

MINUTES OF A MEETING OF THE
JOINT MEETING OF SCRUTINY
COMMITTEES HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 14 FEBRUARY 2017, AT 7.00
PM

PRESENT: Councillor Mike Allen (Chairman)
Councillors A Alder, P Ballam, P Boylan,
R Brunton, M Casey, Mrs R Cheswright,
K Crofton, G Cutting, B Deering, M Freeman,
J Goodeve, R Henson, M McMullen,
D Oldridge, P Phillips, M Pope, S Reed,
P Ruffles, C Snowdon, C Woodward and
J Wyllie.

OFFICERS IN ATTENDANCE:

Lorraine Blackburn	- Democratic Services Officer
Fiona Corcoran	- Scrutiny Officer
Jonathan Geall	- Head of Housing and Health
Philip Gregory	- Head of Strategic Finance and Property
Tamara Jarvis	- Improvement and Insight Manager
Jess Khanom	- Head of Operations
Adrian Neighbour	- Corporate Policy Officer
Helen Standen	- Director
Kevin Steptoe	- Head of Planning and Building Control Services
Su Tarran	- Head of Revenues and Benefits Shared Service
Adele Taylor	- Director
Liz Watts	- Chief Executive
Kevin Williams	- Governance Consultant
Ben Wood	- Head of Communications, Strategy and Policy

570 APPOINTMENT OF CHAIRMAN

It was proposed by Councillor P Ruffles and seconded by Councillor B Deering that Councillor M Allen be appointed Chairman for the joint meeting.

RESOLVED – that Councillor M Allen be appointed Chairman for the joint meeting.

571 APOLOGIES

Apologies for absence were submitted on behalf of Councillors D Abbott, S Bull, S Cousins, I Devonshire, H Drake, Mrs D Hollebon, J Jones, J Kaye, P Moore, R Standley and M Stevenson. It was noted that Councillor C Woodward was substituting for Councillor Mrs D Hollebon.

572 MINUTES – 17 JANUARY 2017

Councillor K Crofton referred to Minutes 527 (Budget Report and Medium Term Financial Plan 2017/18 and 2020/2021) paragraph six. He stated that the Minutes needed to reflect the fact that Members were concerned about whether service heads were adhering to their departmental budgets. The Chairman thanked the Member for the clarification.

RESOLVED – that the Minutes of the joint meeting held on 17 January 2017 be confirmed as a correct record and signed by the Chairman.

573 2017/18 CORPORATE SERVICE PLANS

The Executive Member for Finance and Support Services submitted a report that presented a draft of the Council's service plans which outlined priorities for the next year (2017/18) and going forward, those key outcomes it looked to achieve. The Corporate Policy Officer provided a summary of the report, drawing Members' attention to its new format. He stated that strategic actions would be

reported to scrutiny at quarters 2 and 4 in the financial year. The Corporate Policy Officer explained that Key Actions 29, 35, 38, 146 and 147 had been deleted and that KA 24 had been changed.

Members were provided with clarification on the following Key Actions and asked that their comments detailed below be referred to the Executive:

- 5 – (Outcome: support for vulnerable families and individuals): Whether this aimed high enough in terms of its agenda and whether the Council was being sufficiently ambitious in terms of working with its partners to enlarge its scope;
- 4 - (With partner agencies; review and monitor the air quality action plan): That the Council's report should be published online and made available to the public;
- 13 – (Hertford Theatre, develop business models for expansion): The fact that there were five towns within the District and within those towns, only two theatres received all of the arts and leisure monies and the need to be equitable:
- 19 – (Work with local community groups to develop community energy schemes): Ensure that the Council was working with independent groups to generate interest including with schools and Hertford energy;
- 24 – (Work with Ware Society to take on full ownership of the Grotto): Whether the society was sufficiently confident to take on full ownership;
- 32 – (Review of Licensing policies and procedures): That Licensing Committee should be involved in the review process;
- 44 – (Appropriate control in relation to unauthorised

development in the District) with regard to customer service targets: Whether these targets reflected an improvement following their last consideration or whether these were aspirational ;

- 50 – (Working with owners to return long term empty properties back into use): That the deadline needed to be achievable and that there should be more publicity disseminated to show what the Council was doing on this issue. Additionally, concerns were expressed that the figure of 27 (empty properties) was low, the lack of focus in addressing poor landlords and living in sub-standard conditions. The Chairman suggested that Members had a role to play in this in reporting such properties;
- 57 – (Strengthen networks with local businesses); 59 - Liaise with LEP (Growth Hub to ensure East Herts Businesses Benefit) and 60 – (Ensure successful delivery of the Rural Development Programme) – Whether the priorities in these collective Key Actions addressed the values the challenges in East Herts;
- 61 – (Support Visit Herts with delivery of a destination management programme): The deadline of March 2018 and the need to ensure liaison with Bishop’s Stortford’s town plan;
- 66 – (Optimisation of on-street parking for all user groups within existing Resident Permit Zones): Whether the deadline date could be bought forward given the impact this would have in terms of displacing 300 cars; the need for more action regarding schemes in Bishop’s Stortford and the issue of commuter “misery”;
- 124 – (Continue engagement with local schools): The need to continue to encourage good dietary health to address obesity.

