

MINUTES OF A MEETING OF THE
CORPORATE BUSINESS SCRUTINY
COMMITTEE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 26 AUGUST 2014, AT 7.00 PM

PRESENT: Councillor G Jones (Chairman)
Councillors S Bull, J Mayes, T Page,
M Pope, J Ranger, J Wing and J Wyllie.

ALSO PRESENT:

Councillors S Rutland-Barsby and M Tindale.

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Karl Chui	- Performance Monitoring Officer
Marian Langley	- Scrutiny Officer
Shahida Nasim	- Finance Review Project Manager
Alison Street	- Accountant
Adele Taylor	- Director of Finance and Support Services

202 APOLOGIES

An apology for absence was submitted from Councillor G Williamson.

203 MINUTES - 8 JULY 2014

RESOLVED – that the Minutes of the meeting held on 8 July 2014 be confirmed as a correct record and signed by the Chairman.

204 CHAIRMAN'S ANNOUNCEMENTS

The Chairman asked that all Members be vigilant in using the microphones to speak.

205 2013/14 ANNUAL GOVERNANCE STATEMENT

The Leader of the Council submitted a report presenting the 2013/14 Annual Governance Statement and the 2014/15 Annual Governance Statement Action Plan. Essential Reference Paper 'C' detailed the Action Plan and Essential Reference Paper 'B' showed the version of the Annual Governance Statement with tracked changes detailing the amendments made to the wording of the current document.

The Director of Finance and Support Services explained that the Annual Governance Statement had been circulated to a number of committees and that Audit Committee was responsible for monitoring its progress. She explained that a number of small changes had been made, mainly around the management of risk, the District Plan, Data Protection and "Here to Help" arrangements.

Councillor J Ranger suggested that the Council's HR People Strategy in relation to pay and terms and conditions, which were referred to as "adequate" be amended to read "appropriate". This was supported. He also suggested that in relation to the Council's website the reference to "closed" consultations be amended and referred to as "past" consultations. This was also supported.

Councillor T Page raised a question regarding the Council's "Here to Help" approach. He also raised a query regarding Section 106 monies. The Director of Finance and Support Services explained the processes in place to ensure that monies were spent appropriately and in a timely manner, and what internal monitoring processes were now in place. She confirmed that local Councillors were consulted regarding Section 106 monies

when there was an opportunity to provide input, but more usually, the monies were provided for a specific purpose and transferred to partner agencies. The Director of Finance referred to the “Here to Help” approach adding that it was about how the Council worked, its values and staff behaviours and around organisational development. Members supported a suggestion that Councillors also be included in the “Here to Help” statement.

In response to a query from Councillor M Pope regarding ICT targets, the Director of Finance and Support Services confirmed that not all the dates had changed and the targets were realistic. She confirmed what changes had been made in terms of improving data security.

The Committee received the report and supported the minor changes requested.

RESOLVED – that (A) the 2013/14 Annual Governance Statement 2013/14 and 2014/15 Action Plan, be supported;

(B) the Council’s HR People Strategy in relation to pay and terms and condition be amended to “appropriate”;

(C) on the Council’s website, “Closed” Consultations be referred to as “Past Consultations”; and

(D) the “Here to Help” Statement be amended to include Councillors.

206 ANNUAL REPORT 2013/14

The Leader of the Council submitted a report providing Members with an initial draft of the Council’s Annual Report for 2013/14.

The Performance Monitoring Officer explained the key achievements over the last financial year and provided an

overview of the Council's financial position.

Councillor T Page raised a number of queries regarding population statistics, suggesting that 4% of the population were "missing" from the statistics as presented.

Additionally, he commented that there were statistical discrepancies in two different paragraphs in the report in relation to modes of travel. Councillor Page also referred to the differences in relation to housing benefit paid in and paid out and asked what the "difference" was used for.

The Director of Finance and Support Service explained that the population statistics were provided by the Office for National Statistics (ONS) and that it could be that some people might not have wanted to provide nationality information. She undertook to provide a more detailed written explanation. She also undertook to provide a written response in relation to the modes of travel query. The Director explained that in relation to Housing Benefit and monies paid in and out, the use of housing benefit monies was prescribed but that there were associated costs in managing the service in terms of administration. She agreed to write to Members with a breakdown of this cost. The Director assured Members that the Council was not profiting from Housing Benefit claims.

