NORTH DEVON COUNCIL

Minutes of a meeting of Overview and Scrutiny Committee held at Barum Room - Brynsworthy Environment Centre on Tuesday, 12th February, 2019 at 2.00 pm

PRESENT: Members:

Councillor Patrinos (Chairman)

Councillors J Cann, Croft, Ley, Mathews, Spear, White and Worden

Officers:

Head of Resources

Also Present:

Councillor Moore

66. APOLOGIES

Apologies for absence were received from Councillors Bonds, Chesters, Roome and Webber.

67. TO APPROVE AS CORRECT RECORDS THE MINUTES OF THE MEETINGS HELD ON 10TH JANUARY AND 15TH JANUARY 2019 (ATTACHED)

RESOLVED, that the minutes of the meetings held on 10th January and 15th January 2019 (circulated previously) be approved as a correct record and signed by the Chairman.

68. ITEMS BROUGHT FORWARD WHICH IN THE OPINION OF THE CHAIRMAN SHOULD BE CONSIDERED BY THE MEETING AS A MATTER OF URGENCY.

The Chairman advised that he was currently involved in the trial for the new modern.gov system and would be navigating the agenda via an IPad.

69. DECLARATIONS OF INTEREST

There were no declarations of interest announced.

70. QUARTERLY PERFORMANCE AND FINANCIAL MANAGEMENT REPORT 2018/19 QUARTER 3.

The Committee considered a report to the Executive on 4th February 2019 by the Leader and Executive Team together with a minute extract (circulated previously) regarding the Performance and Financial Management Quarter 3 of 2018/19.

The Head of Resources highlighted the following:

- As at 31st December 2018, the latest forecast net expenditure was £12.239m, which was £0.019m over budget. Details were shown in Appendix 1 and it was anticipated that the small variance could be reduced further throughout the remainder of the financial year.
- The original budget for 2018/19 included a forecast to achieve £0.200m worth of salary vacancy savings. The current position forecasts this would be exceeded and vacancy savings of £0.225m would be achieved.
- The “Recycle more” service changes were introduced on the 5th June 2017; the take up of the new garden waste service had exceeded expectations, 2017/18 saw a total sign up of 17,320. This year’s income was expected to exceed last year’s total by 570 properties.
- Within the overall £0.019m net budget deficit there were various cost pressures and one-off savings. The budget pressures seen within waste and recycling service had not increased any further at the quarter 3 forecast. There had been a significant reduction in the forecast planning fee income of £0.159m due to a reduction in the larger applications received, which was in line with other authorities experiencing the same pressure. However it was forecast there would be additional Business Rates Retention income of £0.200m over and above the budgeted £1.252m Business Rates growth which had resulted in maintaining the net budget deficit at a similar level reported at quarter 2.
- The Business Rate retention scheme was introduced in April 2013 which sees Billing authorities receive a ‘baseline’ funding but in addition they are exposed to the risks and rewards of retaining a proportion of the income collected. This exposure was mitigated by participation in the Devon-wide pool that collates all of the Business Rate growth and decline and returns a share of the impact to each local authority. There had been an estimated one-off additional income from the 100% Business Rates Retention pilot for 2018/19 of £0.750m; this additional income had been earmarked into reserves as detailed in paragraph 4.1.6 of the report to help fund future projects.
- At the 31st December 2018 the total external borrowing was £1.250m.
- The recommended level of general fund balance is 5%-10% of the council’s net revenue budget (£0.611m to £1.222m). The forecast general fund reserve at 31 March 2019 is £1.161m, which is a level of 9.5%.
- “Appendix-2 Movement in Reserves & Balances” detailed the movements to and from earmarked reserves in 2018/19.
- “Appendix-3 Executive Contingency Reserve” detailed the Executive Contingency Reserve movements and commitments.
- “Appendix-4 Capital Programme” detailed the 2018/19 to 2020/21 Capital Programme. The Programme of £12.842m was funded by Capital Receipts (£2.349m), External Grants and Contributions (£8.964m) and Reserves (£1.529m).

