

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

**30 AUGUST 2012**

### **PRESENT:**

Councillors, Tittley (Chairman) Norman (Vice-Chairman) Eadie (Vice-Chairman) Mrs Barnett, Derrick, Isaacs, Lewin, Powell, Wilson and Mrs Woodward.

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

Councillor Wilks and Mr R Tingle attended the meeting in their capacity as members of the Audit Committee.

Mr Patterson (District Auditor - Audit Commission) also attended the meeting.

**APOLOGIES FOR ABSENCE:** Apologies were received from Councillors Pearce and D.S. Smith. Further apologies were received from Councillors Mrs Flowith, Greatorex and White. An apology was received from Mr Burns, (Independent Member of the Audit Committee).

### **DECLARATIONS OF INTEREST:**

No declarations of interest were made.

### **MINUTES**

The Minutes of the Meeting held on 7<sup>th</sup> February 2012 were taken as read, approved as a correct record and signed by the Chairman.

**RESOLVED:** The Minutes of the Meeting held on 7<sup>th</sup> February 2012 be approved as a correct record.

### **TERMS OF REFERENCE**

It was reported that this was the first meeting of the Municipal Year and accordingly Members received the Terms of Reference for the Strategic (Overview & Scrutiny) Committee. It was agreed that paragraph 14.13 be amended to state that the work of the Committee be reported to Council at each meeting rather than annually.

It was noted that the Chairmen of Overview & Scrutiny Committees should take the lead in answering questions on their reports to Council, although it was recognised that sometimes only the Cabinet Member would have the technical detailed knowledge to answer some questions.

**RESOLVED:** That the Terms of Reference for the Strategic (Overview & Scrutiny) Committee be noted.

### **DRAFT STATEMENT OF ACCOUNTS 2011/12**

Members considered the draft Statement of Accounts for 2011/12, noting that they had been produced in line with the Code of Practice on Local Authority Accounting in the United Kingdom – 2011/12. It was reported that the Accounts needed to be signed by the 30<sup>th</sup> June 2012 in order to be externally audited and that this was

currently being undertaken. It was reported that the auditors had no significant issues with the Accounts so far.

It was reported that fewer reserves were spent than had been budgeted for and that expenditure was lower than the budgeted figure. It was noted that there had been a £1.3m reduction in Government funding and that the impact of this had been managed via the Budget Reduction Programme.

Members noted the content of the Balance Sheet and mention was made of the fact that Defined Benefit Pension Long Term Liabilities had changed from the previous year due to the fact the discount rate had altered. It was noted that this figure was not a real cost but still had to be recorded in the Statement. It was then reported that, as the District Council was a billing authority, a separate Collection Fund was required and it was noted that there was a deficit of £62k on the Collection Fund and with cost being met by the County Council, District Council, Police Authority, and Fire Authority. It was noted that from 1 April 2013 the District Council would not be acting as a collection agent on behalf of central Government that in future, as part of the Local Government Resource Review (LGRR), Business Rates would be localised with 50% retained locally and 50% paid to central government.

Members asked if the slippage in the Capital Programme would affect projects in the next Financial Year and it was noted that the same bottom line figure would be available. Members asked if the impact of the reduction in staffing had caused the slippage in the Capital Programme and it was reported that the slippage was due to economic timings and not reduced staffing issues. Members asked if there were overall savings or mainly savings resulting from cuts in services and it was reported that everything had been considered including reduced budgets and shared services, however it was noted that there had been some cuts in services for example Venture House. It was further noted that managers proactively reviewed their budgets and acted on opportunities when they arose throughout the year.

Members asked how the District Council promoted leisure facilities in rural areas. It was noted that Leisure Centres were promoted through the Mobile Leisure facility along with articles in In-Touch magazine, schools and parish council publications.

Mr Pattison reported that the opinions of the District Auditor would be available in the near future and there would be no material changes to the Statement of Accounts. He reassured the Committee that he was satisfied with the explanation for the Capital underspend.

The Committee thanked Officers for the comprehensive report and Statement of Accounts.

**RESOLVED:** That the draft Statement of Accounts 2011/12 be noted.

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

The Committee received a report on the District Council's financial performance against the revised budget 2011/12 and the financial performance against previous years. It was reported that a £4.45 million saving had been achieved for the year 2011-14 with £887K being achieved in 2011/12. Cabinet Members, Directors and Finance Officers were thanked for achieving the savings.

