

FINANCE, RESOURCES AND PARTNERSHIPS SCRUTINY COMMITTEE

Wednesday, 21st January, 2015

Present:- Councillor Paul Waring – in the Chair

Councillors Fear, Mrs Hambleton, Huckfield, Jones, Mrs Peers, Rout, Stringer, Taylor.J, Holland (as substitute for Sweeney) and Wallace

Portfolio Holder for Finance and Resources

Officers Executive Director Resources and Support Services
Executive Director Operational Services
Head of Business Improvement, Central Services and Partnerships
Business Improvement Officer (Performance and Procurement) for item 5 only
Scrutiny Officer

1. APOLOGIES

Apologies were received from Councillor Sweeney.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. MINUTES OF PREVIOUS MEETINGS

The minutes of the meeting held on Tuesday 16th December 2014 were agreed as a true and accurate record.

4. ELECTED MEMBER/OFFICER RELATIONS PROTOCOL

The Committee received a document showing the revised Elected Member/Officer Relations Protocol.

The Chair of the Constitution Review Working Group presented a modification to the protocol as follows:-

Section 2.4 – add in reference to the specific legal protocols, this is covered in the rules in relation to PURDAH which are detailed separately in the constitution.

Section 3.10 (a) – clarification regarding the meaning of ‘interfere’

Section 4.2 – clarification regarding the meaning of ‘inappropriate involvement’.

With regards to 3.10 (a) and 4.2 – it is therefore suggested that the following footnote be added to the document to help clarify and define the wording used in both cases.

“This is not intended to prevent members questioning officers for the purposes of being able to fully understand an issue, but the level and extent of such questions needs to be reasonable.”

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The reason for the last sentence on the modification was to enable all Members to feel free to ask questions, in detail, in order to understand a situation and it should be open to Members to challenge an Officer. Officers had a responsibility to all Members of the Council. This was seconded.

A Member asked if the word “fully”, on the last sentence could be moved to the right to read:-

“This is not intended to prevent members questioning officers for the purposes of being able to *understand fully* an issue, but the level and extent of such questions needs to be reasonable.”

Resolved:-

Committee agreed to the Elected Member/Officer Relations Protocol, with the slight change of wording to the modification as amended above.

5. **QUARTER THREE FINANCIAL AND PERFORMANCE REVIEW**

Quarter Three Performance Review 2014/2015

The Business Improvement Officer (Performance and Procurement) introduced the Quarter Three Performance Review report.

This quarter a total of seven indicators were off target but showed improvement from the previous quarter (nine off target in Quarter 2).

Ref 1.7 and 1.8 Residual Waste and Recycling

These waste indicators had been impacted by behavioural changes of residents, national trends impacting on what packaging was now being used and reductions in paper. Changes to what was included for recycling were also affecting the ability to meet the predicted targets as it was no longer possible to count street sweepings within the total.

Clarification was asked of the 8% difference between the result and target of household waste.

The Executive Director Operational Services explained it could be a combination of reasons, for example the decline in recycling by residents in the context of a national reduction in recycling, lighter and less packaging being used on products, reduced consumer purchasing and not counting street sweepings in the figures.

Ref 2.6 and 2.7 Planning

These indicators continued to be off target. Due to these being cumulative indicators, once there was an issue it was difficult to reverse this in the short term. However on comparing results for Quarter 2 and Quarter 3, a total of 25% (Minor) and 10% (other) more applications were determined than in the previous quarter.

A Member raised concern over the continued decline in the percentage of minor planning applications determined.

The Business Improvement Officer (Performance and Procurement) advised there had been a rise in this quarter; forty planning applications determined compared to thirty in the last quarter.

It was asked what was the workload with regard to the minor planning applications and whether the numbers had increased?

The Business Improvement Officer (Performance and Procurement) advised she would report the information back to the Committee.

All other areas such as economic, housing, customer service and sickness measures continued to do well.

Quarter Three Financial Position 2014/2015

The Executive Director Resources and Support Services introduced the financial position quarter three. At the end of quarter three the general fund budget showed an adverse variance of £90,810.00. The main reasons had been budgeted savings from overtime that had not yet been delivered, the closure of the small swimming pool at Jubilee 2 and income shortfall at Kidsgrove Sports Centre.

A Member asked how much income had the Council received in capital receipts since Jubilee 2 had been built? The Executive Director Resources and Support Services would report back with the information.

