

WEST LINDSEY DISTRICT COUNCIL

MINUTES of the Meeting of the Corporate Policy and Resources Committee held in the Virtual - MS Teams on 5 November 2020 commencing at 6.30 pm.

Present: Councillor Mrs Anne Welburn (Chairman)
Councillor Paul Howitt-Cowan (Vice-Chairman)

Councillor Owen Bierley
Councillor Matthew Boles
Councillor Stephen Bunney
Councillor David Cotton
Councillor Michael Devine
Councillor Ian Fleetwood
Councillor Giles McNeill
Councillor John McNeill
Councillor Mrs Jessie Milne
Councillor Mrs Mandy Snee
Councillor Jeff Summers
Councillor Trevor Young

In Attendance:

Tracey Bircumshaw	Assistant Director of Finance and Property Services and Section 151 Officer
Caroline Capon	Corporate Finance Team Leader
Ellen King	Senior Performance Officer
David Kirkup	Senior Property Strategy and Projects Officer
Steve Leary	Commercial Waste Manager
Sue Leversedge	Business Support Team Leader
Gary Reeve	Property & Assets Manager
Ady Selby	Assistant Director of Commercial and Operational Services
Ele Snow	Democratic and Civic Officer
James Welbourn	Democratic and Civic Officer

Apologies: Councillor Robert Waller

Membership: Councillor Robert Waller was substituted by Councillor Jessie Milne

36 PUBLIC PARTICIPATION PERIOD

There was no public participation.

37 DECLARATIONS OF INTERESTS

There were no declarations of interests at this stage of the meeting.

38 MINUTES OF PREVIOUS MEETING(S)

The minutes of the Corporate Policy and Resources Committee meeting held on 17 September were approved as a correct record.

The minutes of the Joint Staff Consultative Committee meetings held on 3 September and 1 October were noted.

39 MATTERS ARISING

The matter arising was noted.

40 FLEXIBLE PARKING PERMITS

Members considered a report responding to a previous request by this committee to consider options for parking permits.

The Senior Property Strategy and Projects Officer introduced the report, and highlighted the following points:

- Payment for parking in both Market Rasen and Gainsborough can be made at pay and display machines, via a mobile phone application or by purchasing a permit;
- Permits were issued for either 5 or 6 day periods. Previously, permits had been more competitively priced; at one point in time, a monthly direct debit was the equivalent of the cost of three days of 'normal' parking. The cost of parking had since increased in two phases;
- There had recently been interest from staff in an alternative to 5 or 6 day payment; however there had been no consensus in this interest as to what period of time would be the most popular;
- A virtual based permit system had been looked into; however this was an increase in cost over the current paper based system; in addition a system of this type would be operated by an external company;
- A scratchcard system had been considered. These cards would be valid for a month, but it would be for the authority to decide what sort of discount would be applied. This system did allow for pre-payment;
- Based on the current cost of a daily ticket over the course of a year, whilst factoring in public holidays, the permits as they stood now were the equivalent of two days parking per week at full price.

Following this introduction, Members asked questions of officers and provided comment on the report, detailed below:

- The only car parks in the district managed by the authority were in Market Rasen and Gainsborough;
- Car parking could well be a crucial aspect of how Market Rasen and Gainsborough were seen as in terms of shopping locations. If possible, it would be good to see the car parking strategy review taking place as the district comes out of Covid-19 restrictions;
- The current system of permits was paper based and they were prepared by Customer Services staff. There was an existing database of permit holders.

Although in theory it would be relatively easy to write onto the permits the days of the week people were able to park, there was not currently the fees and charges structure to support the many different ways in which people pay;

- One Member pointed out that the current car parking strategy was not making money for the authority.

The recommendations were moved, seconded, and it was unanimously **RESOLVED** to:

- (1) Retain the current permit tariffs as there were still being sold in viable numbers;
- (2) Include a request for views in the forthcoming consultation on the next Car Park Strategy to assess demand for alternative permit options, which would include scratch cards.

41 FREE PARKING FOR CHRISTMAS MARKETS

Members considered a request to suspend parking charges in Market Rasen and Gainsborough on days when Christmas Markets were held.

Due to the change in the government guidance on Covid-19, a change to the printed recommendations was moved and seconded, and it was unanimously **RESOLVED** to suspend parking charges in Market Rasen and Gainsborough on the occasion of their respective Christmas Markets 2020, if they were Covid-19 permissible.

42 SOLAR PHOTOVOLTAIC PROPOSAL FOR NEW DEPOT

Members considered a report on a grant funding bid for solar photovoltaic panels for the new central waste depot. In the event that the proposed bid was unsuccessful, there was an alternative in the form of the Carbon Management Reserve Fund.

