

## **STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE**

**7<sup>th</sup> FEBRUARY 2012**

### **PRESENT:**

Councillors, Tittley (Chairman) Norman (Vice-Chairman) Spruce (Vice-Chairman) Mrs Arnold, Mrs Barnett, Humphreys, Isaacs, Pearce, Powell, D. S. Smith, Thomas and Mrs Woodward.

(In accordance with Council Procedure Rule No.17 Councillors, Mrs Flowith, Greatorex, Mrs Richards, Mrs Stanhope, White and Wilcox attended the meeting)

Councillor Strachan also attended the meeting.

**APOLOGIES FOR ABSENCE:** Apologies were received from Councillor Wilson

### **DECLARATIONS OF INTEREST:**

No declarations of interest were made.

### **MINUTES**

The Minutes of the Meeting held on 28<sup>th</sup> November 2011 were taken as read, approved as a correct record and signed by the Chairman.

**RESOLVED:** The Minutes of the Meeting held on 28<sup>th</sup> November 2011 be approved as a correct record.

### **PRESENTATION TO STRATEGIC DIRECTOR FOR ORGANISATIONAL DEVELOPMENT – MRS RITA BOOTH**

On behalf of the Committee, the Chairman presented the Strategic Director Organisational Development, Mrs. Rita Booth, with a bouquet of flowers, as it was her last Strategic Overview and Scrutiny Committee meeting before her leaving the Council. He thanked her for all the work she had done for the Committee and wished her all the best in the future. The Committee added that it had been a pleasure to work with her over the past years and thanked her for her dedication through major projects including job evaluation and initiating shared services.

### **THE MEDIUM TERM FINANCIAL STRATEGY FOR 2012-15 (REVENUES AND CAPITAL)**

The Committee received a report on the proposals for the District Council's Three-Year Medium Term Financial Strategy 2012 - 2015. It was reported that finance was a key factor for the District Council and that there needed to be a sound financial strategy especially to mitigate the financial risks facing the Council. It was also reported that the District Council had a statutory duty to set a balanced budget for the three years and calculate the level of Council Tax for the District.

It was reported that the second year of the two year settlement remains unchanged from that announced from 2010. Since the start of the current financial year, fundamental changes had been announced in respect of Local Government finance. On 18<sup>th</sup> July 2011, the Secretary of State for Communities and Local Government, announced that there was going to be a Local Government Resource Review (LGRR). As part of this review, from 2013/14 onwards Formula Grant will cease

and will be replaced solely by retaining a proportion of Local Business Rates income collected. Government has reviewed New Homes Bonus and this funding will be directly linked to Business Rates. The Members were advised that the financial impact of all the changes to Local Government Finance on the Council needs to be evaluated as and when the detailed financial and non financial information is made available. Members were also advised this will be done as part of the ongoing review of the Council's Medium Term Financial Strategy (Revenue and Capital) 2012-15 over the next 12 months.

It was reported that the Community Housing and Health Overview & Scrutiny Committee had recently discussed the role of New Homes Bonus and housing and recommended to Cabinet that any money received via the New Homes Bonus Scheme be ring fenced for Housing purposes only and not integrated into the wider Council budget. Members were advised that a considerable part of the current Strategic Plan and Plan for the District is concerned with economic growth including housing supply. New Homes Bonus and its predecessor grants have enabled the Council to invest in the resources to support our focus on this significant agenda and this will be a requirement in the future. Committee were advised that all of the New Homes Bonus confirmed for 2011-13 has been accounted for and included in the Budget Reduction Programme 2011 as originally intended, to ensure continuing capacity and support for this major theme of the Council's current Strategic Plan and Plan for the District.

The Committee were advised that looking to the future, one of the key 3 themes of the Council's Plan for the District is how "We'll Shape Local Places". This theme is significantly concerned with economic growth and housing supply. The Government will be funding New Homes Bonus by top slicing localised Business Rates. At this point in time the Committee were advised that there are too many uncertainties on the localisation of Business Rates and how much will be top sliced to fund New Homes Bonus. In order to be prudent no estimates or provisional amounts for New Homes Bonus has been included in the Medium Term Financial Strategy for 2013/14 onwards. When more information about New Homes Bonus and the other aspects of LGRR are known Members can determine how the Council's financial resources are deployed.

The Committee were advised that the localisation of Support for Council Tax is due to take effect from 1<sup>st</sup> April 2013. The Council will be required to set up a local scheme; as the Billing Authority it will be the lead Authority and as part of this will be able to collaborate with others. Our Council will have to decide on a local scheme by 31<sup>st</sup> January 2013.

The Committee were advised that the current Financial Strategy is based on a year on year increase in Council Tax of 3.4%. The increase of 3.4% for a family in a Band D home is 9 pence a week. This increase will reduce the Council's funding gap over 3 years by £441,740. The Council's funding gap over the 3 years is £938,710.

The Committee asked if the Government's weekly bin collection grant had been considered and it was noted that the details of this fund had only just been released and the Waste Task Group would be looking at it at their next meeting.

