

## HUNTINGDONSHIRE DISTRICT COUNCIL

MINUTES of the meeting of the OVERVIEW AND SCRUTINY PANEL (PERFORMANCE AND CUSTOMERS) held in Civic Suite 0.1A, Pathfinder House, St Mary's Street, Huntingdon, PE29 3TN on Wednesday, 10th January 2018.

PRESENT: Councillor D M Tysoe – Chairman.

Councillors K M Baker, R C Carter, S Greenall, Mrs R E Mathews, J M Palmer, P D Reeve, Mrs D C Reynolds, M F Shellens and Mrs S L Taylor.

APOLOGIES: Apologies for absence from the meeting were submitted on behalf of Councillors Mrs B E Boddington and R B Howe.

IN ATTENDANCE: Councillor J A Gray.

### **45. MINUTES**

The Minutes of the meeting held on 6th December 2017 were approved as a correct record and signed by the Chairman.

### **46. MEMBERS' INTERESTS**

No declarations of interest were received.

### **47. NOTICE OF KEY EXECUTIVE DECISIONS**

The Panel received and noted the current Notice of Key Executive Decisions (a copy of which is appended in the Minute Book) which has been prepared by the Executive Leader for the period 1st January 2018 to 30th April 2018.

### **48. DRAFT REVENUE BUDGET 2018/19 AND MEDIUM TERM FINANCIAL STRATEGY 2019/20 TO 2022/23**

With the aid of a report by the Head of Resources (a copy of which is appended in the Minute Book), the Draft Revenue Budget 2018/19 and the Medium Term Financial Strategy (MTFS) 2019/20 to 2021/22 was presented to the Panel.

The Executive Councillor for Strategic Resources introduced the report. Members were informed that the budget for 2018/19 will be just over £17m and that the Council would not increase Council Tax greater than the increase in wage growth in Huntingdonshire or the increase in the state pension. In 2018/19, Council Tax will rise by 2%. Members were reassured that the budget is as lean as it can be and that there isn't an unnecessarily large allocation of funding.

The Head of Resources informed Members of the detail of the report. The Panel was informed of the significant changes in the budget and the impact on the medium term financial strategy. In addition,

Members were informed of the main areas of risk in regards to business rates appeals.

It was stated that the Council has a surplus budget in 2018/19 and that the Council would have a balanced budget at the end of the Medium Term Financial Strategy period in 2022/23.

A Member had asked what issues had there been with the swimming lessons income at One Leisure St Neots. In response, the Panel was informed that the change to the Impressions membership package had an impact as well as the temporary pool closure.

In response to a query regarding the 3C ICT business case inconsistencies, the Panel was informed that the budget will be reworked for 2018/19. In addition, the overspend included funding for new Microsoft licences which was not included in the original budget.

The Executive Councillor and the Head of Resources were asked how confident they were that the Council would not overspend the 2018/19 budget considering that the Council had overspent the 2017/18 budget by £778k and that the starting point of the 2018/19 budget would be lower than 2017/18. In addition, the budget for Operations was highlighted as a concern. In response, the Panel was informed that the issues in 2017/18 were one off items that led to the overspend. The Executive Councillor and Head of Resources are confident that the Council will not overspend the budget.

Following the question when will the Panel receive information on the solutions to homelessness, Members were informed that there have been a number of solutions suggested and that the Executive Councillor for Housing and Planning is currently reviewing them. Once the solutions have been reviewed a paper will be presented.

The Panel was reminded that at December's meeting, Members stated that they believe the income from One Leisure fee increases was not realistic.

A discussion ensued regarding the Commercial Investment Strategy (CIS). In response to the question when would the revenue of CIS benefit residents, the Panel was informed that the Council will receive £2.3m of revenue from CIS this year. In addition, the Executive Councillor stated that the aim of CIS is to develop income streams for the Council which enables it to deliver good, high quality services.

In response to a question asked, regarding the future of CIS investment, the Panel was informed that the position remains the same and even if Government did legislate, there is nothing to suggest that a Local Authority could not invest within their own boundaries. Members were informed that currently less than 1% of all commercial investments have been by local authorities.