The Assistant Director of Commercial and Operational Services introduced the report and highlighted the following points:

- The current design of the new depot incorporated electric charging points, with heating and hot water provided by heat source pumps. It would also be fitted with insulated double glazing;

- The addition of solar photovoltaic (PV) panels would add to the authority's commitment to reduce harmful CO2 emissions;
- The other options with the PV panels would be to:
 - Do nothing – the depot would not have PV panels;
 - Have a smaller setup;
 - Install the panels at a later date.
- The total cost was estimated to be £43,000. There was some funding available under a government scheme, and the new depot seemed to fulfil a lot of the criteria. If the bid to the government were to be unsuccessful, then the authority could underwrite the funding by using the Carbon Management Reserve Fund;
- The authority would go into a bidding process, and there was the possibility of gaining funding for other climate-friendly additions for the new depot.

Following this introduction, Members asked questions of officers. The responses are detailed below:

- Depreciation of the panels had been factored in when thinking about this project.

Over time, the panels would become slightly less efficient, but would be paid off within 15 years. A conservative estimate of their lifespan would be 20 years, and there was room for their efficiency to increase. There would be a business case for this project even without grant funding;

- The Carbon Trust, who were currently working with West Lindsey District Council (WLDC) were recommending to all Councils that solar panels be considered wherever possible;
- Other authorities were running electric bin lorry fleets. The issue for WLDC would be the geography of the district; the lorries already weigh 10 tonnes when full of material, and the number of batteries required to power them would weigh them down still further.

Diesel continued to be the best power for the fleet for now, but options around moving to an electric fleet were explored through the Lincolnshire Waste Partnership;

- There were two electric vehicle charging points at the new depot, and the intention would be to first look at the supervisor vans and consider making them electrically powered;
- One project being explored with the Carbon Trust was the decarbonisation of the entire fleet;
- An additional, speculative bid was being made for battery storage. Any extra energy produced on site would then go into battery storage to be used efficiently at a later date.

The recommendations were then moved, seconded and it was unanimously **RESOLVED** to:

- (1) Approve an application for funding to the Public Sector Decarbonisation Scheme for installation of Solar Photovoltaic Panels at the new central waste depot at Caenby Corner;
- (2) Approve a capital budget of up to £50,000 for 2021/2022 and subsequent expenditure, for the installation of Solar Photovoltaic Panels to be funded by grant and/or the Carbon Management Reserve, dependent on the level of grant funding received.

The Assistant Director for Operational and Commercial Services is to consult with the Chairman of the Corporate Policy and Resources Committee when the result of the grant bid is known.

- (3) Ratify the award of work via the project contractor (subject to any conditions imposed by an award of funding);
- (4) Note and endorse the measures to improve energy efficiency at the new depot and approve that they are in line with Council aims to achieve energy sustainability in all Council controlled premises.

43 PROGRESS AND DELIVERY REPORT, QUARTER TWO 2020-21

Members considered the Progress and Delivery report for quarter 2 (July to September) 2020/2021.

The format of the report was new, as were the types of measures being reported. Discussion of the report was broken down into sections of the organisation, the first of which was the new layout:

- There needed to be assurance given within the commentary in the report about what service areas needed to do in the next quarter, particularly those service areas that were underperforming. It may be that some service areas had valid reasons for their underperformance, but this wasn't clear from the commentary at present.

The Senior Performance Officer reminded Members that this was the first iteration of this report and there would be more detail on points raised during the next report cycle;

- It may be useful to have a code to link key performance indicators (kpis) to commentary elsewhere in the report;
- Overall, 54% of kpis were above target, 19% were meeting their target, and 27% were below target. Of those measures exceeding their target, 75% had been above target for two quarters or more. Of those below target, 25% had been below target for two quarters or more. Where performance was below target, it was overwhelmingly because of Covid 19 – some underperformance was likely to continue due to new national restrictions;

- The measures below target included the West Lindsey Leisure Centre, markets, car parking income, disabled facility grants, and those around food standards safety inspections, and empty properties.

The next section of the report discussed was Corporate Health:

- During the last two quarters staff sickness absence had increased on previous reports; however WLDC was benchmarked against other similar-sized Councils and was currently out-performing them in this category;
- One Member felt that lowering the target for percentage of complaints where the Council was deemed to be at fault could improve the service. Officers agreed to take this point back to the Customer Service Manager. In addition, a light touch review on Progress and Delivery was about to be embarked upon.

Members then commented on, and asked questions of Homes and Communities Performance. The following information was provided:

- The target for 'number of nights spent in Bed and Breakfast (B and B) accommodation was a statutory target set by government at 0. This meant it was unlikely to ever be met. However, the target remained at 0 rather than be changed as the authority did not want to place people into B and B. WLDC had recently been informed of some grant funding that would be put towards 6 units of accommodation;
- The wording of the target 'number of households prevented from becoming homeless would be looked at during the light touch review.