The Capital Programme was discussed. The Committee were advised that consultation on unallocated Section 106 funds £0.447m for Lichfield was underway. Future funding available for the Capital Programme was discussed; Community Infrastructure Levy and Tax Increment Financing.

The finance team was thanked for all their work on the report.

**RESOLVED:** That the Committee regrettably agree and recommend to Cabinet, the year on year Council Tax increase of 3.4%.

### **THE THIRD QUARTER REVIEW OF PERFORMANCE AGAINST THE FINANCIAL STRATEGY 2011/12**

The Committee received a report on the District Council's financial performance to 31st of December 2011 and the revised estimate for the full year 2011/2012. It was reported that the Budget Reduction Programme 2011/2014 had been completed and reductions amounting to £4.456m had been found, and along with the financial performance in 2010/2011 meant the budget gap target had been achieved.

Clarification was sought regarding car parking trading and whether the news was good or bad and it was reported that it was ahead of budgeted income but the overall trend was still down and there was nothing in the future to say would improve.

It was reported that to date in 2011/2012 the District Council had achieved an average interest rate of 1.08% which was much higher than the performance indicator target of the average seven day London Inter-Bank Bid Rate. The Committee thanked the Finance team for all their hard work to monitor and squeeze as much out of investments as they could.

Reassurance was requested that the staffing establishment would be adequate and it was noted that staffing levels have remained fairly constant with only a recent dip as a result of the Budget Reduction Programme.

**RESOLVED:** That the content of the report be noted.

### **TREASURY MANAGEMENT STRATEGY REPORT 2012-15**

The Committee received a report on the District Council's Treasury Management Strategy and Prudential Indicators. It was reported that the investment income budget had been estimated at 3% of the Council's income from central government and interest payments of £0.013m.

It was asked why option three as reported in the minimum revenue provision statement was chosen. It was reported that the District Council had self financing leases, which were not big items, and it was the most cost efficient option.

It was finally reported that no more than £3m was invested with any one counterparty.

**RESOLVED:** That the report be noted.

### **A PLAN FOR LICHFIELD DISTRICT 2012-16**

The Committee received a report on the final draft of the Plan for Lichfield District 2012-2016. It was reported that the Plan had been the subject of discussion with the Lichfield District Strategic Partnership and it had been agreed that the outcomes identified would also form the basis for the District wide plan.

It was asked how many responses were received during the consultation and it was reported that it had received 119 views on the website but only 11 members of the public had taken the time to fill out the feedback form. It was also reported that the District Council regularly survey residents to find what is important to them and those priorities were reflected in this plan.

It was noted that the Equalities Statement had now been published and was available to view on the website. The Statement identified priorities in relation to meeting our duties under the Equalities Act, and this was also programmed into the 2012- 2013 Action Plan.

There was also concern that there were not enough success stories in the document however the Committee agreed that this was not the right document to express that. The Committee was overall happy with the plan and its contents, subject to some minor amendments.

**RESOLVED:** That the report be noted and the Committee's comments be reported to Cabinet, prior to the Plan going to Council for approval on 21<sup>st</sup> February 2012.

## **2012-2013 ACTION PLAN TO ACHIEVE DISTRICT PLAN OUTCOMES**

The Committee received a report on the draft Action Plan for 2012-2013 and how the outcomes in the Plan for the District 2012-2016 would be progressed during the next financial year.

It was asked if the impact of the Localism Act could be added and it was reported that there were references to it in part, but the Action Plan was a live document and open to change and more would be added when the requirements became clearer.

It was asked if there could be some Overview and Scrutiny input to the Lichfield and Tamworth Economic Strategy and the Cabinet Member for Development Services assured the Committee that this would happen.

It was noted that although it was in the Action Plan to develop Parish and Neighbourhood plans, Parish Councils and the District Council did not have full resources to deliver this. It was suggested that shared knowledge between Parishes could help. It was requested at Parish Councils be fully involved and not just through the Parish Forum.

It was asked if the Service Level Agreements that the District Council is developing with community organisations would input into our targets and whether this could be shown in the Action Plan, and it was noted that this would be done, and would form part of the performance reports to the Committee in the future.

**RESOLVED:** That the content of the report be noted.

## **WORK PROGRAMME AND FORWARD PLAN**

Consideration was given to the Work Programme and Forward Plan. The Chairman asked for nominations for a Task Group to look into ICT for Members and reducing the need for paper documents.. Councillors Norman, Isaacs, Hogan and Spruce agreed to join the Chairman on this Task Group.

It was asked if the subject of the number of Councillors on the Council and Ward Boundaries would be looked at by a Task Group and it was noted that it could be considered by the Task Group for the Local Government Review.

**RESOLVED:** That the Forward Plan be noted and the Work Programme be noted and amended as necessary.

## **VOTE OF THANKS**

It was proposed, duly seconded and

**RESOLVED:** That the sincere thanks of the Committee be recorded to the Chairman and Vice-Chairmen for their work during the past year.

(The Meeting finished at 8.10pm)

CHAIRMAN