Members supported the recommendations now detailed

and that their comments detailed above, be referred to the Executive.

RESOLVED – that (A) the report be received;

(B) the comments made by the joint meeting as now detailed, be referred to the Executive for consideration; and

(C) the Executive be advised that the joint meeting of Scrutiny Committees supports the approval of the draft 2017/18 Service Plans as detailed in Essential Reference Paper 'B' of the report submitted.

574 PROPOSED CHANGES TO SCRUTINY

The Chief Executive submitted a report that recommended changes to the way in which East Herts Council undertook scrutiny, in order to deliver high-quality and value for money scrutiny. The Chief Executive provided the background to the report and a summary of the proposals.

It was noted that the proposals would include a new Overview and Scrutiny Committee (forward looking and shaping new policies at an early stage) and a Performance, Audit and Governance Scrutiny Committee (reviewing progress on delivery of the corporate strategic plan). Key to the process was for each Committee to have clear forward looking work programmes. Proposals also included the establishment of a Community Wellbeing Forum comprising Member “champions” who wished to become more involved in the health and wellbeing agenda within their areas. Members welcomed the report.

In response to a query regarding a recommendation to pay Chairmen and Vice Chairmen an allowance, the Chief Executive explained that this would be an issue for the Independent Remuneration Panel to consider.

Councillor K Crofton commented on the need for Executive Members to attend meetings of scrutiny, how meetings were minuted and that training on scrutiny should be given to Members. Councillor M Freeman suggested that the Minutes needed to reflect the reasons for Members' views and the Executive to be made aware of Members' "challenges".

Councillor M Pope referred to the fact that training was normally a part of the Audit and Governance agenda and queried the size of the work programme of the two proposed new committees. The Chief Executive explained that the work programme would cover a period of two years. She reminded Members of the role of scrutiny which was to hold the Executive to account and explained that it was not always possible for the Minutes of a meeting to include the detail Members might want.

The Chairman referred to a question submitted by Councillor P Moore regarding Members being able to meet outside formal committee meetings to research issues to help the scrutiny process. Councillor P Phillips reminded Members that Officers attended informal meetings to ensure transparency of process. The issue as to whether Members of the Executive held informal meetings themselves was discussed.

The Acting Head of Legal and Democratic Services stated that it was not unusual for briefing meetings to take place which were not formal meetings, in order that the decision makers could be better informed, adding that transparency was based on the decision making process. The Acting Head explained that meetings of scrutiny were open meetings and that to treat the Executive differently, could be viewed as perverse and could reduce the effectiveness of the Executive which was essentially a procedural partnership.

Members debated at length the sample scrutiny proposal form set out at Essential Reference Paper "B" of the

report. In particular, Members considered the inclusion of the first three questions . The Chief Executive explained the rationale for the inclusion of these in terms of bringing forward items for the work programme. A number of suggestions were put forward regarding the approach to be taken in respect of the sample form.

Councillor G Cutting proposed and Councillor C Woodward seconded a motion that the sample form be amended by the removal of the first three questions (on the second page) and simplifying the depth of information requested. After being put to the meeting and a vote taken, this motion was declared CARRIED.

The joint meeting supported the recommendations, as now amended.

RESOLVED – that (A) the report be received;

(B) the two key proposals in respect of work programmes and the number of scrutiny committees, as detailed in the report submitted, be supported;

(C) further proposals for ways to improve scrutiny, as detailed in paragraph 3.17 of the report submitted, be supported;

(D) plans to set up a Community Wellbeing Forum, as detailed in paragraph 3.19 of the report submitted, be noted; and

(E) the sample scrutiny proposal form as detailed at Essential Reference Paper “B” of the report submitted, be amended by the removal of the first three questions (on the second page) and simplifying the depth of information requested.

The Head of Strategic Finance and Property and the Head of Communications, Strategy and Policy submitted a joint report on finance and performance monitoring for East Herts Council for 2016/17 as at December 2016. The report covered the forecasted 2016/17 revenue budget position and the revised capital budget for 2016/17. The Head of Strategic Finance and Property provided a summary of the report. The Insight and Improvement Manager explained that all indicators with the exception of three, were on target.

Councillor K Crofton referred to overspends and suggested that these should have been included in the budget as these would now impact on residents' Council Tax. The Head of Strategic Finance and Property stated that the overspend represented 0.6% of the budget and that the Council was using resources for which they were intended. He explained how resources were carefully managed to make sure services were delivered within the budget across the range of service plans. The Head explained how the budget was prepared with contingencies being stripped out so that services were delivered in a lean and efficient way, although a single corporate contingency budget was included for in-year use if necessary.

In response to a query from Councillor M Pope, the Head of Housing and Health explained the position around the underspend which, he said was attributable to appropriate use of Section 106 monies and other monies made available to the Council.

