

HARBOROUGH DISTRICT COUNCIL
MINUTES OF THE EXECUTIVE MEETING

held in the Council Chamber, The Symington Building, Adam and Eve St, Market Harborough

held on 7 September 2015,

commencing at 5.00p.m.

Present:

Cllr King (Chair),
Councillors: Bannister, Hallam, Liquorish and Mrs Page

Apologies for absence were received from Cllr Pain

Officers: David Atkinson, Ann Marie Hawkins, Beverley Jolly, Beth Murgatroyd, Norman Proudfoot,
Simon Riley and Verina Wenham. Also present: Rachael Felts, Matt Bradford

PORTFOLIO HOLDER ACTIVITY

i) Portfolio Holder for Business Planning and Performance

Cllr Liquorish announced that he attended the following:

- 29 July 2015 Employee Relationships meeting with Unions

ii) Portfolio Holder for Corporate Services

Cllr Hallam announced that he had attended:

- A site visit to Charnwood Call Centre

TOPICAL ISSUES

i) Petitions

Members were informed that although an attempt had been made to submit a petition, not all the details were readable, specifically the names and addresses of petitioners. However as it concerned an agenda item on waste consultation it was felt appropriate to bring to members attention. The petition was regarding the proposal to charge for the green waste collection and it was noted that whilst the number of names could not be ascertained, if the Executive deferred the petition to the next meeting, it would be too late.
The Executive noted the information

MINUTES

RESOLVED that the minutes of the meeting of the Executive held on 13 July 2015 be approved as a correct record.

APOLOGIES FOR ABSENCE

An apology for absence was received from Cllr Pain

DECLARATION OF MEMBERS' INTERESTS

Cllr Hallam declared a Personal Interest in Report no 9 (Land at Northampton Road) due to his and his family's membership of the Rugby Club . He would not speak or vote on this item and would leave the room for consideration of this item

OUTTURN 2014/2015

The Outturn Report 2014/2015 details the Council's financial report for the 2014/15 financial year. Members were advised that due to the early containment of spending, a 2.5% saving had been made.

The use of investments as opposed to borrowing had resulted in a £100k saving in net borrowing costs. Members were advised, however, that the increase in General Fund reserves to £3.74m from £1.52m the previous year, was more of a timing profile (rather than cashable reserves) due to business rate retention.

The report included a proposal to carry forward to 15/16 £105k revenue. In addition, of the £602k capital underspend from 2014/15, it was recommended that £478k of these approvals be carried forward to 2015/16. Officers advised that both carry forwards were in line with council policy.

RESOLVED that:

- i) Note the financial Outturn position for 14/15 as detailed in Appendix A of the report
- ii) Approve the revenue carry forwards in Appendix B totalling £105k and the capital approvals and funding in the Capital Programme in Appendix E totalling £478k, for inclusion in 2015/16 budgets.

Summary of Reasons

The Council was required to produce its statement of accounts (subject to Audit) by the end of June 2015. The outturn report details the Council's financial performance for the 2014/15 financial year. The request to transfer resources between financial years requires Executive Approval.

QUARTER ONE PERFORMANCE

The Executive was presented with a report containing details of the performance of the Council against the Corporate Delivery Plan for Quarter One of the 2015/16 financial year, which Members were asked to note and consider.

The report outlined that of the 52 key activities to be monitored, 2 had been completed and 46 were 'green' i.e. forecast to be delivered on target. The remaining 2 activities were 'amber' status but Officers stated that mitigating activities were in place and there were no areas of concern. It was noted that there were no 'red' activities i.e. with a status for concern.

Members were requested to consider a change of wording in relation to Key Activity 11.01 concerning the museum. It was proposed that wording should be revised from:

“Facilitate with partners delivery of a Charitable Museum Trust for Market Harborough.”

to:

“Work with partners to support the ongoing development and sustainability of the Market Harborough Museum.”

Members also considered those performance indicators that were either behind target or not performing as expected, .

Staff were commended by Members on the processing of complaints due to the fact that there had been reduced resources in that area since March and that the team also had a Parliamentary Election to run.

