

OVERVIEW AND SCRUTINY PANEL

18 JANUARY 2016 - 2:30PM



PRESENT: Councillor Yeulett (Chairman), Councillor Mrs Hay (Vice-Chairman), Councillors Mrs Bucknor, Mrs Davis, Mason and Pugh

ALSO IN ATTENDANCE: Councillors Butcher, Clark, King, Murphy, Oliver, Seaton, Sutton and Tanfield.

APOLOGIES: Councillors Buckton, Garratt, Hoy and Humphrey

OFFICERS IN ATTENDANCE: Jane Bailey (Member Services and Governance), Rob Bridge (Corporate Director (Finance)), Richard Cassidy (Corporate Director), Paul Medd (Chief Executive), Carol Pilson (Corporate Director) and Tanya Shepherd (Member Service and Governance) (Observing)

OSC27/15 TO CONFIRM AND SIGN THE MINUTES OF THE MEETING OF 23 NOVEMBER 2015

The minutes of the meeting of 23 November 2015 were confirmed and signed.

Matters Arising:

1. Following discussions at previous Overview and Scrutiny Panel Meetings, Councillor Yeulett confirmed that he, Councillor Mrs Hay and Councillor Buckton had been looking into the arrangements for the start of Appraisals for Cabinet Members, discussions are ongoing with senior officers, it is proposed that these arrangements will be in place for the start of the new financial year;
2. Councillor Yeulett stated that the Panel are building a checklist from meetings so that any outstanding items or queries are followed up and signed off.

OSC28/15 DRAFT BUSINESS PLAN 2016-2019

The Overview and Scrutiny Panel Members considered the Draft Business Plan 2016 - 2019.

Members asked questions, made comments and received responses as follows:

1. Councillor Yeulett asked how the Business Plan was drawn up and how the Corporate Priorities are decided on. Councillor Clark stated that this is a rolling document and in that respect most of the priorities remain the same, the difference comes when we are looking at how we deliver those priorities, and some will need to be delivered in a different way moving forward. He added that this document was written before the CSR decisions were made last week, and confirmed that any further comments we receive will be built in to the plan;
2. Councillor Mrs Hay stated that a summary of the Corporate Priorities would be fine as a generalised list, but this is a 3 year plan and to include more details at this stage contradicts the decisions that have been made with regards to the CSR. For example to include details with regards to the YDC when members have proposed to stop delivering the YDC as part of the CSR. It would be clearer to state that the details within the plan reflect a 1 year plan and not a 3 year plan at this stage;

