

MINUTES OF A MEETING OF THE
CORPORATE BUSINESS SCRUTINY
COMMITTEE HELD IN THE COUNCIL
CHAMBER, WALLFIELDS, HERTFORD ON
TUESDAY 29 NOVEMBER 2016, AT 7.00
PM

PRESENT: Councillor M Allen (Chairman)
Councillors R Brunton, M Casey, J Kaye,
D Oldridge, M Pope and J Wyllie.

ALSO PRESENT:

Councillors D Andrews, E Buckmaster,
M Freeman, L Haysey, G Jones, P Ruffles
and G Williamson.

OFFICERS IN ATTENDANCE:

Ryan Brock	- NGDP Graduate Trainee
Fiona Corcoran	- Scrutiny Officer
Jonathan Geall	- Head of Housing and Health
Philip Gregory	- Head of Strategic Finance and Property
Jess Khanom	- Head of Operations
Peter Mannings	- Democratic Services Officer
Andrew Pulham	- Parking Manager
Paul Pullin	- Economic Development Manager
Helen Standen	- Director
Adele Taylor	- Director
Ben Wood	- Head of Communications, Strategy and Policy

456 APOLOGIES

Apologies for absence were submitted on behalf of Councillors B Deering, P Phillips and M Stevenson. It was noted that Councillor D Oldridge was substituting for Councillor M Stevenson.

457 MINUTES – 11 OCTOBER 2016

RESOLVED – that the Minutes of the meeting held on 11 October 2016 be confirmed as a correct record and signed by the Chairman.

458 CHAIRMAN'S ANNOUNCEMENTS

The Chairman reminded Members that it was their responsibility to arrange substitutes for Scrutiny meetings and they should inform Democratic Services of any substitution arrangements 24 hours before the start of the meeting.

459 PRESENTATION ON DIGITAL EAST HERTS

The Director (Adele Taylor) and the National Graduate Development Programme (NGDP) Graduate Trainee gave a presentation on Digital East Herts. They provided Members with an introduction to Digital East Herts and advised the Committee what it was and was not designed to achieve.

Members were advised that Digital East Herts was not solely about the website and this programme was also focussed on customer interactions and engagement. Members were provided with the story so far and the proposed next steps. Officers responded to a number of questions and queries from Members. The Committee received the presentation.

RESOLVED – that the presentation on Digital East Herts be received.

460 BUSINESS SUPPORT AND INVESTMENT PROGRAMMES
IN EAST HERTS

The Executive Member for Economic Development submitted a report that provided an early Scrutiny opportunity for the Business Support and Investment elements of the Council's Economic Vision 2016 – 2020. The Economic Development Manager summarised a number of key points in the report and detailed the four business support/investment themes that the Authority was committed to delivering.

The Economic Development Manager and the Head of Strategic Finance and Property responded to a number of comments and queries raised by the Committee. The Deputy Leader and Executive Member for Economic Development also responded to a number of further questions from Members.

Members received the report and supported the recommendation now detailed.

RESOLVED – that the extension of the current Service Level Agreement (SLA) arrangements with Wenta for a further year to 31 March 2018 to allow further consideration of the issues detailed in paragraph 3.3 of the report submitted, be supported.

461 CAR PARK FEES AND CHARGES 2017/18

The Executive Member for Economic Development submitted a report seeking the Committee's support for an overall 7.5% increase to car park budgets from April 2017. The report also sought to ascertain the Committee's preferred approach to implementing car park tariff changes as well as the Committee's support for additional proposals affecting a small number of the Council's car parks.

The Parking Manager advised that car park charges had remained unchanged for some years and in some cases had been reduced. Members were advised that when measuring inflation via the Consumer Prices Index (CPI), the value of the Council's car parking income had been eroded in real terms by nearly 12%.

Members were advised that the Council's decision to absorb the increase in the rate of VAT in 2011 had further eroded income. Car park charges had been unchanged and in some cases had reduced over the last six years and as the costs of operating the service would increase, it was proposed to increase tariffs from 2017/18.

The Parking Manager advised that although the proposed changes would deliver savings in some areas, costs would increase in others. The Council would pay a charge every time a credit or debit card was used and it was anticipated that these charges would amount to £50,000 per annum. Also, new operating and licencing costs associated with the new machines were projected to cost a further £27,000 per annum.

Following initial comments from Councillor M Casey, the Executive Member for Economic Development stated that the proposals would not discourage town centre parking and the 7.5% increase was in line with the Council's own policies. The Director (Adele Taylor) emphasised that the extra revenue would cover the costs of other elements of the service such as the work of the Civil Enforcement Officers (CEOs).

Members were advised that the check in/check out process would reduce frequent overpaying by motorists and would assist in the avoidance of Penalty Charge Notices (PCNs). The Parking Manager explained the check in/check out process.

Following queries from Councillors J Kaye, M Pope and D Oldridge, the Parking Manager explained in more detail the rationale for the changes and the loss of blue badge

bays. He explained that the loss of the smart cards was due to the functionality of the new machines and was mitigated by increasing charges towards short stay tariffs, subject to approval. He explained the operating procedures and costs associated with the work of CEOs and summarised the main differences between the options detailed in Essential Reference Papers C(1) and C(2) of the report submitted.

