

STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

28 JANUARY 2020

PRESENT:

Councillors Norman (Vice-Chair, in the Chair), Ball, Banevicius, Checkland, Grange, Greatorex, Matthews, Tapper (Vice-Chair), Warfield and White.

(In accordance with Council Procedure Rule No.17 Councillors attended the meeting).

29 APOLOGIES FOR ABSENCE

Apologies were received from Councillors A. Little, Spruce and S. Wilcox

Congratulations were given to Councillors A. and E. Little on the birth of their daughter.

30 DECLARATIONS OF INTEREST

There were no declarations of interests.

31 MINUTES OF THE PREVIOUS MEETING

With a number of minor amendments, the minutes of the meeting were signed as a correct record.

32 WORK PROGRAMME

The work programme was considered and it was noted that this was the last meeting of the municipal year. It was requested that the outstanding items of Local Procurement Scheme as well as the Commercialisation and Development Company be considered at the earliest opportunity in the next municipal year.

RESOLVED: That the work programme be noted.

33 MEDIUM TERM FINANCIAL STRATEGY (REVENUE AND CAPITAL) 2019-24 (MTFS)

The Committee received a report on the Medium Term Financial Strategy (MTFS) for the period 2019-24. It was reported that there was a statutory duty to set a balanced budget and to calculate the level of Council Tax for the district. It was also reported that the Chief Finance Officer (Head of Finance & Procurement) had a duty to ensure all figures provided for estimating and financial planning were robust and stand up to Audit scrutiny.

The Committee heard from the Cabinet Member for Finance and Procurement who reported that the Council would have a balanced budget for 2020/21. It was noted that the Council had received the provisional Local Government Finance Settlement for 2020/21 only and that little was known beyond this point. It was reported that the Council Tax referendum limit would be 2% or £5 and it was recommended to increase by £5. It was then reported that New Homes Bonus (NHB) would remain until 2022/23 but it was not known how it would look in the future and that there would be no negative revenue support grant or business rate pilots.

It was noted that there would be a transfer to general reserves and this would contribute to balancing the budget in future years if required.

It was reported that it was proposed to include the Property Investment Strategy within the Capital Strategy to ensure it was fully integrated and not considered in silo. It was reported that it complied with CIPFA guidance on the consideration of the drivers for investment and the principles that should govern any decisions.

The Committee noted that there had been an increase in costs including a commitment of £100k for climate change.

The Committee then asked questions on the report and it was enquired why CIPFA had brought in the guidance around property investment and it was reported that there were concerns on the motivation of the investment especially if borrowing for profit only. It was noted that CIPFA felt more comfortable if social benefit of the investment could be shown.

The Committee thanked the finance and procurement team for their hard work and felt it had been of good foresight to cap the level of NHB included in the base budget given the inherent risks around this funding stream.

The Committee noted that there would be a proposal at Council to increase Council Tax by £5 however they felt uneasy that this was needed whilst also putting more into reserves. It was considered that it may be difficult for the public to understand that it was to help future proof the budget and be able to deal with potential Government funding cuts.

Staffing costs were discussed and it was noted that there had been new posts in car parking, tourism and development however the case had been made and agreed that the work of these Officers brought an income to the authority. It was also reported that there was an interim management structure in place and this was why there were no savings from the current vacant Director posts assumed in the MTFs and this position would be reviewed after the completion of the six months assessment.

The Capital programme was discussed and it was asked whether climate change mitigation could be considered including recycling bins instead of replacing and looking at non diesel waste vehicles. It was reported that this would be passed to the relevant Cabinet Member and Overview & Scrutiny Committee to consider. It was asked why the vehicle replacement plan was for one year and not spread over many and it was reported that the current contract was due to end in a single year however an option would be to extend it.

The Capital funding bid forms were noted and it was asked why there were no values and it was reported that there was a separate funding sheet which had been incorporated in the report. It was also reported that scoring moderation will be considered for future years.

It was asked how much of the Capital programme was committed and it was reported that a number of projects were not at this time including the coach park and IT improvements and the Investment in Property which is the single biggest project included.

Business rate reassessments that had happened outside the district were discussed and it was reported that Officers were not aware of similar in Lichfield but it highlighted the risk of appeals and other Rateable Value reductions but further confirmation from the Revenues Team of the level of risk would be sought.

The Council does have a balanced portfolio of business so not reliant on specific business areas.

The Committee noted that there was no Capital Programme budget allocated to the Developing Prosperity priority after 2021 and it was asked what the Cabinet's plans were and

how it could be resolved. The Cabinet Member for Finance and Procurement agreed to look at this issue as part of the normal refreshment process related to the Medium Term Financial Strategy.

RESOLVED: That the Cabinet consider the comments and suggestion made on the following items

- 1) The 2010/21 Revenue Budget, including the Amount to be met from Government Grants and Local Taxpayers of £12,284,000 and proposed level of Council Tax (the District element) for 2020/21 of £180.07 (an increase of £5.00 or 2.86%) for Band D equivalent property;
- 2) The MTFS 2019-24 Revenue Budgets;
- 3) The MTFS 2019-24 Capital Strategy and Capital Programme;
- 4) The requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the Chief Finance Officer's report on the robustness of the Budget and adequacy of Reserves; and
- 5) The 25 year financial planning.

34 STRATEGIC PLAN 2020-2024 FINAL DRAFT

The Committee received an update to the draft Strategic Plan 2020-2024. It was reported that the consultation plan had been extended due the General Election and this had now ended. It was then reported that through engagement, 150 people were spoken to and resident and stakeholder focus groups were formed and held in January 2020.

The Committee were presented with the feedback from the residents and stakeholder focus groups and the suggested changes to the Strategic Plan following them.

The Committee debated these suggested changes and there was concern that adding "to preserve the characteristics" to shaping place could make the Council a hostage to the non desire of change. It was noted that there were some recognised unique characteristics in the District with some being cultural not just physical assets. It was agreed that there should be some definition of the words used.

There was then discussion to whether the word "transparent" should be deleted from a good council as it would be covered by the term responsible. It was agreed that it should remain to ensure there was no misunderstanding, but that responsible was not also required.

The Committee then debated if the term 'good' council was aspirational enough or whether the term 'great' should be used. It was noted that it was the definition that counted and doing the best you can with what you have could be considered good enough or indeed great.

The Committee was reminded that the item would now be considered at Cabinet and then full Council.

RESOLVED: That the Strategic Plan 2020-2024 final draft be noted and comments be considered before Cabinet and Council approval.

35 VOTE OF THANKS

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.

(The Meeting closed at 7.25 pm)

CHAIRMAN