A new replacement indicator regarding treasury management was proposed which replaced measuring return on cash investments with monitoring the net cost of investment which would take into account the savings made by refraining from borrowing to fund projects.

The Executive asked what this new indicator would be measured against as it was a local indicator. Officers confirmed that the target would be based on historical performance and would be included in the report on the Investment Strategy which is presented to the Executive each February for approval.

RESOLVED that:

- i) the performance contained in the report for Quarter One 2015/16 be noted
- ii) the amendment of the wording of Key Activity 11.01 from:

“Facilitate with partners delivery of a Charitable Museum Trust for Market Harborough.”

to:

“Work with partners to support the ongoing development and sustainability of the Market Harborough Museum.”be approved

- iii) the adoption of the new treasury management performance indicator as outlined in para 4.6 of the report be approved.

Summary of Reasons

Performance is monitored and reported on to officers and members on a quarterly basis as part of the Council’s Performance Management Framework. Quarterly Performance Reports are submitted to both Scrutiny and the Executive on a quarterly basis.

Regarding the recommendation to amend the wording of Key Activity 11.01, following a number of workshops and meetings, new partnership arrangements have been agreed. This includes the establishment of a Harborough Museum Partnership Steering Group. It was also agreed that work to establish a Harborough Museum Trust would cease at this time as this was not felt to be the most appropriate option.

The revision to the treasury management performance measure acknowledges the savings made by not borrowing, highlighting the true cost of investment as well as incorporating the effects of poor interest rates.

CORPORATE RISK AND OPPORTUNITY REGISTER – QUARTER ONE

The Council's Corporate Risks and Opportunities Register is monitored by the Executive on a quarterly basis

Officers drew Members' attention to one 'red' risk (which is deemed to pose a significant risk to the council) which was "CR 05 Significant Changes to National Financial Situation". Although financial risks were managed via the Medium Term Financial Strategy, there remained the potential for volatility and uncertainty.

Members were also informed of one new risk: "CR 22 - The Council does not meet its service delivery obligations for the Lifeline Service" and the deletion of another risk: "CR 17 – Delays in the preparation of the viability assessments."

A question was raised regarding risk "CR 4 – Impact on Council's resources of welfare reform changes" and whether the impact was known yet. Members were informed that Officers attended a working group which included partners such as Revenues and Benefits Shared Service, Job Centre Plus etc. who meet every second month to look at welfare reform and its potential impact, in order that this can be acted upon, when necessary.

RESOLVED that the items contained within the Council's Corporate Risk and Opportunity Register be noted.

Summary of Reasons

Monitoring of the Council's Corporate Risks and Opportunities is prescribed by the Council's Risk and Opportunity Management Framework.

The Risk of 'Significant Changes to National Financial Situation' remains significant as it is known that there will be a Comprehensive Spending Review later this year, in addition to potential funding cuts by Central Government.

The new risk in relation to the Lifeline Service was introduced as a result of the planned relocation of the service. The deletion of the risk concerning viability assessments was as a result of progress with things moving on.

SECTION 106 GRANT ALLOCATIONS ROUND 1 2015/2016

Under Section 106 of the Town and Country Planning Act 1990 contributions can be sought from developers towards the cost of providing community and social infrastructure. These monies are held by Harborough District Council and then allocated to projects through a grant funding allocation process.

Round 1 of 2015/2016 Allocations closed on 6th July and the Member Grants Panel meeting of 29th July 2015 considered eight applications.

The Executive considered the recommendations from the Member Grants Panel for the allocations of grants as outlined in Appendix 1 of the report, taking into consideration the S106 balances at Appendix 2 of the report with the exception of Application 003.

Regarding Application 003, it was recommended that the Executive approve a grant of £14,300 as requested on the initial application form and not the higher amount recommended by the Grants Panel.

RESOLVED that the grants allocations as recommended in Appendix 1 from Section 106 funding be approved subject to the following amendment;

Application 003: Market Harborough Cricket Club, refurbishment and extension receive the £14,300 as requested in their application and not the higher amount recommended by Grants Panel

Summary of Reasons

The Member Grants Panel considered all of the projects recommended for funding in line with the criteria set out in the Section 106 grant guidance notes. The recommendations also take into account the comments made by officers through the Officer Grant Panel held on Tuesday 14th July 2015 which informed the Member Grant panel.