It was reported that the cost of services was lower than the budgeted figure and fewer reserves were used over the period than were predicted. It was reported that car park income had been more adversely impacted than anticipated, however it was

hoped that the new retailer joining the Three Spires Shopping Centre would boost car park income.

It was reported that Lichfield Garrick's net direct expenditure was £100k lower than it was in the previous year. Members asked when the management of the Theatre would fully transfer to the Trust and it was noted that a report would be submitted to the Garrick Panel in the near future, however it was noted there were many issues to work through to ensure that the transfer to Trust status was completed effectively. The Theatre would remain in the District and form a large part of the District Council's Strategic Plan and Trust status would allow better opportunities for funding. Members asked what criteria would drive future strategies for the Theatre when it was not directly managed by the District Council as there were some concerns that the operation may become less community-needs orientated. It was reported that a balance would need to be struck and constant monitoring would take place to ensure that demand was met.

It was confirmed that building control was a shared function with Tamworth Borough Council and Councillor Powell asked to be provided with detailed income figures for this service.

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

## **ANNUAL REPORT ON TREASURY MANAGEMENT SERVICES AND ACTUAL PRUDENTIAL INDICATORS 2011/12**

Members received a report on treasury activity during 2011/12 and the actual Prudential indicators for 2011/12. It was reported that the average rate for investments was 0.52%, with the average investment length being 80 days and that there had been no new borrowing in 2011/12.

Members queried why Yorkshire bank was not on the list of eligible institutions for investment as at 31 March 2012. It was reported that the investment with Yorkshire bank had been made during 2011/12; since the investment had been returned to the Council at the end of the investment period Yorkshire bank had been removed from the Council's counterparty list. Members asked if the Council had freedom to decide where money was invested and it was reported that investing funds was heavily regulated to ensure minimum risk, nevertheless it was noted that Officer knowledge was also key to good investments. The Officers involved in making investments on behalf of the District Council were thanked for their work.

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

## **ANNUAL PERFORMANCE REPORT 2011/12**

The Committee received a report on performance against the one year Action Plan 2011/12. The report focused on a basket of actions and performance indicators which had been selected by Cabinet Members for their strategic significance; these were a subset of all the priorities and performance measures that the District Council routinely delivered and measured itself against and which are set out in detail in the annual Service Plans developed at operational level.

Members felt it would be useful, where appropriate, to include comparative data within the report so that trends in performance could be more easily assessed and considered that benchmarking with other similar Councils might also be useful. Members were advised that the performance reporting template was being reviewed as the new Plan for Lichfield District comes on stream and opportunities to include

contextual information such as comparative data would be explored. However, the report is deliberately 'high level' and gives the opportunity for Members to ask for further information and reports on specific issues or to refer matters to other Overview and Scrutiny Committees for more detailed review and examination.

An update was requested regarding the Waste Transfer Station and it was reported that discussions with the County Council were ongoing.

It was asked if the District Council still provided housing renovation grants and it was reported that there was a budget but that it had been reduced as a result of pressures on the capital programme. Government grant funding was not made available for housing renovation and therefore the District Council had to rely on its own resources to fund such grants.

It was asked how the District Council would use the New Homes Bonus after 2013 and if the funding would be ring-fenced to provide new homes. It was reported that the resources used, including staff, underpinned development and so currently the grant was used to maintain these resources. It was noted that it would not be prudent to say at the current time how the New Homes Bonus would be used in the future as the economic climate could not easily be predicted.

Members were pleased to see a reduction in homelessness which was counter to the national trend. Locally, this could be attributed to the much improved focus on the provision of housing advice and problem solving to prevent homelessness. However, given imminent changes in the welfare benefits system, this remained an area of risk for the District Council and would continue to be closely monitored.

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

## **WORK PROGRAMME AND FORWARD PLAN**

Consideration was given to the Work Programme and Forward Plan. It was requested that further detail be given in respect of some items and this was agreed. The chairman reported that due to timescales, the findings of the Local Government Resource Review Task Group would be taken to Cabinet before the next Strategic (Overview & Scrutiny) Committee meeting.

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

(The Meeting finished at 8.10pm)

CHAIRMAN