Councillor M Pope referred to the number of land charges searches. The Director of Finance and Support Services stated that this reflected an upturn in the housing market during the last year.

Councillor S Bull asked what community schemes had taken place in this year in Buntingford. Officers undertook to write to the Member.

The Committee received the report and asked that Members' comments as now detailed, be referred to the Executive along with its recommendation to the Executive for approval.

RESOLVED – that (A) Members' comments as

now detailed, be referred to the Executive; and

(B) the 2013/14 Annual Report be recommended to the Executive for approval.

207 MONTHLY CORPORATE HEALTHCHECK - APRIL TO JUNE 2014

The Director of Finance and Support Services submitted an exception report on finance and performance monitoring for the period April to June 2014.

In response to a query from Councillor S Bull regarding an anticipated increase in the budget for Bed and Breakfast charges, the Director of Finance and Support Services explained that more people had been placed in Bed and Breakfast accommodation and that the Council, at the beginning of each year, had to make a number of assumptions in relation to planning its budget. The Executive Member for Finance reminded Members that they did have an opportunity to review charges at scrutiny.

The Director of Finance and Support Services explained that the contingency balance was £225,000 and not as reported.

Councillor T Page requested further information on the projected spend on the Bishop's Stortford Market Improvement Scheme. The Director of Finance and Support Services explained that the running of the market was out to tender at the moment and that it would be inappropriate to comment during the tendering process other than to say that this was money which had been set aside for its improvement from the capital budget. The Executive Member for Finance suggested that the Member speak to the Executive Member for Economic Development in terms of how the figures had been arrived at.

Councillor J Mayes sought clarification on the weir

project. The Director of Finance and Support Services explained that Environment Scrutiny Committee would be receiving an update about the micro hydro unit at its meeting on 12 September 2014.

Councillor M Pope referred to parking income generated from car washing at Jackson Square, Bishop's Stortford and queried whether there was an opportunity of introducing this in other areas. The Director of Finance and Support Services explained that the Parking Team had looked at this. The Scrutiny Officer explained the problems associated with this arrangement including drainage and water supply. The Director explained that once a decision had been made about the provision of car washing facilities in car parks, the service went out to tender which included issues such as insurance and behaviours.

In response to a query from Councillor M Pope regarding Hertford Theatre, the Director of Finance and Support Services explained that the future governance of the theatre would be part of a business plan and that the Shared Internal Audit Service would be providing the Council with its expertise on this. The Director provided background information in relation to the theatre's categorisation as "Amber".

Members received the report.

RESOLVED – that the report be received.

208 CORPORATE STRATEGIC PLAN 2015/16 - 2018/19

The Leader of the Council submitted a report presenting a draft of the Council's Corporate Strategic Plan which outlined the Council's priorities for the next four years and the key outcomes it hoped to achieve. The report also highlighted the high level priorities and identified the key activities that will be undertaken.

The Committee received the report.

RESOLVED – that the Corporate Strategic Plan for 2015/16 to 2018/19, as now submitted, be recommended to the Executive for approval.

209 FINANCIAL STRATEGY 2015/16 - 2018/19 AND MEDIUM TERM FINANCIAL PLAN UPDATE

The Executive Member for Finance submitted a report inviting the Corporate Business Scrutiny Committee to consider revisions to the Financial Strategy, including its policy on using reserves and the proposed planning assumptions to be used to update the Medium Term Financial Plan for 2015/16 to 2018/19.

The Director of Finance and Support Services introduced two officers, Alison Street (from the Accountancy team) and Shahida Nasim (currently co-ordinating a finance review at the Council). These officers were in attendance to evaluate how Members used the “modelled” information as presented. The Director of Finance and Support Service explained the importance of having a Financial Strategy and Medium Term Financial Plan covering a four year period. Key paragraphs within the report were explained.

In response to a query from Councillor M Pope regarding business rates and how significant the risk was, the Director of Finance and Support Services explained risk in terms of the extension of business rate relief, of the increase in the number of requests for relief and the fact that appeals for business relief could be backdated five and six years.