- Variations of (£2.254m) proposed to the 2018/19 Capital Programme as detailed in paragraph 4.4.3 of the report.
- The revised Capital Programme for 2018/19 taking into account the budget variations above was £5.529m.
- Actual spend on the 2018/19 Capital Programme, as at 31st December 2018 was £3.128m.
- Variations of £0.045m proposed to the 2019/20 Capital Programme as detailed in paragraph 4.4.6.
- The overall Capital Programme for 2018/19 to 2020/21 was £12.842m and was broken down as follows:
  - 2018/19 £5.529m
  - 2019/20 £6.313m
  - 2020/21 £1.000m
- The proposed release of funds from the 2018/19 Capital Programme as detailed in paragraph 4.4.12 of the report.
- £67,789 investment interest was earned during the three quarter period. The 2018/19 interest receivable budget was £60,000.
- £20,605 interest was paid at an average rate of 2.03% on the PWLB loans during the three quarter period. The 2018/19 interest payable budget was £40,000.
- Non-financial information was contained within paragraphs 5 to 9 in the report. Appendix 5 detailed key performance indicators and Service Plan Action updates.

In response to questions from the Committee, the Head of Resources confirmed that:

- Discussions in relation to the future CCTV service provisions were still ongoing and no final plans had yet been agreed as to the route that would be taken.
- The Disabled Facilities Grant was fully funded by the Better Care Fund.
- The Museum project, which totalled £2m was largely funded by external grants. The gross costs of which and how they were funded was shown in the Capital Programme.
- Funding for the new Leisure Centre project wasn't included in the figures and would be considered by the special meeting of the Executive on 26th February 2019.
- The number of Council Tax write offs were in line with figures from the previous years and with 46,000 council taxed properties, the figure was relatively small in comparison.
- Council tax bills were only written off as a last resort and various recovery processes were explored and costed by the Council prior to any final decision.
- There had been an increase in homelessness in the last quarter and it was acknowledged that the roll out of Universal Credit might impact this further.
- There had been an increase in the demand upon food banks and the Council had been working to address the housing situation through the purchase of temporary accommodation properties. Four properties had been purchased so far, two three bedroomed and two two bedroomed. Two of the properties

were ready for occupancy and had been transferred to the Housing team with the three bedroomed properties nearing completion.

- The software that managed the performance indicators was the same company but had been re-branded and the name changed to Pentana.
- The key performance indicators on page 60 in relation to NI 155 Number of affordable homes delivered (cumulative) for quarter three should read as 100 and the system would be updated in quarter 4 to reflect this.
- The figures in relation to recycling represented the amount of waste that was removed from the yard, which would account for some distortion of the recycling figures. The recycling figures for quarter two of the previous year were higher following the introduction of the new recycling system.
- Following the completion of the new waste transfer station adjacent to the Brynsworthy Environment Centre, there would be fuel and time savings. In light of this, rounds had been remodelled, which would come into effect for week beginning 18th February 2019. The remodelled rounds would see a reduction in the reliance on agency staff, which had been accounted for within the savings.

RESOLVED:

(a) that the decisions and recommendations of the Executive be endorsed; and

(b) that the Head of Operational Services be requested to provide figures for the volume of residual and recycling waste over the quarters.

71. REVIEW OF CHARGES AND FEES FOR SERVICES 2019/20.

The Committee considered a report to the Executive on 4th February 2019 by the Leader and Executive Team together with a minute extract (circulated previously) regarding the review of Charges and Fees for services 2019/20.

- This year the guidance was to increase some fees and charges by 3%, although some fees are set by statute and these will be set nationally.
- Other variations to the 3% increase were set out in paragraphs 5.3 to 5.8 in the report.
- Trade Waste charges have been reviewed and simplified to aid the customer's understanding of the charging structure. Zones 1 and 2 have now been combined with a minimum increase of 5%, with schedule 2 and Recycling charges increasing by 10%. The Head of Operational Services had confirmed that with these price increases the service was still commercially competitive. (Appendix 3)
- Land Charges fees have been set to recoup the cost of providing the service, without changing the current fees the land charges service was still budgeted to recover all the costs and break even. (Appendix 4)
- There were minimal changes to the Environment Health fees, as the majority of these were set by statute or set to recover costs. The changes include,

amendments to the animal licence fees. With Zoos and Dangerous Wild Animal Licences being under review. (Appendix 5)
- Single Sports pitch hire increased by 14.2%. The significant increase was due to current charges for grass pitch hire being relatively cheap. Block hire had also been introduced but kept at the 18-19 prices to encourage customers to lock themselves into a block booking of at least 11 games. (Appendix 7)
- The Pannier Market fees have been recommended to be increased by 3%. It was proposed that the additional £6,000 received be earmarked to be spent on the Pannier Market. (Appendix 8)
- Garden Waste charges have not been increased for 2 years and it was proposed not to increase the fees for the third year running. This would be reviewed in 2020/21. (Appendix 10).
- The net changes in the charges were expected to result in £88,400 of additional income which have been included within the draft 2019/20 budget.