The next topic was the Operational and Commercial Performance Summary:

- The target for missed bins was collection within 5 days, although in most cases it would be 24 hours;
- Fly tipping target times did depend on the land type; in the town centre it would be 24 hours, whereas in more rural areas it would be up to 14 days. However, this target time was usually beaten;
- The 'Together 24' programme would review how effectively services were being used. Where there was over achievement on targets, there could be some room to achieve savings in some areas;

Note: Councillor David Cotton declared a personal interest in the paper before speaking on the crematorium as he was often called to officiate there.

- The staff at the crematorium were fantastic and had coped very well with the constant changing of rules and guidance around ceremonies;
- The intention for the Progress and Delivery paper would be to have targets for next year using this year's data. The income and expenditure levels were where they

were expected to be; the target income for the crematorium was £173,124, and the actual income had been approximately £2,000 higher;

- One area of the crematorium grounds had not yet been developed, but a stage 2 consultation was underway to determine who would be contracted to maintain this section. A report would come to this committee in early 2021;
- The figure for 'number of outreach users' related to the leisure centre did include medical referrals.

The Chairman thanked the Senior Performance Officer for the report and also thanked members for the points raised during discussion of the paper. The paper was then duly noted.

44 BUDGET AND TREASURY MONITORING PERIOD 2 2020/21

Members considered a report setting out the revenue, capital and treasury management activity from 1 April to 30 September 2020.

The highlights from the report were as follows:

- In relation to the outturn position for 'business as usual' revenue budgets, i.e. not related to Covid-19, the forecast contribution to reserves was £905,000, excluding a forecast underspend of £326,000 proposed to be carried forward;
- £1.531 million had been received in grant income to cover additional expenditure incurred. There was also funding assistance from government to the amount of £0.55 million. Based on current forecasting of the impact of Covid 19 on budgets, the authority needed to absorb a pressure of £0.448 million;
- The net contribution to general fund balances including money carried forward was forecast at £0.783 million, bringing the balance of the general fund at the end of the year to £4.624 million;
- The forecasted capital outturn position was a variance of £14.023 million;
- Total investments as of the end of September were £19.122 million achieving an average interest rate of 0.842%;
- It was proposed to approve the use of earmarked reserves of £80,000 from investment for growth for legal and consultancy spends for growth projects;
- Fees and charges were proposed to be amended for the crematorium, street naming and numbering, and the Trinity Arts Centre. The Trinity Arts Centre was successful in a £197,000 bid to the Treasury's Cultural Recovery Fund, and Members were being asked to approve the budgets and expenditure related to the bid monies.

Note: Councillor David Cotton again declared a personal interest as fees and charges involving the crematorium were being considered; he performed ministerial duties at the crematorium. This personal interest did not preclude him from speaking, or voting

on this item.

Thanks were extended to Finance staff involved in this paper for their work during the pandemic.

The paper was moved, seconded, and it was unanimously **RESOLVED** to:

- (1) Accept the forecast out-turn position of a £905k net contribution to reserves as at 30th September 2020 (see Section 2) relating to business as usual activity.
- (2) Approve the use of Earmarked Reserves (2.4.1 of the report).
- (3) Accept the use of Earmarked Reserves during the quarter approved by the Chief Finance Officer using Delegated powers (2.4.2 of the report).
- (4) Approve the amendment to the fees and charges schedules (2.3.2 of the report), to be effective immediately and **recommend to Council** any new Fees and Charges be implemented immediately.
- (5) Approve budgets and expenditure for the use of the £196,690 Cultural Recovery Fund Grant in accordance with the Bid; £39,550 Capital, £33,500 transfer to Levy Reserve, and £123,635 Revenue.
- (6) Approve the Capital Budget amendments as detailed in 3.2 of the report and accept the current projected Capital Outturn as detailed in 3.1.2 of the report.
- (7) Accept the report, the treasury activity and changes to the prudential indicators.

45 REVISED BUDGET 2020/21 AND MID YEAR REVIEW OF MEDIUM TERM FINANCIAL PLAN

Members considered a report proposing a revised budget in 2020/2021 to redress the impact of Covid-19 and 'business as usual' pressures and savings. Also included was a mid-year review of the Medium Term Financial Plan.

The Assistant Director of Finance, Business Support and Property Services introduced the report, and highlighted the following points:

- There had been significant movements in the Budget on income and expenditure due to Covid-19. There had also been a significant underspend in 'business as usual' activities. Therefore, officers had taken the view that it was prudent to propose a revised budget for 2020/2021.