The Director of Finance and Support Services stated that the Council’s Policy on its level of reserves had been agreed by Members and that this was based on good practice. She added that external audit would not comment on how much the Council had in reserve, but it would comment if it felt that the level held was insufficient.

Councillor J Ranger commented on the level of reserves and that the Council should do something with some of its reserves but would be unhappy to see, three years ahead, that it had insufficient reserves.

The Committee Chairman stated that the Council had £8Million earmarked in general reserves and that it had exceeded this figure by a further £1.374 Million and that it was breaching its own policy in terms of its level of reserves. The Chairman stated that he “had a problem” with a MTFP which did not conform to its own policy.

Councillor J Wing suggested that some reserves be the subject of discussions with social housing providers and local housing associations.

Councillor T Page suggested that the reserves be protected in terms of its residents and in relation to Council Tax.

The Executive Member for Finance explained that the reserves policy was reviewed by Audit Committee and conformed with CIPFA guidelines. He explained the importance of having sufficient reserves. The Director of Finance and Support Services explained what the earmarked reserves would be used for including running local elections and funds for interest equalisation (i.e. interest rates dropping). She added that without these reserves, Council Taxpayers could be hit sharply if there were significant fluctuations in activity from year to year.

Following a question regarding interest on cash balances, the Director of Finance and Support Services referred to cash flows and the importance of understanding the day to day needs of the Council, keeping enough cash in hand to run its activities. She also explained the difficulties experienced with identifying opportunities to invest money appropriately.

In response to a query from Councillor J Wyllie regarding interest rates shown as low in the report for next year, the

Director of Finance and Support Services explained the approach adopted.

Councillor J Ranger referred to staff salaries and the fact that these had been “down” for a long time adding that this was not sustainable.

Councillor M Pope expressed concern at using reserves to freeze Council Tax. Councillor J Wyllie was also concerned about freezing Council Tax and suggested a modest increase of 1% every year. Members supported this approach.

The issue of recycling, waste disposal and income generation was discussed. The Director of Finance and Support Services stated that consideration needed to not only be given to recycling costs, but also reducing the levels of residual waste given the increasing costs of disposal.

The Executive Member for Finance stated that recycling had now reached 50%. With regard to increases in Council Tax he felt that a 1% increase was very low and added that the Council should not increase Council Tax until such time as reserves had achieved a ceiling. Members agreed that there was a need to be prudent in relation to spending in order to protect the affordability of Council Tax in future years when shortfalls were already showing up in the MTFP. Members suggested that there be small increases in Council Tax rather than a single, large increase after a long period of freeze.

Councillor T Page referred to the income generated from fees and charges and especially in relation to planning. Councillor J Wing suggested that the Council should consider introducing some form of scaled approach in relation to pre-application discussion fees for community based organisations or charity organisations except in cases where full cost recovery was necessary or required. Members also felt that the current level of fees within planning was set too low for big commercial firms who,

they felt, were making significant financial gains on larger development sites in the District.

The Committee received the report and asked that Members' comments as now detailed, be referred to the Executive along with its recommendation to approve the proposed financial strategy.

RESOLVED – that (A) Members' comments as now detailed, be referred to the Executive; and

(B) the proposed financial strategy be recommended for approval.

210 SCRUTINY WORK PROGRAMME

The Chairman submitted a report setting out the Committee's future work programme for 2014/15. The Scrutiny Officer explained that the Work Programme had been added as the last agenda item in order to afford Members an opportunity of adding items discussed earlier on the agenda. The Scrutiny Officer explained that no items had been identified for the October 2014 meeting of Corporate Business Scrutiny.

In the absence of agenda items, it was suggested that the meeting be used for cross-council training in preparation for the budget setting at Joint Scrutiny in January and February 2015 and that all Members of the Council be invited to attend. This was supported.

The Committee approved the 2014/15 work programme, as now detailed.

RESOLVED – that (A) the October 2014 meeting of Corporate Business Scrutiny be used for wider training and that all Members be invited to attend; and

(B) the work programme, as now detailed, be approved.

The meeting closed at 9.05 pm

Chairman

Date