In response to questions from the Committee, the Head of Resources confirmed that:

- The charges for the Crematorium were managed and considered separately by the North Devon Crematorium Joint Committee.
- The charges for bulky collections were competitive but had been unchanged for some time. He added that if charges were to be increased the Council would still be competitive with the market. The budgets were regularly monitored to ensure that there was no cost to the Council.
- There was a standard gate fee payable by all operators who disposed of bulky waste and the disposal of waste was charged at an amount per ton.
- The Head of Operational Services had been requested to remodel the commercial waste rounds to ensure efficiency to grow the business and generate further income to the Council.
- Fly-tipping of vehicles added an additional cost to the Council for the collection of the vehicle, a separate legal process would then be followed to prosecute if proof of ownership could be obtained.

RESOLVED that the decisions and recommendations of the Executive be endorsed.

72. REVENUE BUDGET 2019/20, CAPITAL PROGRAMME AND MEDIUM TERM FINANCIAL STRATEGY 2019-2023.

The Committee considered a report to the Executive on 4th February 2019 by the Leader and Executive Team together with a minute extract (circulated previously) regarding the Revenue Budget 2019/20, Capital Programme and Medium Term Financial Strategy 2019-2023.

The Head of Resources highlighted the following:

- Government settlement December 2018. The provisional 2019-20 settlement (including the Rural Services Delivery Grant) was £3.269m (Year 4). In cash terms this was £363,000 less than 2018-19 (10% reduction) in line with the

Medium Term Financial Plan. 75% Business Rate Pilot bid for Devon had been unsuccessful. There were no new changes announced for the New Homes Bonus for 2019/20, however potential changes for 2020/21. The Rural Services Delivery Grant matched the 2018/19 level. Council Tax levels for District Councils could be increased by up to 3% or £5 whichever was higher. The referendum in relation to Council Tax levels for Town and Parish Councils had been deferred. The Government had awarded one off funding for Brexit over a 2 year period of £17,500 for 2018/19 and £17,500 for 2019/20. This grant would be placed in an earmarked reserve.

- Government settlement change in funding by class of Authority. The Shire Districts and County Councils had received the largest reduction in funding from 2015/16 to 2019/20.
- Medium Term Financial Plan (2018-22) approved by Council in February 2018 was based on a number of financial assumptions about the future which included funding from Central Government, retained Business Rates income and future Council Tax levels, cost pressures and savings plans and contributions to and from reserves (e.g. vehicle replacement). The forecast budget gap from 2019/20 to 2021/22, as at February 2018 was outlined.
- New Homes Bonus changes introduced in 2017.
- New Homes Bonus provisional level of funding to 2019/20. The level of funding for 2018/19 was £1,313,520. The Medium Term Financial Plan assumed £1.3m for 2019/20 therefore there was an additional £146,000. £100,000 from the New Homes Bonus would be placed into a reserve for one off capital projects.
- Business Rates Retention. 100% Business Rate Pilot had been accepted for Devon for 2018/19. The pilot programme was for one year. The estimated additional one-off business rates gain was £0.750m. This gain had been placed into earmarked reserves 2018/19 for future year projects. The Government had invited bids for 2019/20 pilots, however Devon had been unsuccessful and would revert back to the Devon Pool (50% scheme).
- The 2019/20 Business Rate retention forecast was £1.690m. The 2019/20 draft budget (above baseline funding) was £1.502m.
- Local Government Finance funding reforms which included: Spending Review for the period 2020/21; a review of relative needs and resources; Business Rates Retentions pilots, business rates baseline reset, Fair Funding review, New Homes Bonus review, Reforms to Local Government funding would change the level of resources available and have an impact on revenue budget; indicative allocations would be announced during the Autumn 2019.
- Council Tax levels for 2018/19 Band D properties had been increased by £5.16 (equivalent to 2.99%). Rural Councils could increase levels by up to 3% or £5 whichever higher. By increasing the level by 2.99% for 2019/20 would increase NDC's proportion of Council Tax for Band D properties from £178.02 to £183.35 (an increase of £5.33).
- Strategic Grants – it had been recommended that the level of grants be reduced by 8%, which had been included within the draft budget for 2019/20. However, the Council's actual funding settlement had been reduced by 10%. Supporting statements from the organisations in receipt of Strategic Grants were contained within Appendix 2 of the report. It was proposed that the strategic grant for the South Molton Swimming pool be removed in full as the