Resolved:-

- (a) That the Business Improvement Officer (Performance and Procurement) reports back on the workload with regard to the minor planning applications informing Members whether the number of applications had increased or not.
- (b) That the Executive Director Resources and Support Services report back on how much the Council had received in capital receipts since Jubilee 2 had been built.

6. TREASURY MANAGEMENT STRATEGY 2015/2016

The Executive Director Resources and Support Services introduced the Treasury Management Strategy 2015/16 report. The Strategy would be submitted to Full Council on the 25th February 2015.

A definition was attached at Appendix 1 and a glossary was produced within the report which tried to capture most of the acronyms and technical phrases.

A Member asked for clarification on the following points:-

Point 1

Had the increased likelihood of borrowing been observed over the period of this Strategy, particularly as an interim measure, to bridge the gap between expenditure being incurred and funds from asset sales being realised.

Response

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The Executive Director Resources and Support Services advised it was about temporary borrowing and the Strategy was produced before the Asset Management Strategy, which was approved at Cabinet on Wednesday 14th January 2015.

If a situation were to arise then the Council would probably have to borrow on a temporary basis, for example to assist with cash flow rather than prudential borrowing.

Point 2

The Borough Council may have to borrow at a time when interest rates start to rise. It was asked if £5,000,000 for investment was too high given the risks that still remain, and whether borrowing above 364 days would ever take place.

Response

The Executive Director Resources and Support Services advised that to invest funds above the 364 days would only occur in exceptional circumstances and likewise any investment above £5,000,000.

A Member advised that there is a restriction on the authority if this would occur and Members would be fully involved.

Resolved:-

That Committee approved the Strategy for submission to Full Council on the 25th February 2015.

7. **REVENUE AND CAPITAL BUDGETS 2015/2016**

The Executive Director Resources and Support Services introduced the Revenue and Capital Budgets 2015/16. The report had been presented to Cabinet on Wednesday 14th January 2015 and it was recommended that the Finance, Resources and Partnerships Scrutiny Committee be asked to consider what comments it wished to make on the draft Budget and Council Tax proposals before the final proposals are considered at Cabinet in February 2015.

The first draft savings plan was discussed at the Finance, Resources and Partnership Scrutiny Committee on the 16th December 2014 and there had been a Budget Scrutiny Café held on the 13th January 2015, which was an information gathering workshop, and gave Members a chance to ask any questions they had relating to the budget setting process.

An extract, from a draft report to be considered by Cabinet on the 4th February 2015, was tabled showing a number of changes since the last report considered by Cabinet on the 14th January 2015. The overall budget “gap” and the “Savings and Financial Strategies” to meet the “gap” have both decreased by a net total of £50,000.

Inflationary increase for fuel had been removed. New legislation regarding waste income had been reduced from £90,000 to £20,000. Insurance premiums had increased with a net increase of £10,000. There were minor changes on procurement, flexible retirement and the Keele Golf Course budget.

Business Rates Retention Scheme had increased to £300,000. It was originally anticipated that the minimum revenue provision would save money. There was some uncertainty regarding this and the S151 Officer felt it was prudent not to include this in the savings plan at this stage.

The following questions were raised by Members and answers provided:-

Q1: What was meant by Minimum Revenue Provision?

A1: The Executive Director Resources and Support Services advised in instances whereby Local Authorities have a positive Capital Financing Requirement, they are required to set aside a minimum amount from revenue to fund the repayment debt, this is known as the Minimum Revenue Provision. This means that the Council would be required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge.

Q2: If the Borough Council freezes the Council Tax there would be a grant from the government, would this go into the base budget?

A2: The Executive Director Resources and Support Services advised it would go into the base budget until the next spending review but there was no guarantee after that. If the Council accepted the grant, deciding not to make any tax increase, an additional £63k of savings or additional income would have to be found. If a tax increase of 1.9% was implemented, there would be no need for further savings but if tax was increased by a lesser amount, there would be a need to find some saving to make good the shortfall.

Q3: How much more efficiency/economic savings could the Council continue to provide and what were the authority's future aspirations?

A3: The Executive Director Resources and Support Services advised there would be more savings through the 2020 project. The Council's concern was that the work force was reducing more and more with burdens being put on staff still employed. One of the sub projects was called "easing the burden" which was looking at ways in cutting back bureaucracy imposed on Officers by internal processes and procedures.

Q4: Would you feel the Council could still explore joint working with other authorities?

A4: The Executive Director Resources and Support Services advised that joint working had, and was, taking place in a number of services.

