unpalatable decisions may need to be made to meet the target of carbon neutrality;
- The penalty charge should be used to encourage less effective landlords to raise standards, rather than being used as a punishment against good landlords.

The Chairman moved a second recommendation from the Chair regarding investigating what could be done with any potential profits from this scheme, which was seconded and agreed to by committee. It was then:

RESOLVED to:

- (1) Approve the introduction of the penalty charge of up to £5,000 relating to the Minimum Level of Energy Efficiency Regulations 2015;
- (2) Request that proposals be brought forward to Corporate Policy and Resources Committee to see if any monies from this scheme could be used for remedial works to properties; this would be subject to eligibility.

60 MAINTENANCE POLICY OF PROPERTY & PHYSICAL ASSETS

Members considered a report on a Maintenance Policy of Property and Physical Assets, which would provide the principle of actions to be adopted by WLDC with regards to maintenance of all of its physical assets.

The Team Manager for Property and Assets introduced the item, and raised the following points:

- There was a drive to improve the current system for looking after physical assets by introducing this policy. A ranking system could be introduced when looking at planned maintenance;
- The criticality of buildings was covered; whether there would be genuine reasons to spend money earlier on buildings, possibly due to health and safety compliance;
- There were industry standard general ratings within the report of 1-4, or A-D when looking at the condition of buildings. On 4 December there had been a five year pilot survey carried out by surveyors as part of a conditions survey they hope to have finished by the end of January 2020, looking at some of WLDC's operational assets;
- WLDC had a good stock of physical assets, and would look to improve it where it could. This would be followed up with a utilisation policy.

RESOLVED to note the requirements of managing and maintaining public assets and approve the Maintenance Policy.

61 LOCAL COUNCIL TAX SUPPORT SCHEME FOR 2020/21

Members considered the Local Council Tax Support Scheme for 2020/21.

The Revenues Manager introduced the report and informed Members that there was no proposed change to the scheme from the previous year.

A study on universal credit claimants showed that the collection rate for Council Tax as of 1 December was 3% higher than at the same time last year. This gives Council officers the opportunity to improve their budgeting.

RESOLVED to:

- (1) Note the contents of the report and;
- (2) Recommend that **Full Council** adopt Option 1 of the report for the Local Council Tax Support Scheme for West Lindsey District Council for 2020/21.

62 CHANGE OF MEETING DATE - PLANNING

Committee agreed to move the planned date for Planning Committee from 24 June 2020 to 17 June 2020.

63 COMMITTEE WORK PLAN

The workplan was noted, whilst acknowledging that the Whistleblowing report scheduled for January may not come to committee.

64 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 involved the likely disclosure of exempt information as defined in paragraphs 1, 2 and 3 of Part 1 of Schedule 12A of the Act.

65 NATIONAL NON DOMESTIC RATES, SUNDRY DEBTORS, COUNCIL TAX AND HOUSING BENEFIT OVERPAYMENTS WRITE OFFS

Members considered a report detailing irrecoverable debts.

The Revenues Manager outlined that the team took recovery action in respect of all debts; bills were issued, along with reminders and summonses. When it came to liquidation, the local authority was not classed as a preferential creditor, and there would be no further recovery action in those cases. Those types of debts could either be written off, or they remained on the accounts.

RESOLVED to:

- (1) Write off arrears of National Non Domestic rates to the value of £215,291.50;
- (2) Write off arrears of Housing Benefit Overpayments to the value of £40,789.65;

(3) Write off arrears of Council Tax to the value of £7,363.69;

(4) Write off arrears of Sundry Debts to the value of £15,000.

66 NEW OPERATIONAL DEPOT UPDATE

Members considered a report on the options for the development of the new operational depot, along with the request for additional funding.

All work had been guided around a central depot to allow safe and efficient services to the residents of West Lindsey.

There were two designs - a fully future proofed site, and a scaled down option. Costs for the fully future proofed site had increased, as the original costs were based on an 'in-principle' design. This was proposed to be a bigger site needing more materials.

The site in question was on a slope, and this needed to be addressed for drainage purposes.

Overall costs had been reduced by looking at:

- Reworking buildings to cut drainage costs;
- Reduced landscaping costs;
- Reduced fixtures and fittings.

It was also likely that food waste would be collected from 2023, as all indicators showed that the UK would adopt EU legislation on this matter. There was also likely to be the adoption of separate collections of paper and cardboard.

If a smaller site was adopted, it would lead to larger costs in the future.

Whilst most comments from Members were favourable, there was a warning that costs should remain in the updated agreed envelope.

RESOLVED to:

- (1) Accept option 1 – a future proofed design, as detailed in the report;
- (2) Approve an increase to the approved capital budget (+/- 10%) for land purchase and construction of an Operational Depot, including all costs, as detailed in the report;
- (3) Approve expenditure for the delivery of a new Operational Depot (+/-10%), as detailed in the report.

The meeting concluded at 8.49 pm.

Corporate Policy and Resources Committee- 4 December 2019
Subject to Call-in. Call-in will expire at 5pm on 23 December 2019

Chairman