pool was now operated by a commercial organisation 1610 Limited which was a private company limited by guarantee. 1610 ran a number of pools in the South West area and across the country. Parkwood provided a service to the Council for the management of the Leisure Centre and Ilfracombe swimming pool. 1610 did not provide a service on behalf of the Council. The statement of accounts of 1610 had been reviewed for the year ending 31st March 2017 which included £1.5m held within its general fund reserves. Their general reserves were higher than was held by the Council. The reserves had grown by £110,000 in 2016/17. A statement had been included in the accounts from the Chief Executive Officer stating that the company had seen a growth in the core business. The business employed 500 staff and one employee was paid between £90,000 - £99,000. In preparation of the report, the Regeneration Manager had contacted Devon County Council regarding the Exeter Area Rail Project and no justification had been received. However, since the publication of the report an email had been received from Devon County Council to advise that they still retained half of the strategic grant awarded for 2018/19 and gave no clear indication of how the remaining grant would be spent. Following this, the Executive had taken the decision to reduce the grant in full to the Exeter Area Rail Project.

- Draft Revenue Budget 2019/20 - cost pressures and savings; options to balance the budget; how it would be funded.
- Draft Revenue Budget 2019/20 (Appendix 1) – was now predominately funded by taxation. Business rates retention and New Homes Bonus were both at risk of change for 2020/21 onward. It showed a balanced budget and assumed:
    - 2.99% increase in Council Tax (each 1% equates to circa £60,000)
    - Strategic Grants have been reduced at the proposed levels.
    - Parish Grants not reduced by 50% as outlined at the Parish Forum and previously notified to Parish Councils. It was now proposed to be included within the Medium Term Financial Strategy to fully remove the grant in 2020/21.
    - Savings from service reviews which included CCTV and Trade Waste being implemented and delivered.
- Reserves (Appendix 3). General fund balance forecast level at 31 March 2020 was £1.161m (9.3% of the net budget). The recommended level was between 5-10%. Earmarked reserves forecast level at 31 March 2020 was £3.289m. In compliance with the Local Government Act 2003, the Chief Financial Officer assured the Executive of the robustness of the estimates and the adequacy of the proposed financial reserves.
- Medium Term Financial Strategy (2019-2023) was based on a number of financial assumptions about the future which included: funding from Central Government; retained business rates income and future Council Tax levels; cost pressures and savings plans; and contributions to and from reserves (e.g. vehicle replacement). Appendix 4 detailed the modelled financial projections.
- Capital Programme for 2018/19 to 2021/22. 9 business cases for capital funding had been submitted. The gross cost of the business cases was £7,320,000. The net cost to the Council was £3,720,000. The Project