3. Councillor Yeulett stated that the plan clearly says 2016 - 2019, and even if it is regularly updated people looking at this will see it is a 3 year plan. As Councillor Mrs Hay suggests should we not just call it a 1 year plan. Councillor Clark stated that up until last Thursday it may not have needed to have been changed. It is a one year plan with three year aspirations;
4. Councillor Yeulett stated that he takes on board when the plan was drawn up, but since the decisions last week consideration should now be made to how the plan is presented;
5. Councillor Mrs Hay stated that since the plan was drawn up these decisions have been made and things have moved on, the panel feels that the aims detailed in the plan are just for 1 year and not 3 due to the CSR that is taking place. Councillor Clark confirmed that we have the chance to refresh this plan following the public consultation, at the point we will ensure that the document is as up to date as possible;
6. Paul Medd stated that traditionally we have had a Medium Term Strategy that stands for three years, but the reality is that after one year we undertake a full review, so essentially we are working to a one year plan as there is that flexibility within the plan to do that. He added that when the original document was drafted it was prior to the CSR all member session, but after today's meeting we will refine some of the wording and details included around priorities as the panel have suggested;
7. Councillor Mrs Davis agreed that this would be a good idea as the 'devil is in the detail'. She suggested that this would also be a good way to prepare the ground for residents making the decisions more understandable when they come forward;
8. Councillor Mrs Hay stated that we need to take out the details of anything that we are looking at through the CSR;
9. Councillor Mason agreed stating that a 1 year plan is feasible this time, but anything beyond that is not realistic for this plan;
10. Councillor Mrs Bucknor asked when the second consultation is going out to the public and suggested that members should see a copy of the survey. Councillor Clark commented that the document had gone to all members;
11. Councillor Sutton suggested some additional wording could be included which explained that some projects may not go forward after the next review;
12. Councillor Mrs Hay stated that even though the plan is reviewed annually members of the public will focus on the fact that it is a 3 year plan;
13. Councillor Yeulett stated that radical changes are going to happen and it is important that that this is made very clear on this document;
14. Councillor Yeulett read out the following comments on behalf of Councillor Buckton who was unable to attend the meeting:
 - a. I would be the first to advocate a robust and on-going business planning process but this is an extraordinary year in terms of budget decisions that impacts significantly on our ability, at this time to plan ahead over the next 3 years;
 - b. Either the CSR process should inform the business plan (in which case lots of the detail would need to come out because the things we are undertaking to do under our corporate priorities probably will not happen), or the business plan should inform the CSR (in which case there are a number of undertakings under the corporate priorities that should not have been included in the CSR options, for example Youth District Council, Tourism and Golden Age fairs);
 - c. My view is that the plan should be shorter on detail, should focus on the implications of CSR, should only contain 'promises' that we know we can keep for the life-time of a 3 year plan, or alternatively recognise that it is appropriate at this point to only publish a 1 year plan and revert to a 3 year plan once the outcome of the CSR is known;
 - d. I know that the first sentence of the plan states that it is reviewed annually, but I do not think it is acceptable to publish a document that promises to continue areas of service that we know will probably be discontinued the first time that the plan is reviewed.

15. Councillor Clark stated that this is a draft business plan drawn up without the knowledge of the outcome of CSR, the contents of the business plan is deliverable in the first year, and aspirational moving on;
16. Councillor Yeulett stated that the only firm details in the plan relate to 16/17 and not beyond. Councillor Clark stated that they will re-visit the plan after the meeting today taking the comments and suggestions on board from members;
17. Paul Medd stated that we are all in agreement that we need to take the business plan away today and ensure that we are not committing to something that may be ceased to be delivered moving forward. He added that page 23 of the agenda pack sets out the headline priorities at a higher level; fundamentally they are the priorities for this Council. Perhaps members need to consider if these should remain the same moving forward. Councillor Yeulett stated that we need to look at all these things and ask ourselves if realistically they can be delivered. Having a 3 year business plan sets us up to fail as we cannot deliver all these priorities during that time. Councillor Clark stated that until the CSR meeting with members last week we had no clear direction, but we do now;
18. Councillor Yeulett stated that until these changes are implemented this document should not go out to the public. Councillor Clark agreed;
19. Councillor Mrs Bucknor stated that she is unable to access the link for the draft business plan on the website, and asked where the consultation has been publicised. Carol Pilson agreed to direct Councillor Mrs Bucknor to the link to access the draft business plan after the meeting and confirmed that it has been publicised via a press release, on the Council's website, via social media and in the shops and hubs;
20. Councillor Yeulett stated that he feels that given the restraints the plan should not be too aspirational, and should be modified. Paul Medd stated that the business plan reconciles with the medium term financial strategy as resources become more challenged moving forward, CSR will have some impact in the detail that sits below the headlines. If there is a more fundamental change there is the flexibility to build that into the detail;
21. Councillor Mrs Bucknor stated that with regards to the detail on page 23, if we are looking at the CSR priorities then the corporate priorities will need to change to reflect that. If we believe that communities are important for example we need to prioritise them, and nothing says communities more than Community House. Councillor Clark stated that we are not saying that we will abandon anything, and with regards to the Community House we are hoping the DWP will continue to support this, we are saying that some services will need to be delivered in a different way. We have tried to set this Council on a financial path and will have to look at cuts for the duration of that time, but we are not giving up on any of our priorities, just may have to deliver them in a different way;

Councillor Yeulett stated that the Overview and Scrutiny Panel members would like a strong commitment from the Leader that the emphasis on the plan moving forward is for 1 year as some of the areas included in the CSR decisions mean that everything cannot be guaranteed moving forward. Councillor Clark agreed only to make claims on the plan on that can be delivered. The Overview and Scrutiny panel agreed.

