

**FOR: COUNCIL MEETING**

**17<sup>th</sup> FEBRUARY 2015**

**AGENDA ITEM 10**

**(BLUE ENCLOSURE)**

## **REPORT OF CHAIRMAN OF STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE**

Councillors Strachan (Chairman) Pullen (Vice-Chairman) Norman (Vice-Chairman), Constable, Powell, White, and Mrs Woodward.

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

**APOLOGIES FOR ABSENCE** were received from Councillors Mrs Barnett, Derrick and Mynott.

At the meeting of the Strategic (Overview and Scrutiny) Committee held on 21<sup>st</sup> January 2015 the following matters were considered:

### **1 FORWARD PLAN AND WORK PROGRAMME**

- 1.1 Consideration was given to the Forward Plan and Work Programme. It was noted that the Community, Housing and Health (Overview & Scrutiny) Committee had been consulted on the item regarding an empty property in Chasetown.

### **2 MONEY MATTERS: 2014/15 REVIEW OF FINANCIAL PERFORMANCE AGAINST THE FINANCIAL STRATEGY**

- 2.1 A report was submitted on the Council's financial performance against the Financial Strategy for April to November 2014 for the financial year 2014/15.
- 2.2 It was reported that it was projected that there would be a transfer of £91,640 to General Reserves instead of the budgeted transfer from General Reserves of £240,290. It was noted that this meant General Reserves would be £331,930 higher than planned at the end of 2014/15. Key issues and variances by each directorate were reported and it was noted that the large variance in the Democratic, Development and Legal Services was due to more income than expected in Planning Fees and savings from vacant posts and other savings in employee costs following service reviews. Other highlights of the report including NNDR, Capital income and Treasury Management were also described.
- 2.3 Members were pleased to see money set aside for capacity building to allow recommendations from the Peer Review to be addressed. Members felt it was an 'invest to save' scenario and also noted that the money was from under-spends/over performance. Members requested that the health and wellbeing of staff also be considered when looking at capacity.
- 2.4 Members asked how savings from Civic Expenses had been achieved and it was reported that it was due to a number of factors. It was reported and noted that figures could be misleading as it is based on the municipal calendar which overlaps the financial year. It was hoped however that there may be capacity to offer permanent savings.
- 2.5 Members noted that Leisure services were the biggest spenders regarding utility bills as there was a high cost associated with heating pools and running the centres.

- 2.6 Members asked for more details regarding the savings in contribution towards HS2 Petitions and it was reported that some money had still been held back as the Council was still involved in a joint petition with other authorities regarding noise matters. It was agreed that full details of the spend on HS2 would be sent to Members. Members also asked that more detail on what expenditure there was on 'highways matters' be sent to them as this was considered a County Council function.
- 2.7 Members asked why the relevant sinking fund could not be used to replace the AstroTurf pitch at Burntwood Leisure Centre as it was in bad condition. It was reported that the sinking fund was a condition of the Sports England funding with the purpose to maintain the building. It was noted that the Leisure, Parks and Waste Management (Overview & Scrutiny) Committee had investigated this matter.
- 2.8 Members asked why there had been an increase on debts over 6 months and it was reported that this is principally due to Housing Benefit overpayments.
- 2.9 The following was agreed

**RESOLVED:** (1) That the report be noted; and

(2) That the closely monitoring and management of the Medium Term Financial Strategy and the Capital Financial Strategy 2014-17 be noted.

### **3 THE MEDIUM TERM FINANCIAL STRATEGY (REVENUE & CAPITAL) 2015-18 (MTFS (R&C) 2015-18)**

- 3.1 The Committee received a report on the proposals for the Council's three year MTFS (R&C) 2015-2018. It was reported that £400,450 would be used out of General Reserves which would reduce the Funding Gap to £1,304,580 over the three years. It was also reported that this would still leave £1.5m in General Reserves more than the required £1.2m. When asked, it was reported that the minimum reserves required had risen from £1m to £1.2m, for 2015/16 onwards, because the Chief Financial Officer had re-evaluated the financial risks and concluded that a rise was appropriate. It was noted that the levels for the minimum General Reserves were reviewed every year and tested by Auditors.
- 3.2 It was then reported that to fund the Capital Programme, an element of external borrowing would be required however this would provide a saving on Revenue Implications. Members felt that there should be more of a political steer regarding Capital investments and be considered in a more strategic way, not the current piecemeal method.
- 3.3 Members noted the complex method of calculating New Home Bonus. It was noted that after the General Election in May 2015, it was a possibility that the New Homes Bonus could cease creating more of a funding gap.
- 3.4 The report was noted.