Councillor B Deering queried the ongoing hydro- electric project and was advised by the Head of Service that she was liaising with the Environment Agency to see if the project was still viable given changes to tariffs.

Councillor A Alder asked that every effort be made to speed up the scheme to modernise the public conveniences at Bell Street, Sawbridgeworth and hoped that this could be completed within the next six months.

In response to a query from Councillor C Woodward (MEHPI 11.6 Town Centre Footfall), the Head of Communications, Strategy and Policy, explained that this referred to the market and its success. He further stated that this issue would be reviewed in the context of the Bishop's Stortford Emerging Plan.

Members received the report and supported the recommendations, now detailed.

RESOLVED – that (A) the report be received;

(B) the revenue budget forecast overspend of £89k in 2016/17 be noted;

(C) the capital budget forecast underspend of £1.122m be noted; and

(D) the reported performance for the period October 2016 to December 2016 be noted.

576 DIVERSIFICATION OF INVESTMENTS: ESTABLISHMENT OF A PROPERTY INVESTMENT COMPANY

The Head of Housing and Health and the Head of Strategic Finance and Property submitted a joint report that set out the case for diversifying East Herts Council's investment portfolio by establishing a property investment company, wholly owned by East Herts Council. The Head of Housing and Health provided a summary of the report and outlined key elements and revisions requested by Members at the previous joint meeting in January 2017. The Chairman drew Members' attention to the recommendation as now detailed.

Councillor K Crofton referred to the previous report considered when Members had not been happy with the model proposed and when alternative viable schemes to be submitted for consideration had been requested. He felt that the report before Members was virtually the same

as the previous one. He did not believe that the Council would make money on 20 houses and that what was being proposed would generate a loss. Councillor G Cutting supported this view adding that alternative business proposals which had been asked for at the January 2017 meeting had not been explored.

The Chief Executive referred Members to the Service Plans agreed earlier on the agenda this evening and cited by example, a number of business opportunities and proposals which the Council would be proceeding with such as:

- KA8 (Leisure strategy to determine future direction) in terms of a large investment to reduce a subsidy;
- a £500K investment in the Old River Lane - a joint venture project with partners;
- KA48 (Undertaking feasibility on a project to build new homes);
- KA135 (Accommodation review ensuring health and safety compliance) and the possibility of letting out office space in the Hertford building and the commercial opportunities which could generate approximately £600K.

The Chief Executive explained that the Council needed to take a first step in the process and referred to the Council's general power of competence. She explained that the Council did not have the capacity to produce a lot of business cases for Members' consideration and hoped that the Service Plans, agreed earlier, showed the significant amount of new ideas Officers were working on.

Councillor G Cutting commented that service plan ideas already were part of the process. The Chief Executive explained that it was simply a matter of capacity which was limited.

Councillor D Oldridge expressed his disappointment with the report which he felt was basically the same at that presented three weeks ago. He sought assurances that the investments proposed would give good value for money and sought further information on alternative ideas.

Councillor M Freeman was of the view that the report was clearer and more focussed. In response to a query from Councillor J Wyllie, the Acting Head of Legal and Democratic Services explained the legal position in relation to Directors of the proposed company who would also be employees of the Council. The Chief Executive cited, by example, the CCTV partnership and Building Control which worked in partnership with seven other authorities in Hertfordshire.

The Head of Housing and Health explained that approval of the report was to enable detailed discussion to proceed and to see how the business plan might look.

The Acting Head of Legal and Democratic Services explained that what was being proposed was not new, in that 14 other authorities were taking on such a role and that Members were being asked to comment on the case for establishing a property investment company. He stated that this was part 1 of the process and that the Executive would decide whether or not to set it up and that it would fall to scrutiny to make comments on the proposal. He reminded Members that only Council could agree any financial resource commitment outside of its agreed budget. The Acting Head of Legal and Democratic Services further explained that the Executive would establish the company, sign the articles of association and then ask Council to appoint Directors.

Councillor M Casey suggested that a company be set up with £100 share capital, that the five properties referred to be transferred to the company and that the business case be developed at a later date. The Chief Executive explained that the Council did not yet own the five

properties.

The use of Section 106 monies was discussed. The Acting Head of Legal and Democratic Services explained the Council’s legal position on the establishment of a housing company and the restrictions on using Section 106 monies. He assured Members that the establishment of a property investment company was a well-trodden path by councils.

Councillor A Alder proposed and Councillor R Brunton seconded a motion to remove from the recommendation all the words after the word “Executive”. After being put to the meeting and a vote taken, this motion was declared LOST.

Councillor M Freeman proposed and Councillor P Phillips seconded a motion to amend the recommendation by the removal of the word “establishing” and replacing this with “developing”. After being put to the meeting and a vote taken, this motion was declared CARRIED.

The joint meeting of Scrutiny Committees supported the recommendations, as now amended .

RESOLVED – that (A) the report be received; and

(B) the Executive be advised that the joint meeting supports the case for developing a property investment company and that their detailed comments above, be taken into account when the Executive considers the proposal to set up a company.

The meeting closed at 9.50 pm

Chairman
Date