Q5: Would it be more beneficial to have the Waste and Recycling Service bought in-house?

A5: The Executive Director Operational Services advised that the management of the service would be easier to deal with rather than going through a contract, as at present.

The Chair of the Parish/Town Councils Review of Concurrent Funding Task and Finish Group advised of a cut in the S134 monies to the Parish/Town Councils was being considered by Cabinet before the Task and Finish Group presented the final report.

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A Member informed the work Scrutiny Committee carried out was important. Cabinet needs to go back to Scrutiny before a decision was agreed.

The Chair advised that when Task and Finish Groups were established the timings to present the final report must be more accurate.

A Member voiced his opposition to the proposed 25% cut in S136 monies.

The Portfolio Holder for Finance and Resources explained that a decision had to be made at the last Cabinet but informed Cabinet had listened to Members concerns.

Resolved:-

Committee agreed that the final proposals are considered by Cabinet in February 2015.

8. **SCALE OF FEES AND CHARGES**

The Executive Director Resources and Support Services presented the Scale of Fees and Charges report which was presented to Cabinet on Wednesday 14th January 2015.

In the Medium Term Financial Strategy a 2% increase was built in the fees and charges. When the fees and charges were submitted it was evident there was a shortfall of approximately £27,000, in comparison to the assumed overall 2% increase. This shortfall, incurred as a result of below inflation increases and freezes in fees and charges (i.e. car parks and markets), would be addressed as an additional pressure in the 2015/16 preparation process.

A typo error was pointed out on the Deleted Charges – Description of Charge table of the report under the Classes section as follows “Anti natal – teaching pool” should read “Antenatal – teaching pool”

The following questions were raised and answers provided:-

Q1: Why had the bereavement/burial service and Jubilee 2 fees increased?

A1: The Executive Director Operational Services advised it was necessary overall to increase fees to allow for increases to the cost of providing the service. In respect of Jubilee 2, this is positioned within a competitive market. When the Borough Council prices are compared with budget gyms and private operators the Borough Council still provided a better offer and excellent value for money. The Council's membership numbers were well ahead of target, this needs to be continued by marketing and promotional initiatives to attract new members and retention of existing members.

The cost to the bereavement/burial service was increased yearly due to contractor and staff costs. Benchmarking was carried out with other authorities.

Q2: Did the Council ask members why they were leaving Jubilee 2 or Kidsgrove Sports Centre, to enable these reasons to be rectified and also were new members asked they were joining?

A2: The Executive Director Operational Services advised a feedback to existing members had recently been introduced and leisure staff endeavoured to ask members to complete an exit questionnaire but in some instances this proved difficult. Enquiries would be made to clarify whether the service carries out a survey of why members join.

Q3: Are concessions included in the burial/bereavement service?

A3: The Executive Director Operational Services advised concessions were not included but there was financial assistance to families who were in receipt of a certain benefits, could apply for. This information was held at Keele Cemetery and Bradwell Crematorium and advice was given to bereaved families by funeral directors.

Q4: Was a fuel record being kept or was it bound by contractors?

A4: The Executive Director Operational Services advised the Council buys fuel on a weekly basis from purchasing frameworks to ensure the best prices are obtained at the point of purchase. Records are kept in this respect.

Q5: Does the Council use green fuel?

A5: The Executive Director Operational Services advised this needed to be further developed before the Council would use it for its main fleet vehicles.

Q6: Could a record be kept on how much the Council had saved.

A6: Both the Executive Director of Operational Services and the Executive Director Resources and Support Service agreed to this.

Resolved:-

(a) That a record is kept of how savings had been achieved by the Council.

(b) That Committee agreed to the fees and charges proposed to apply from the 1st April 2015

9. PUBLIC QUESTION TIME

No questions had been received from the public.

10. EXCLUSION OF THE PUBLIC

11. SCALE OF FEES AND CHARGES CONFIDENTIAL APPENDIX

This was incorporated into item 8.

12. WORK PLAN

Resolved:-

The Portfolio Holder for Finance and Resources would be invited to attend the next meeting to be held on Monday 16th March 2015, 7.00pm in Committee Room 1.

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If Members wished for questions to be answered by the Portfolio Holder for Economic Regeneration, Business and Town Centres to inform the Scrutiny Officer and arrangements would be made for his attendance.

13. **URGENT BUSINESS**

No urgent business was raised.

14. **DATE AND TIME OF NEXT MEETING**

To be arranged

COUNCILLOR PAUL WARING
Chair