Councillor White entered the meeting

### **4 DIRECTORATE TOP 10 – 2015/16**

- 4.1 The Committee received a report on the top 10 issues which are facing the Finance, Democratic and Legal Directorates in 2015/16. It was reported that the Top 10 lists were not ranked in importance and was not a comprehensive list, just the most important issues.

- 4.2 The Committee then discussed specific items on the Top 10's. Members asked how the improvement of Corporate Procurement could be quantified and it was reported that data could be collated. It was also reported that it was about best value and being efficient and to do that, a more corporate approach was required. It was noted that the Peer Review Group had also concluded that working in silos were not the most effective approach.
- 4.3 Members then asked about Universal Credit and it was reported that it was still a big unknown but there would be an impact on the council to deliver. Members asked for sight of the template letter that had been sent out to those housing benefit claimants who were affected by the Spare Room Subsidy and who had not made a claim for a Discretionary Housing Payment.
- 4.4 Members agreed that they had a responsibility to raise awareness regarding Individual Electoral Registration.
- 4.5 Members accepted that the Top 10 approach was more manageable but felt it needed to be ensured it was strategy led not opportunity led. Members also sought reassurance that the Cabinet Member for Finance, Democratic and Legal was confident in delivering the high number of priorities and it was reported that he was confident as he had been involved in the development of the plan and had confidence in the Directors and staff.
- 4.6 The report was noted.

## **5 ANNUAL ACTION PLAN 2015/16**

- 5.1 The Committee received a report on the current operating environment/context of the District Council and the strategic challenges it was facing. It was reported that Officers were in the initial stages of developing a project plan to aid the production of the next Strategic Plan for 2016-2020. It was noted that included in the challenges faced by the Council, issues arising from the Peer Review was included and it was noted that the Member task group would report it's views to Cabinet.
- 5.2 Members welcomed the PEST analysis but did not feel it went deep enough and did not explore links between the environmental issues identified and their impact on Lichfield District Council and its specific priorities.
- 5.3 Regarding the Action Plan for 15/16, Members discussed democratic involvement in the Locality Commissioning process. Members felt that there was only a narrow group involved in decision making and District Councillors' views should be sought as the funding available was to help within the District. There was concern as to who adjudicated when the funding available was oversubscribed and believed that local Members could aid debate. It was noted that the system was new and challenging and it was agreed that the matter would be kept under review.
- 5.4 The report was noted and endorsed.

*COUNCILLOR WHITE DECLARED AN INTEREST AS THE COUNTY COUNCIL CABINET MEMBER FOR HEALTH, CARE AND WELLBEING OVERSEEING THE BETTER HEALTH FUND*

## **6 FIT FOR THE FUTURE (F4F) – REVIEW OF REVENUES AND BENEFITS SERVICE (RBS)**

- 6.1 Consideration was given to a report describing the proposals to initiate and complete the service review for the District Council's RBS. It was noted that this review was part

of Phase 2 of F4F. It was noted that the RBS was a statutory function which affected all households in the district either by the way of council tax or benefits and because of this, it was essential that the service was as efficient and fit for purpose as could be.

- 6.2 It was reported that it was not just a case of finding a financial saving by sharing the service as other neighbouring authorities use different IT platforms amongst other factors. Members noted that it was about doing things differently and complying with national ethos of being 'digital by default' and providing contact points and services through technological means like apps and online.
- 6.3 It was also reported that there had been and would continue to be many changes to RBS with the introduction of Universal Credit and Local Council Tax Support which had put greater pressure on Officers.
- 6.4 It was noted that it was intended to get an external body to project manage the review as it was such a specialist area with high consequences to the Council and free up existing staff to deliver the day to day service. It was reported that the cost of using an external adviser would be met by part of the New Burdens Grant together with other savings made in the RBS.
- 6.5 Members welcomed the report and plans for the review. They did however feel although becoming digital would be a step forward, there was still the need to provide personal face to face contact with some residents. It was felt that not all service users including the elderly would know how to use technology and some contact would just be unavoidable. It was noted that this would be part of the review.
- 6.6 It was noted that Helen Titterton was the challenge Director and Councillor Spruce was the lead Member however the Committee appreciated this early involvement and requested that it continue.
- 6.7 The report was noted.

<b>7 VOTE OF THANKS</b>
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- 7.1 It was proposed, duly seconded and resolved that the sincere thanks of the Committee be recorded to all the Chairmen and Vice-Chairmen for their work during the past year.

R. Strachan  
Chairman  
Strategic (Overview and Scrutiny) Committee