

BRECKLAND COUNCIL

At a Meeting of the

OVERVIEW AND SCRUTINY COMMISSION

**Held on Thursday, 8 January 2015 at 2.00 pm in the
Anglia Room, The Conference Suite, Elizabeth House, Walpole Loke, Dereham**

PRESENT

Mr J.P. Cowen (Chairman)	Mr R.G. Kybird
Mr T. J. Jermy (Vice-Chairman)	Mrs S.M. Matthews
Mr A.J. Byrne	Mr R. R. Richmond
Mr C G Carter	Mr J.D. Rogers
Mr K.S. Gilbert	Mr B. Rose
Mr A.P. Joel	

Also Present

Mr S.G. Bambridge	Mrs L.S. Turner
Mrs E. M. Jolly	Mr M. A. Wassell
Mr I. Sherwood	

In Attendance

Mark Finch	- Finance Manager
Julie Kennealy	- Executive Director (Place) (S151 Officer)
Simon Linsley	- Interim ICT Manager
Helen McAleer	- Senior Democratic Services Officer
Maxine O'Mahony	- Executive Director of Commissioning & Governance
Jo Russell	- Interim Corporate Improvement and Performance Manager
Teresa Smith	- Democratic Services Officer
Vicky Thomson	- Democratic Services & Legal Manager

1/15 MINUTES (AGENDA ITEM 1)

(a) 9 October 2014

The Minutes of the meeting held on 9 October 2014 were confirmed as a correct record and signed by the Chairman.

The Chairman noted that there had been a frank discussion at the meeting about the quality and type of service provided by Norfolk County Council. Since then he had received a briefing note from the Interim Head of ICT which would be e-mailed to Members. In summary there had been a marked improvement in the relationship and delivery of services from NCC. ICT would be back on the agenda for the February meeting when Members would receive a comprehensive update.

(b) 20 November 2014

The Minutes of the meeting held on 20 November 2014 were confirmed as a correct record and signed by the Chairman.

2/15 APOLOGIES AND SUBSTITUTES (AGENDA ITEM 2)

Apologies for absence were received from Councillor D Irving.

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3/15 URGENT BUSINESS (AGENDA ITEM 3)

None.

4/15 DECLARATION OF INTERESTS (AGENDA ITEM 4)

None.

5/15 NON-MEMBERS WISHING TO ADDRESS THE MEETING (AGENDA ITEM 5)

Councillors Bambridge, Jolly, Sherwood, Turner and Wassell were in attendance.

6/15 EXECUTIVE MEMBER PORTFOLIO UPDATE (AGENDA ITEM 6)

Councillor Ellen Jolly, Executive Member for Finance had been invited to update the Commission on her Portfolio. At her previous visit to the Commission she had given an overview of the roles and core responsibilities of her Portfolio. This time she updated Members on the following current issues.

- The Audit Committee had approved a new risk based approach to internal audit. There had been problems with outstanding audit recommendations in the past and with the new process the aim was to address 100% of those matters. Currently 89% had been dealt with.
- The withdrawal of the Co-operative Bank meant that the Council had had to find a new banker and was in the progress of a transition to Barclays Bank which should be completed by early February. It had caused an enormous amount of work for the Finance Team and she thanked them for their efforts.
- With regard to the Council's money in Iceland she was able to advise that overall £10.9 out of £12million had been recovered so far.
- The External Audit report had raised no issues, which was a very good sign.
- The Finance Team had been providing support for the Local Asset Backed Vehicle (LABV) project. The project had required a shift in traditional requirements with a more pro-active regenerative role. Those skills would be required in other Council projects. The project had been challenging and she commended the Officers for doing a very good job.

She then gave a short presentation on the Anglia Revenues & Benefits Partnership (ARP) which had been added to her Portfolio. The Partnership had started in 2003 with two Councils (Breckland and Forest Heath) and had recently expanded to seven Councils with two Members from each Council sitting on the ARP Joint Committee (JC). Each Council received monthly performance reports on the Revenues and Benefits service. Performance was good as the Partnership was an extremely efficient operation.

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The ARP JC had delegated authority to the Operational Improvement Board (OIB) which was made up of Directors from each of the member Councils. They advised the Joint Committee of changes in legislation and identified and prioritised any issues.

Members were given information about the size of the ARP in National terms and were advised about current projects and future challenges to the Partnership.

Councillor Gilbert thought that the Partnership was a fantastic success but he asked if it was getting too big.

Councillor Jolly said it was working well at the moment but that the introduction of Universal Credit was a big challenge and no-one knew how that would pan out. All Members were cautious about future growth. She went on to advise Members that ICT for the ARP was managed by West Suffolk and they were already PSN (Public Services Network) compliant. A business continuity plan was being developed. Data was backed up at two different centres for security. All Partners could connect to the network through safe links and if anything happened to Breckland House in Thetford staff could be deployed and work from other sites.