Appraisal Group had scored all of the business cases as either “medium” or “high”. The business cases had been submitted for the following projects:
  - Rolling Road. There was an opportunity to provide this service to other Local Authorities provided it did not impact on the core business of the Council.
  - Vehicle Replacement Programme.
  - Material Recovery Facility Infrastructure.
  - HR and Payroll System.
  - Pannier Market Re-roofing works.
  - Contact Centre Telephony software.
  - Digital Transformation Asset and Financial Management System.
  - ICT Office Technology fund.
  - Disabled Facilities Grants.
- The Leisure Centre and Watersports Centre potential capital funding bids had not been included within the draft Capital Programme and would be considered by the Special Executive at its meeting on 26th February 2019.
- The total cost of the projects of £3.720m would be funded by earmarked reserves (£1.764m), Section 106 heritage contribution (£0.050m), existing capital programme (£0.194m) and borrowing need would be increased (£1.712m).
- (£0.592m) borrowing costs had been included within the draft budget for 2019/20. Future year borrowing costs had been included in the Medium Term Financial Plan. The borrowing costs would increase to £0.786m by 2022/23. The business cases generated net annual savings of (£0.030m). Without any further capital receipts in addition to the amount that had been forecast already, it was estimated that borrowing costs could increase to £1.140m in 2028/29 due to additional future year vehicle and ICT replacements.
- Draft Capital Programme (Appendix 5). The total Capital Programme 2018/19 to 2021/22 was £19.968m which would be recommended to Council for approval on 25th February 2019.
- How the total Capital Programme 2018/19 to 2021/22 would be funded.
- Projected underlying need to borrow in accordance with the 10 year Capital Strategy.
- Risks identified that could affect financial plans.
- Timeline – Council at its meeting on 16th January 2019 approved the Council Tax base; the budget and capital programme was considered by the Executive on 4th February 2019 and Overview and Scrutiny Committee on 12th February 2019; Council on 25th February 2019 to consider the approval of the budget and capital programme and setting of Council Tax; Special Executive on 26th February 2019 and Council on 13th March 2019 to consider the potential Leisure Centre and Watersports Centre capital projects.

In response to questions from the Committee, the Head of Resources confirmed that:

- For 2019/20, Devon would revert back to the business rates pooling arrangements under the original 50% scheme. The Government planned to reset all Council's baseline funding as part of the Fair Funding Review for 2020/21 year.

- All district councils in Devon were part of the pooling arrangements, South Hams had withdrawn for a couple of years but had now re-joined the pool.
- New sources of funding could be obtained via the CCTV options, income generation together with the utilisation of assets.
- The government was reviewing the New Homes Bonus Scheme for 2020/21 onwards.
- The previous grant was originally given to South Molton Swimming Pool when it was in operation as a small trust. However, the pool was now operated by 1610 Limited, which was a commercially run organisation and managed 17 sites across the country and had general fund reserves of £1.5m. The company currently employed 500 staff and had set themselves up as a charity, which also meant that they would potentially benefit from a reduction in business rates. As the company was set up as a commercial organisation the Executive considered that it was unfair to continue to fund the organisation and proposed to withdraw the grant in full. When 1610 assumed responsibility for the pool the Council met with them and future funding was discussed. The Council agreed to honour the funding for the first year 2018/19 and indicated further funding would be subject to annual budget approval. However, they had not submitted their accounts at that point. The Council had now viewed their latest accounts for and it was agreed that it was not pertinent to continue to award the grant.
- The Community Councillor Grants (CCG) had been reduced because of the reduction to 42 Councillors from May 2019. Each individual Councillor's budget would remain the same.
- There were plans to replace the Pannier Market roof and the Town Centre Manager would be looking to utilise the building for events in the evenings and weekends. An update of which could be provided to a future meeting.

The Committee raised concerns in relation to the potential impact or even loss of South Molton swimming pool following the discontinuation of the grant.

RESOLVED:

(a) that the decisions and recommendations of the Executive be endorsed, subject to some reservations in relation to the higher risk environment that the Council was moving into and whether there was sufficient prudence in the assumptions underlying future years MTFS; and

(b) that the amount under the pooling arrangements under the original 50% scheme be circulated to the Committee.

Councillor Worden abstained from the vote.

Councillor White declared a prejudicial interest in the Pannier Market discussions, left the room and took no part in the discussions.

73. TREASURY MANAGEMENT STRATEGY STATEMENT 2019/20.

The Committee considered a report to the Executive on 4th February 2019 by the Leader and Executive Team together with a minute extract (circulated previously) regarding the Treasury Management Strategy Statement 2019/20.

The Chairman questioned whether there was a better way to engage Members within the treasury management process.

The Head of Resources agreed that it was more important moving forward but added that the reports did contain a lot of technical detail, which was set by regulation. He added that training in relation to the financial process would be delivered to all Members as part of the Member training programme following the elections in May 2019.