Application 003: After further consideration of this recommendation by Corporate Management Team and following opinion provided the Legal Services Department, it is officers' advice that funding should be limited to the amount applied for and restricted to the amount of £14,300. Awarding a grant higher than that applied for subjects the council to the risk of legal challenge.

CYCLE TO WORK SCHEME

Members were informed that cycling is a key element of the Council's Green Travel Plan and the Executive considered a report on the options available to the council for a cycle to work scheme.

The current cycle to work scheme was introduced in order to provide an option for employees to purchase cycles in an affordable way and participate in regular physical activity. This would contribute towards improved health of employees as well as promoting reduced car usage for travel to work, under the Green Travel Plan.

However, the scheme was suspended whilst Her Majesty's Revenue and Customs (HMRC) reviewed the legislation surrounding the VAT treatment of monthly payments and the right to buy the bike at the end of the scheme. The subsequent revision to the VAT legislation and guidance resulted in "Cyclescheme" having minimal benefit to the employee, and required the Authority to account for VAT on each monthly deduction and pay this over to HMRC, with any required adjustments at the end of each individual scheme.

The proposed scheme would be a 'salary sacrifice scheme' providing additional financial benefits for employees and Members joining the scheme. Exact benefits will depend on the finally selected scheme.

Members asked if the Council could guarantee that the employee, or member, was using the cycle for work and had not merely participated to receive a low cost bike. The Section 151 Officer confirmed that HMRC required evidence to support the fact that usage was not solely private.

Members queried how the Council would monitor this and were informed that the onus was as much on the individual as it was the Council's responsibility.

RESOLVED that:

- i) The Corporate Director, Resources in consultation with the Head of Legal and Democratic Services and the Section 151 Officer and Portfolio Holder for Finance and Commercialisation be granted delegated powers to enter into a scheme that complies with the current legislation, including VAT.
- ii) Cycle to Work scheme be applied to both Employees and Members.
- iii) The Corporate Director, Resources be delegated to review the scheme on a yearly basis and to be granted powers to withdraw from a scheme that is no longer compliant with legislation, or is having a negative resource impact.

Summary of Reasons

The current scheme results in minimal benefit to the employee, requires resources to deal with the VAT treatment and implications for each purchase through the scheme. However, there are other schemes which the Council could participate in which removes the need to allocate resources to deal with the VAT treatment and implications.

Delegating the ability to enter and withdraw from any cycle scheme enables flexibility to deal with any change to legislation which is likely to have a negative impact on any employee, member or the resources of the Authority.

The delegation will allow the Authority to enter into a suitable cycle to work scheme which will complete a priority 1 action of the Green Travel Plan (TP/P1/3).

NOTES FROM EXECUTIVE ADVISORY PANELS

The Executive received the notes of an Executive Advisory Panel. It was requested that it be noted that Members acknowledged how much work Officers put into the new Local Plan

RESOLVED that: the records of the following meeting held by an Executive Advisory Panel be noted:

- Executive Advisory Panel – Local Planning Executive Advisory Panel: 22 April 2015

Summary of Reasons

The arrangements for the Executive Advisory Panels require that they report back to Executive with notes of their meetings.

ENVIRONMENTAL SERVICES CONTRACT CONSULTATION RESPONSES

The Executive received a report on the outcome of the public consultation on the current and future delivery of the Environmental Services Contract which includes waste, recycling, garden waste collection, street cleansing and grounds maintenance.

Members were informed that the Council has a statutory duty to collect residual waste and household recycling, although it does not have any obligation to collect garden waste.

Due to a reduction in a number of income streams the current Environmental Services Contract has a budget gap of £0.3m per year, rising to £1.3m per year from 2018/19.

The Council conducted a survey based consultation exercise with residents from 1st July 2015 to 15th August 2015. A paper survey was posted to all households and the survey was also available on-line on the Council's website. In addition, residents could email or write in with their views.

In total, 8,026 responses were received (21%), of which 52% completed the survey electronically. The results of the consultation were contained in Appendix B of the report.