Members were invited to ask questions and the Vice-Chairman asked how the Council compared to others in recovering money from the Icelandic banks.

The Finance Manager advised that the Council was operating closely with the LGA and all authorities were receiving more or less the same level of returns.

The Chairman asked who owned the outstanding internal audit recommendations and the Executive Director Place advised that each recommendation was assigned to a named officer but that collective responsibility sat with her, as the Council's Section 151 Officer.

The Chairman asked for clarification of the LABV finance. He had thought that the Council was putting in land and relying on the Partner for finance and skill. The Executive Director Place explained that risk still had to be weighed against benefits and the work done internally provided an important evaluation of where the Council was at the present and the benefit of taking on new risk. It was crucial that the Council had robust numbers that it could trust.

The Chairman thanked the Executive Member for her update.

7/15 DRAFT CORPORATE PLAN AND BUDGET (AGENDA ITEM 7)

The Executive Director Place gave a short presentation which provided Members with a high level strategic overview of the budget to give them an interpretation of the 'big picture'.

For 2015/16 the Council had a balanced budget with no dependency on reserves, or 'yet to be identified' in-year savings and all services would be maintained, as would a healthy balance in the reserves.

When the budget had been set the previous year it had been expected that

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the Council would have a balanced budget but there had been a picture of increasing deficits and the strategy had been to use the reserves in the short term to reduce those deficits. However, half way through that budget there were only small deficits and no dependency on reserves. The reason for that was that the Council had been successful in delivering efficiencies. Shifting the stance to a longer term strategic view the aim was to seek a sustainable financial position across the full Medium Term of the budget. By maximising opportunities the Council would be in a balanced position over the next two years. There would be a £1million deficit in four years, but there was time to address that.

In terms of the District, there would be no reduction in services; free parking would continue; there would be no increase in Council Tax; the Parish Support Grant would be maintained; and there would be additional investment in growth.

Local Government funding had changed. It used to be based on need but it was now focused more on success. Councils with the most growth and new homes would benefit the most. It therefore made sense to focus resources on the growth agenda.

Members were shown a pie-chart which showed where the Council's money came from. The reason the Council was so well placed was due to its successful investment portfolio which gave an annual income which was equal to what the Council received from its Central Government Grant and from Council Tax. It illustrated the healthy distribution of income sources, for example only 10p in each pound that the Council spent came from Council Tax.

Copies of the presentation were available for Members and would be given out at the Town & Parish Council Forum on 15 January 2015.

With regard to the Revenue Budget, the Executive Director Place felt that the Council was well placed to secure a sustainable position with a balanced budget over the medium term and a realistic savings target for a planned and resourced transformation programme.

With regard to the £15million capital spending proposed, there was only £11million available in capital resources. There were two kinds of money; capital could only be spent on capital, but revenue could be spent anywhere. Due to prudent budgeting in previous years the Council would have revenue reserves of about £14million by the end of the Plan.

There was still the challenge of the £1million gap in four years to address but the Council had already secured three times that amount in savings in half that time. With the new Corporate Plan and Transformation Agenda there was no reason why the gap could not be closed.

The financial plan was based on what was known now and there was a significant risk of future reduction in Local Authority funding. It was also important to bear public sector pay in mind as the National pay settlement of 2.5% over 18 months could be a risk to the budget.

The LABV project had £6.5million allocated to it. The proposals from the Partner could provide alternative financing options which would result in a significant improvement in the capital position and would give a sustainable

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position across the Medium Term.

Members were invited to ask detailed questions.

Councillor Kybird was surprised by the 4.3% growth figure in the tax base and the Finance Manager explained that when the tax base had been set the previous year it had been done before the effects of the Council Tax Reduction Scheme were known. That had affected the tax base and housing growth had also done so.

The Executive Director Place noted that previous assumptions had been prudently based on a 'worst case' effect on Council Tax debt but that had not happened and therefore the figures had been adjusted. Going forward a more standard format would be used.

Councillor Joel asked how the New Homes Bonus worked and it was explained that it had been brought in to meet a number of requirements including providing a mechanism to fund the cost of growth. It could be spent as revenue or capital. There would still be £3.6million New Homes Bonus at the end of the Medium Term Financial Plan.

The Vice-Chairman asked for an explanation of the table on page 26 and also why there was such a significant difference in the amount of Council Tax freeze grant in the next two years.

The Finance Manager explained that it had been confirmed in the settlement that the first grant had been over the full term and the recent settlement provided for another single year.