The Head of Resources highlighted the following:

- The Council was required to receive and approve three reports each year which included: Prudential and treasury indicators and treasury strategy (first report), Mid- Year Treasury Management report (second report) and an Annual Treasury report (third report).
- The Council's investment priorities were security of funds first, portfolio liquidity second and then yield, (return).
- Proposed changes to the Treasury Management Strategy for 2019/20 as detailed in paragraph 5.1 of the report.
- The Council had not engaged in any material commercial investments or non-treasury investments.
- Capital expenditure and net financing need of capital expenditure for 2019/20.
- The Council's underlying need to borrowing as detailed in paragraph 6.2 of the report.
- Borrowing requirements as detailed in paragraph 7 of the report. The underlying need to borrow was increasing in 2019/20 year.
- Investment and borrowing rates. Borrowing rates would continue to be reviewed to avoid incurring higher borrowing costs in the future. It was more cost effective to borrowing internally. Investments were only made on a short term basis.
- The criteria for risk management was largely unchanged from last year.
- The Council would adopt a low risk, immaterial, approach to non-treasury (commercial) investments in line with the investment categories and authorised limits set out in Appendix 2.

In response to questions from the Committee, the Head of Resources confirmed that:

- The sale of the original housing stock generated a capital receipt and allowed the Council to move to a better financial position and be debt free.

RESOLVED that the decisions and recommendations of the Executive be endorsed.

74. 10 YEAR CAPITAL STRATEGY 2019-2029.

The Committee considered a report to the Executive on 4th February 2019 by the Leader and Executive Team together with a minute extract (circulated previously) regarding the 10 year Capital Strategy 2019-2029.

The Head of Resources highlighted the following:

- In December 2017, the Chartered Institute of Public Finance and Accountancy, (CIPFA), issued revised Prudential and Treasury Management Codes stating that from 2019/20, all local authorities would be required to prepare a Capital Strategy.
- The Strategy was required to provide a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, an overview of how the associated risk is managed and the implications for future financial sustainability.
- This capital strategy document covers the ten year period from 2019/20 to 2028/29 and will be reviewed annually by Full Council prior to each financial year.
- The Strategy did not include the financial impact of the potential new Leisure Centre or potential addition spend on the Watersports Centre projects.
- Capital Governance arrangements as detailed in paragraph 5.3 of the report.
- The current Medium Term Financial Plan included borrowing costs for the Capital Programme approved earlier on agenda.
- The Capital Strategy for years 2019/20 to 2022/23 (Medium Term) as detailed in paragraph 5.4 of the report.
- The Capital Strategy for years 2023/24 to 2028/29 (Long Term) as detailed in paragraph 5.5 of the report.
- Following the District Council elections in May 2019, there would be a need to undertake a review of the service spend and identify savings to reduce the budget gap (both Revenue and Capital).
- Capital funding and affordability. Projected external borrowing. There was a need to challenge the future projects within the long-term capital expenditure to identify whether they were required or could be delayed. If additional capital receipts were received, there would be a need to use the receipts to reduce the level of borrowing need.
- Risks with the Capital Strategy as detailed in paragraph 5.6 of the report.

In response to a question from the Committee, the Head of Resources confirmed that the strategy would be reviewed on an annual basis.

The Committee welcomed the approach moving forward.

> RESOLVED that the decisions and recommendations of the Executive be endorsed.

75. POLICE AND CRIME PANEL UPDATE.

The Vice Chairman addressed the Committee regarding the latest information from the Police and Crime Panel (PCP).

The Vice Chairman advised the Committee of the following:

- At its most recent meeting, the Panel agreed to increase the figure per household by £24.00 for the Council Tax on band D properties, which would allow them to fund an additional 85 Police Officers on the beat.
- Police Officers had also been issued with spit and bite guards.

RESOLVED:

(a) that the report be noted; and

(b) that the recorded crime in Devon and Cornwall – ONS Figures be circulated via email to the Committee.

76. NHS UPDATE.

The Chairman addressed the Committee and advised that discussions were ongoing between the North Devon District Hospital and the Royal Devon and Exeter Hospital in relation to the continuation of joint working arrangements

RESOLVED that the update be noted.

77. WORK PROGRAMME/FORWARD PLAN.

The Committee considered the Work Programme / Forward Plan (circulated previously).

The Chairman reminded the Committee that a special meeting to consider the “Monitoring of Noise levels at Batsworthy Cross” had been arranged and would be held on Thursday 7th March 2019 at 10.00am on the Barum Room and requested that the correct formalities be utilised at the meeting.

RESOLVED that the Work Programme be noted.

Chairman
The meeting ended at 4.57 pm