Members were asked to consider the consultation responses and in light of these, determine service delivery preferences with regards to the following:-

- Frequency of collection
- Re-introduction of a food waste collection
- Co-mingled versus separate collection of recyclables
- Introduction of a subscription garden waste collection service

It was noted and asked to be placed on record the appreciation of Members towards residents who had taken time to respond.

With regards to the frequency of collection, it was noted that the preferred view of residents was a fortnightly collection, although just over 20% agreed with a 3-weekly garden waste collection.

Regarding food waste, it was noted that whilst nearly 38% were either very or fairly likely to use the service, the majority were not. Members commented that this service would incur additional costs and was not wanted by residents. Members highlighted that when the service was previously introduced, residents became aware of the volume of food wasted and over time reduced this, resulting in a drop in amounts collected.

Currently residents are asked to separate their waste paper from other recyclables. Members commented that they had received complaints from residents that they had separated their recycling, only for the contractor to remove the insert and mix the contents before collection.

A discussion was had with regard to separate waste recycling collections and a co-mingled collection service. Members asked questions regarding the costs and benefits of each and were informed that, initially, paper was separated out because it attracted a higher value than the remainder of the recycling which covered the cost of a separate collection. However values had reduced from £120 per tonne to £50 per tonne, currently. It was also noted that technology is now quite advanced and therefore, regarding co-mingled waste, paper can be sorted out and co-mingled recycling will attract a higher value due to the inclusion of paper.

Regarding the frequency of collection, Members noted that residents were happy with the fortnightly service and wished to see it continue and therefore it was agreed to retain this.

A discussion was held regarding garden waste and Members were advised to consider the following:-

- Should green waste be collected?
- If yes, should it be charged for?

A question was raised regarding costs and the meeting was informed that, for the current universal coverage, costs are £808k however future costs could not be easily forecast if a subscription, seasonal service were introduced as costs are dependent on demand and frequency of collection.

It was asked how the £40 proposed charge was arrived at and Officers responded that this was based on an average of charges levied at other authorities. Officers informed Members that it was important to note that a full cost recovery was not necessarily sought.

Members noted the reduction in recycling income in the budget. Officers clarified this by advising the meeting that when the budget for 2015/16 was approved in February it included provision for the withdrawal of the green waste service and £346k in respect of green recycling credits was removed.

It was commented that when the Council adopted its charging model in 2013, it stated that contributions would be sought for non-statutory services. It was also acknowledged that if a charge for green waste was not levied then budgets elsewhere would need to be cut and that currently, all but one of the neighbouring councils apply a charge for green waste.

A discussion was held regarding the frequency of garden waste collection and whether to introduce a seasonal collection service. When asked about the cost implications, officers informed Members that this was dependent on the period of collection e.g. whether a 9, 10 or 12 month service were introduced. Research revealed that the most common collection period offered by other councils was from April/May to the end of the year.

Members asked when information on costs would be available and the Executive was informed that the purpose of this report was for Members to determine preferred service delivery options in light of the consultation. Once these had been decided a further report on fees and charges would be produced for approval.

RESOLVED: - after due consideration of the consultation results, the service delivery preferences for the future provision of the Environmental Services Contract are:

- i) Frequency of collection of household and recycling waste to remain fortnightly
- ii) A co-mingled recycling collection service be introduced to replace existing collections
- iii) A separate food waste collection service not to be re-introduced
- iv) A seasonal, chargeable garden waste service be created

Summary of Reasons

The consultation was built upon the costed options modeling for future service delivery which had been undertaken by the Council's external technical advisors, AMEC Foster Wheeler. The purpose of the consultation was to test and seek residents' views on current and future service delivery.

SECTION 100A LOCAL GOVERNMENT ACT 1972

RESOLVED that, except for those Members present not being Members of this Executive, the public and press be excluded from the following items on the grounds that the matters yet to be discussed involve the likely disclosure of exempt information as defined in Paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972

MECHANICAL AND ELECTRICAL MANAGEMENT

The Executive considered provision of a Mechanical and Electrical (M&E) Maintenance contract for all Council owned buildings, where the Council have responsibility for repairs.