The Vice-Chairman was also concerned about streetlights which were referred to on page 33. He had reported 50 streetlights in his Ward which were not working and they were still not working. If the budget was set without provision for maintenance it would build up problems in the future.

The Executive Director Place advised that there was £989,000 capital allocated to that issue.

The Leader of the Council pointed out that the New Homes Bonus was not new money, it was just a redistribution of money that the Council used to get and it was now an element of the grant.

The Chairman said the budget news was impressive. He asked why there was so much red in the traffic light system on page 63 and was advised that the red was against the delivery of the capital programme. The money was available and now it was the time to do something with it. That would move the indicators from red to green.

Members confirmed that they were happy with the budget part of the papers.

The Executive Director Commissioning & Governance then presented the Draft Corporate Plan. The existing plan ran from 2011 to 2015 and expired in April 2015. Alongside the Corporate Plan was the Delivery Plan and the four priorities in that were set out in detail on pages 69 to 72. To achieve those priorities there were a set of critical activities.

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The draft would go out for external consultation along with the budget following the O&SC meeting and that consultation would close at the end of January 2015. It would then be discussed by Cabinet and Council and the Performance Framework would be revised and a transformation plan would be prepared to address the budget gap. The document would be updated and changed as necessary over the course of the four year plan and would be reviewed annually. It would also be presented to the Scrutiny Commission each year where the achievements and plans for the following year would be explained.

Members were asked to provide feedback which would be used to provide a verbal update to the Cabinet when the report was presented to them the following week.

Members pointed out some minor amendments which would be addressed. It was noted that some Members had already provided comments. Those comments had been received too late for inclusion in the agenda but would be reported to Cabinet.

Councillor Kybird pointed out that the two pages on 'Our District' did not identify Thetford as a key area of growth and change. He also suggested that the reference to outstanding schools on page 67 was incorrect. On page 68 he suggested that Museums, the Stanford Training Area and the Centre of the Brecks should be included.

The Chairman thought it was wrong to say 'Our Vision ... Breckland is a place of opportunity and ambition for all.' (Page 66) A vision was something that was aspired to and that was not what the Council was aspiring to. He thought that the vision statement should be more 'gung ho' but also said that there was a lot in the document that was superb.

He agreed with Councillor Kybird's comments about Thetford. Breckland was the gateway to Norfolk and with the growth, etc, the Council should make more of it.

He suggested that the document should represent the Golden Thread. It needed to be repositioned to show what the Council was aiming for and what it was trying to do and how it was trying to attract businesses.

With regard to detail he noted that the five year housing land supply was actually six years. On page 74 he suggested that residents would not like to read that the Council's arrangement with South Holland was to maintain a low Council Tax – it was done to drive efficiencies and low Council Tax was not the driver.

Finally he said that page 77 was the significant thing for the Corporate Plan. Getting businesses into the District was entirely dependant on the digital age.

The Executive Director Commissioning & Governance thought the Golden Thread point was well made. The Corporate Plan was front facing but the Delivery Plan, Team Plans and Individual Appraisals would ensure a Golden Thread approach. She confirmed that all the feedback would be passed on to Cabinet.

The Chairman thanked the Officers for their presentation.

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8/15 HEALTH SCRUTINY (AGENDA ITEM 8)

Councillor Kybird had submitted the comments he had received from Members about the consultation on the Watton Medical Practice redefining its boundaries. He had also sent Members an update.

A Task & Finish Group was to be set up to look at recruitment issues generally and he would be part of that Group.

9/15 SCRUTINY CALL-INS (AGENDA ITEM 9)

None.

10/15 COUNCILLOR CALL FOR ACTION (AGENDA ITEM 10)

None.

11/15 WORK PROGRAMME (AGENDA ITEM 11)

The Chairman noted that Environmental Services work including flytipping, recycling, contracts, etc and ICT would be discussed at the next meeting on 12 February 2015.

Councillor Gilbert suggested that when Councillor Gould attended for the March meeting someone from the Housing Advice Team should be invited to give an overview of their work, as that formed part of Councillor Gould's portfolio. It would be good to hear about the difference they could make to people's lives.

The Chairman agreed.

At the next meeting there would be an opportunity for Members to quiz the Leader of the Council on the new equipment that would be issued to Members.

Councillor Kybird asked for Byelaws to be added to the future work programme to find out who operated them and whether they worked.

12/15 NEXT MEETING (AGENDA ITEM 12)

The arrangements for the next meeting on 12 February 2015 at 2pm in the Anglia Room, Conference Suite, Elizabeth House, Dereham, were noted.

The meeting closed at 3.30 pm

CHAIRMAN