It was suggested that the Council could use the revenue to either pay the Minimum Revenue Provision (MRP) earlier or set it aside to specifically pay MRP. However, the Head of Resources stated that this would not be the best use of resources.

The Panel was informed that the minimum yield for a commercial

investment is 6% however, Members may want to consider an investment with a lower yield if there is significant community benefit.

A Member suggested that the Council may want to take on a little more risk and invest in areas of the District in order to encourage further commercial investment. The Panel was informed that if the Council were to speculate than a company would have to be created.

The Panel discussed the issue of a Council Tax increase. A Member suggested that there should be an increase of 3% or £5, however they were informed that the 2018/19 budget is a surplus budget so there would not be the need for a big increase.

Another Member suggested that as the budget is a surplus budget then there is no need for an increase in Council Tax however, they were informed that the reason it is a surplus budget is because a 2% increase has been budgeted.

A further Member supported a 2% increase and stated that they believed that in the past Council Tax was artificially depressed.

Questions were raised in regards to the level of spend on hired staff and queried the ability to reduce the spend from £1.5m in 2017/18 to £182k in 2018/19. Members were informed that there was a considerable amount of hired staff in 3C ICT however, the reasons for this have been reported in detail to the Employment Committee.

In response to a question regarding the spend on energy, the Panel was informed that energy had cost lower than what was budgeted for.

Concern was raised that the income for Leisure and Health is forecast to remain static during the Medium Term Financial Strategy period, as it would be expected that it should rise.

The Panel discussed the proposed saving on closed churchyards. The Council maintains closed churchyards in four Parishes and it is proposed to levy the residents of those parishes in order to pay for the maintenance. Although the Panel gave their broad support to this suggestion, concern was expressed that the impact of a levy would be greater on the smaller parish. In addition, Members urged the Council to managing the issue with sensitivity.

The Executive Councillor discussed the reason for the inclusion of a bus departure levy. He reminded the Panel that the proposal was previously presented however it was deemed unworkable. A Member stated that they were concerned that with a levy the bus companies would either remove more services or pass the cost of the levy onto the customers, many of whom are residents of the District.

In regards to the swimming lesson fee increase, the Panel was supportive of the increase provided that the relevant Executive Councillor had done the necessary work to ensure the viability of the increase.

In response to a query on the lease agreement for One Leisure St Neots, the Panel was informed of the progress on the lease negotiations. The agreement is currently with the Department for

Education awaiting the Secretary of State to agree to the use of land.

The Panel reviewed the capital programme and reminded the Executive Councillor and the Head of Resources that when purchasing ICT equipment that the lifespan of the equipment should be taken into account as that would affect maintenance and replacement costs.

In addition to the budget discussions Members made the following comments: praise was expressed that despite the non-realisation of £453k of Zero Based Budgeting savings there had still been a net budget decrease of £817k; a Member believed that alternative use for reserves should be written within the report, even if it is later dismissed; it was stated that the message the Executive Councillor gave Members as to the reasons for the Commercial Investment Strategy, in particular that the Council may look to invest in the market towns, are effectively communicated to residents.

*(At 8.30pm, during the consideration of this item, Councillors K M Baker and Mrs D C Reynolds left the meeting and did not return.)*

#### **49. OVERVIEW AND SCRUTINY PROGRESS**

With the aid of a report by the Democratic Services Officer (Scrutiny) (a copy of which is appended in the Minute Book), the Panel reviewed all Panels' work programmes since the last meeting.

The Executive Councillor and Head of Resources were asked when the Panel would receive an update report on the sale of assets. The Panel was informed that the Council should be effectively utilising land and is currently assessing how to get best value from the land it owns.

Councillor R C Carter updated Members on the One Leisure Value for Money and stated that the questions for previous Portfolio Holders had been issued. The Group are aiming to bring a final report to the March meeting of the Panel.

The Panel was informed that due to absences the March meeting of Overview and Scrutiny Panel (Performance and Customers) has been moved from Wednesday 7th March to Monday 5th March.

Chairman