RESOLVED that:

- i) the award of a contract for M&E Maintenance to Contractor 1 identified through the recent tender process be approved.
- ii) Authority be delegated to the Corporate Director Resources, in consultation with the Portfolio Holder, Financial and Commercialisation together with the Head of Legal and Democratic Services to negotiate and finalise the contract, including minor variations based on finalisation of the Asset Register.

Summary of Reasons

To provide an effective M&E maintenance service is essential to the successful management and use of any building, ensuring the longevity of all plant and machinery and ensuring the Council complies with its statutory obligations.

The evaluation panel agreed that Contractor 1 should be offered preferred provider status on the basis of the tenders submitted. Awarding a contract on the basis of the tender submitted by Contractor 1 offers the best option for future M&E maintenance services.

Cllr Hallam left the room for consideration for the following item

LAND AT NORTHAMPTON ROAD, MARKET HARBOROUGH

The Executive considered requests and options for the land holding at Northampton Road, Market Harborough. and received a letter from Mr Mike Fletcher (Section Chairman Market Harborough Rugby Club

RESOLVED that

- i) The proposals be approved in principle as set out in para 4.18 and **RECOMMENDED TO COUNCIL**
- ii) Authority be delegated to the Corporate Director – Resources in consultation with the Head of Legal and Democratic Services and the Portfolio Holder Financial and Commercialisation to agree the terms of the proposals as outlined in para 4.17 and finalise and execute the various agreements.
- iii) Further discussions take place with the Market Harborough Rugby Club

Summary of Reasons

To satisfy Corporate Delivery Plan 2013/14 Objective CA9 “Ensure financial and other assets are maximised and managed efficiently” and to further good asset/property management of the Councils assets.

In addition, to realise the maximum benefits from the disposal of the assets whilst also enhancing the recreational activities at Northampton Road, Market Harborough.

ENVIRONMENTAL SERVICES CONTRACT

The Executive considered the Environmental Services Contract in the light of the earlier report on the Waste contract

RESOLVED that

- i) Authority be delegated to the Head of Legal and Democratic Services and S151 Officer in consultation with the Portfolio Holder for Financial and Commercialisation authority to commence an external procurement
- ii) To agree in principle to the introduction of a chargeable subscription based green waste service from April 2017, subject to the submission of a report to a future Council setting out the proposed charge and operational arrangements.
- iii) the inclusion within the Council’s external procurement of the following service requirements be approved:

- o Fortnightly collection of residual waste via black wheelie bin (as current);
- o Fortnightly collection of comingled dry recycling via wheelie bin (single stream). This removes the separate paper caddy within the blue bin, and;
- o Fortnightly collection of garden waste via green wheelie bin on the basis of a subscription based seasonal service

iv) the procurement include the presentation of bins from "the curtilage point of each property, that is where the property boundary meets a public or private road" to "the curtilage point of each property, that is where the property boundary meets a public road". This will mean that all householders will be required to present their bins at the public highway. Exceptions to this may be agreed in circumstances where stopping the collection vehicle on the public highway would increase the risk of a road traffic accident or where people receive assisted collections.

RECOMMENDED TO COUNCIL the allocation of an initial budget of £150K from the General Reserve Fund to fund external procurement costs.

Summary of Reasons

To propose an affordable solution for the delivery of the Environmental Services Contract for the period up to 31st March 2023, as a minimum.

There is a financial need to reduce the net cost of the Environmental Services contract to mitigate against the loss of external income streams and to deliver cost savings.

To ensure that new contractual arrangements are in place to deliver the required savings on a sustainable basis. If service changes were not implemented it would result in a more expensive service as detailed in paragraph 4.1.3.

To ensure that the Council continues to discharge its statutory responsibilities under the Environmental Protection Act 1990.

To agree in principle a charge for collection of green waste (which is not a statutory service) to contribute to bridging the affordability gap in order that a financial standstill position in the Environmental Service Area is achieved over the contract period.

(The resolutions set out above and the resulting recommendation to Council have been superseded by a subsequent resolution of the Executive at an extraordinary meeting on 21 September 2015)

The meeting closed at 7.45 pm