In line with the proposed revised Budget, net revenue expenditure was forecast to increase from £14.457million to £19.479 million by the end of the financial year;

- £782,000 would be transferred to the General Fund Working Balance; the total balance in this fund for the year end was estimated at £4.6 million;
- A minimum working balance had been set at £2.5 million; that was to mitigate any in

year Budget risks;

- Earmarked reserves had increased as there had been additional reliefs; the money in these reliefs was not being collected by the authority, but was being received in the form of a grant to mitigate cash loss. It would have to be repaid to the Collection Fund;
- A mid-year review of the Medium Term Financial Plan (MTFP) was undertaken as part of the Budget setting process, and it looked at the funding gap in the middle of the year. In 2021/2022, the authority was aiming for a zero-balanced Budget. There was a £1.3 million funding gap, growing to £1.5 million;
- There were a number of issues with meeting the funding gap, particularly around business rates. It was anticipated there would be a drop of £1.1 million from current forecasts. The Secretary of State had announced a 1 year settlement, whereas the authority was anticipating a three year settlement;
- One of the initiatives to meet the funding gap was the 'Together 24' programme, which contained a series of service reviews. This would be supported by capital investments in technology, the authority was hopeful of delivering savings by 2024;
- Next financial year would see a 'vacancy factor' added to the Budget. Every year on average there was a 4% turnover of staff. If a 2% vacancy factor was applied to the Budget, it would reduce expenditure;
- The £46,000 bequest in the recommendations was from a local resident, and was not ring-fenced for a specific person. It would be set aside and used for an appropriately deemed purpose.

The report was moved, seconded, and it was unanimously **RESOLVED** to:

- (1) Approve the Revised Budget 2020/21 of £19.479m;
- (2) Set aside £0.046m bequest for an appropriate agreed purpose;
- (3) Transfer £0.782m to the General Fund Balance;
- (4) Approve the transfer to the Collection Fund Reserve £2.703m for the expanded Retail, Hospitality and Leisure relief scheme to fund Collection Fund Deficit repayments
- (5) Accept the latest forecast of the Medium Term Financial Plan and note the funding gap;
- (6) Approve the assumptions to be used in preparing the Medium Term Financial Plan 2021/22.

46 MID YEAR TREASURY REPORT 2020/21

Members considered the Draft Mid-Year Treasury Report 2020/2021.

The key points were:

- Covid-19 and Brexit continued to have an adverse impact on the economy and interest rates remained low. As a consequence, this impacted on the authority's investment return;
- Slippage on capital schemes had resulted in a reduction on the capital financing requirement, or the underlying need to borrow. This was mainly due to investment property acquisitions being placed on hold, and the re-phasing of the depot scheme;
- The authority was holding around £19 million of investments on a monthly basis, in part due to the holding of government grants;
- It was likely that by the end of February 2021 an extra £3million would be borrowed and added to the current £20 million of external borrowing. Internal borrowing would be approximately £16.5 million at financial year end. This meant that the anticipated borrowing for the authority overall was around £40 million.

One Member asked a question regarding potential negative interest rates, the response was as follows:

- The current bank to the authority would not apply negative interest rates to investments made. It would have a negative impact on money markets, and interest rates would drop substantially. It was unlikely to witness an impact whereby the authority would pay banks to hold money, but an increase in costs on banking provision was possible. Rather than accepting negative interest from money market funds, the authority would likely favour intra-authority borrowing.

Internal borrowing had not changed in this financial year. Cashflow already taken into account meant borrowing of £3 million, £500,000 of which was to pay back previous internal borrowing.

The paper was moved, seconded, and following a vote it was **RESOLVED** to note the report, the treasury activity and **recommend approval of any changes to the prudential indicators to Full Council.**

47 WORKPLAN

It was explained that the Caistor Southdale report would likely not be seen until early in 2021, and this would be amended accordingly on the next workplan. The workplan was then noted.

48 EXCLUSION OF THE PUBLIC

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 item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

Corporate Policy and Resources Committee- 5 November 2020
Subject to Call-in. Call-in will expire at 5pm on 26 November 2020

Note: The meeting adjourned at 8:51pm

49 ANNUAL REVIEW OF COMMERCIAL INVESTMENT PORTFOLIO

Note: The meeting reconvened at 9pm. All Members, with the exception of Councillor Trevor Young returned.

Members considered the Annual Review of the Commercial Investment Portfolio for the period 2019/2020.

The Property and Assets Manager discussed the entire investment portfolio and how each property was performing.

He assured Members that until recently, each property would be subject to an annual visit; however with Covid-19 this had not been undertaken of late. Tenants would be required to provide compliance data; for example, electrical certificates. The Property and Assets Manager was satisfied that, on the whole tenants looked after their premises.

The contents of the report were noted.

The meeting concluded at 9.26 pm.

Chairman