OSC29/15 DRAFT MEDIUM TERM FINANCIAL STRATEGY AND GENERAL FUND BUDGET 2016/17

The Overview and Scrutiny Panel Members considered the Draft Medium Term Financial Strategy and General Fund Budget 2016/17.

Members asked questions, made comments and received responses as follows:

1. Councillor Yeulett asked for clarification on the wording on page 29 of the agenda pack, key issues, bullet point 2, "consequently, until more details for future years have been received

and the announced reforms to Local Government Finance are implemented, the figures detailed in this report should be treated with caution." Rob Bridge stated that because it is a provisional settlement there is a chance that there could be changes between now and when we get the final settlement figure, there are so many consultations taking place and therefore many chances that the figures will change;

2. Councillor Yeulett stated that throughout the report there are challenges. Councillor Seaton stated that it is still an uncertain future and we are still awaiting details. The additional £900,000 savings that we have had to find has been tough but the CSR is a big step in the right direction moving forward;
3. Councillor Yeulett stated that the challenge is as set out on page 30 of the agenda pack "The Council continues to focus on delivering quality services and to minimise the impact on front-line services". Councillor Seaton stated that the whole reason for being here is to provide services to the community, it is always a challenge and will become more of a challenge moving forward;
4. Councillor Mrs Hay asked why the business rates detailed on page 32 of the agenda pack show such a difference between 2010/11 and the forecast for 2019/20. Rob Bridge stated that this is part of the complexity of how the retained business rate model works. 2010/11 figures were before the retention model was in place, all the business rates were collected by the Council and then in total passed back to Central Government who would then pass back our proportion based on the Local Government Finance formula. 2013/14 was the first year of the retention model, which said we would retain 50% of the business rates. This changed how the funding was split, which shows the anomaly in the graph on page 32. For the new scheme a baseline assessment was taken and then a top-up and tariff added depending on business rates collected. We have tried to show in the graph on page 32 the business rates collected and the amount of revenue support received too;
5. Councillor Mrs Hay asked if this means we are getting less money. Rob Bridge stated that if we get more growth then we get to keep that, the growth in the area is important as we get to keep more of it, the problem is that to the community and the businesses think we are keeping 100% of the business rates and that is not the case;
6. Councillor Mrs Bucknor referring to 2.7 on page 34 in the agenda pack, the Pilots' National Pension Fund, stated that she understands that we took a lot of advice and this was the only option for us, but £500,000 is such a lot of money for 1 person, she added that her understanding is that we had a Specialist Actuary involved in the negotiations and asked for clarification on this matter. She also asked if there was any way that the other Councils could be liable for a contribution towards this debt. Councillor Seaton stated that we explored every avenue into this and understands the Councillors frustration. Rob Bridge stated that this was a nationally challenged verdict; sadly the decision was made as there is a huge deficit on the pension fund, ultimately it has to be paid and Cabinet agreed to the payment plan to pay the amount off. He added that the issue that we now have is that the pilot we had was leaving and he was the only pilot paying in, without those payments going in we might have been liable to pay off the balance immediately, we have a new pilot in place and it is that individuals choice to decide whether or not to pay into the scheme, if he chooses not to join we would be liable to pay that debt. Paul Medd confirmed that with regards Councillor Mrs Bucknor's question with regards to another Council making a contribution, we have looked at the issue of liability from every different angle and we as the Harbour Authority are liable for the whole amount;
7. Councillor Yeulett referring to the new homes bonus asked are we building new homes, and are we meeting our targets? Paul Medd stated that during the past few years there has been a depressed housing market, during this time local plan targets have not been delivered. Figures for this year indicate that we will deliver above target, so clearly there could be further incentives associated with the new homes bonus;
8. Councillor Yeulett asked for clarification with regards to the reforms to the new homes bonus scheme. Rob Bridge stated that the proposed reforms key focus is to reduce the payments from 6 to 4 years and in addition there are proposals to sharpen the incentives, for example, you must have a local plan, Councils will not receive their new homes bonus if