Councillor J Wyllie commented on whether the Council could charge for Sunday parking on the basis that the additional income would avoid weekday tariff increases. The Parking Manager advised that Sunday charging could lose the Council money due to the need to employ CEOs on Sundays. The Executive Member for Economic Development added that Sunday charging could cause on-street parking problems as yellow lines were not currently enforced on Sundays.

Councillor J Wyllie proposed and Councillor M Pope seconded, a motion that there should be no increase in charges until the impact of the new machines had been assessed and a Task and Finish Group should be established to review the wider issue of car parking and Sunday charging.

After being put to the meeting and a vote taken, this motion was declared LOST. Members received the report and supported the recommendations now detailed.

RESOLVED – that (A) the proposal to increase car parking charges by 7.5% from April 2017 be recommended to the Executive for approval;

(B) the Executive be advised that Corporate Business Scrutiny supports the approach to tariff changes detailed in Essential Reference Paper C(2) to the report submitted; and

(C) the proposed changes to a small number of the Council's car parks be recommended to the

Executive for approval.

462 HOUSING COMPANY BUSINESS PLAN

The Executive Member for Economic Development read out a statement relevant to the report on behalf of the Ambassador and Executive Member for Shared Services.

The Head of Housing and Health and the Head of Strategic Finance and Property submitted a report that covered the establishment of a housing company, wholly owned by East Herts Council, to provide revenue income to offset diminishing government support and grants and meet the Council's objectives in terms of providing quality housing opportunities.

The report included a 30 year business plan for this first stage of the proposed company's operation drawing on advice provided by Trowers and Hamblins and PricewaterhouseCoopers (PwC). The proposal did not cover housing development and a principal aim was to generate an additional income stream for the Authority.

Members were advised of financial matters that were relevant to the proposed Housing Company. Members were also provided with a number of property and rent assumptions. Members were invited to scrutinise the business case and business plan.

Councillor M Casey stated that, he felt the assumptions in the report were optimistic and based on his reanalysis of the figures, the margins were not sufficient to justify the investment and future decision making on this issue. Councillor M Pope stated that he was in favour of the concept and endorsed Councillor M Casey's call to re-assess the business case.

The Head of Housing and Health advised that local data had been used for the figures detailed in the report. He stressed that consideration had been given to the equity, debt and loan to value ratios that would be acceptable to

the private market.

The Head of Strategic Finance and Property stated that the Housing Company would provide a cash flow that would avoid the need for savings elsewhere in the Council. Following comments from Councillors D Oldridge and J Wyllie, the Head advised that the proposal was to provide private rental housing using local authorities' 'general power of competence'. Use of this power required the activity to be conducted by a company, not directly by a council. The Director (Adele Taylor) reminded Members that the Authority was restricted in terms of where and how it could invest.

The Leader commented on the possibility of arranging training for Members to be delivered by other Authorities, covering their experience of setting up a housing company.

Following other comments from Members, the Committee was advised that the income generated from this proposal would go towards mitigating the Council's savings targets. The Head of Housing and Health reminded Members that there was a further opportunity for scrutinising the proposals at the joint meeting of Scrutiny Committees in January 2017.

Councillor J Wyllie proposed and Councillor M Pope seconded, a motion that the recommendations from Scrutiny Members on the Housing Company Business Plan be deferred to the joint meeting of Scrutiny Committees scheduled for 17 January 2017.

After being put to the meeting and a vote taken, this motion was declared CARRIED. The Committee supported the recommendations now detailed.

RESOLVED – that a decision on whether to endorse the full business case and 30 year business plan be deferred to the joint meeting of Scrutiny Committees on 17 January 2017.

463 QUARTERLY CORPORATE HEALTHCHECK – QUARTER 2
SEPTEMBER 2016

The Head of Strategic Finance and Property and the Head of Communications, Strategy and Policy submitted a report updating Members on finance and performance monitoring for East Herts Council for 2016/17 as at September 2016. Officers provided a summary of the report in relation to revenue budget forecasts, capital schemes and performance indicators.

Officers responded to a number of detailed queries from the Committee. Members received the report and supported the recommendations now detailed.

RESOLVED – that (A) the report be received;

(B) the revenue budget forecast overspend of £177k in 2016/17, as detailed in paragraph 2.1 of the report submitted, be noted;

(C) the capital forecast underspend of £1,576K, as detailed in paragraph 6.1 of the report submitted, be noted; and

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

464 SCRUTINY WORK PROGRAMME

The Chairman invited Members to review the Committee's future work programme for 2016/17. The Scrutiny Officer advised that that the deferred decisions regarding the Housing Company Business Case would be reported to the joint meeting of Scrutiny Committees on 17 January 2017.

She invited Members to suggest topics for Scrutiny with particular reference to the April 2017 meeting as the Agenda was currently made up of a single substantive

issue. The Committee approved the 2016/17 work programme, as now amended.

RESOLVED – that the work programme, as now amended, be approved.

The meeting closed at 9.55 pm

Chairman

Date