the housing is granted on appeal and the possibility of starting baseline to measure growth before any new homes bonus is paid. This may be a challenge for us, and they may want to take funding away that has already been allocated. Councillor Yeulett stated that there will be challenges moving forward but the local plan is a big positive for this Council. Paul Medd stated that when we are seeking to deliver new housing units we are looking at many aspects, for example refuse collections, rounds are increased, we have looked to make the workforce work differently to ensure everything is covered, but there comes a tipping point and you cannot squeeze any more capacity from the team, there will come a point when this will need to be reviewed once more;

9. Councillor Yeulett stated that local authorities will have the flexibility to spend capital receipts from asset sales on the costs of reform projects, and asked how this might affect this Council. Rob Bridge stated that he is not sure how helpful this proposal will be to FDC, it is going to come with a number of rules and conditions around it. There are some Council's around the country that are spending on social care that will welcome this for their transformation plans. He added that when you see the Capital programme the level of asset sales are not huge. Councillor Seaton added that we are not an asset rich council;
10. Councillor Yeulett asked for clarification with regards to the significant increase in business rate appeals. Rob Bridge stated that we have some big developments in the area and have seen business growth which has balanced off the appeals. The Government are looking to change the process making it a simple self-assessment appeal. He added that it is a very volatile area and the auditors go over this with a fine tooth comb to ensure that we have made the right adjustments. Paul Medd stated that we cannot affect the numbers but we can affect the business retention, we took the bold decision to partner with Opportunity Peterborough for guidance in this area;
11. Councillor Mason asked if we have had any further information with regards to small business rate relief. Rob Bridge stated that this has been extended for a year, he added that when the Government go out to consult on the 100% business rate retention the question will be, will they want to give relief on something that they will no longer be in receipt of;
12. Councillor Mrs Bucknor asked if Government would consider transferring responsibilities to local authorities in preparation for the 100% retention of business rates. Rob Bridge stated that has not been included in the proposals so far, what has been said is that as part of these reforms additional responsibilities will be devolved to local authorities;
13. Councillor Yeulett asked what the status is with regards to the Capital Programme. Councillor Seaton stated that the Capital Programme is getting very small. Rob Bridge confirmed that the information is included in the table on page 48 of the agenda pack, he added that the schemes moving forward are much more minimal than before;
14. Councillor Yeulett asked what the status is with regards to the General Fund Balance. Paul Medd stated that we have not needed to use funds, but there is the reality that if the figures do not balance we might need to draw on the reserves. This will put pressure on those reserves; however, we are doing what we can to manage the revenue position. Councillor Clark stated that members are making difficult decisions regarding CSR, but there are likely to be more difficult decisions moving forward;
15. Councillor Mrs Hay asked about additional funding for the George Campbell Leisure Centre improvements. Councillor Seaton confirmed that due to unforeseen circumstances additional work had to be carried out at this leisure centre to remove asbestos in the roof.

Councillor Yeulett thanked Members and Officers for attending and answering questions put forward today.

Councillor Clark stated that during the Christmas period Mark Saunders (Chief Accountant) fell over and severely damaged his arm and has undergone several operations since then to repair the damage. Since he has been away from work Rob Bridge has been doing the job of 2 people and we owe him thanks for this.

Councillor Yeulett stated that on behalf of the panel he wished Mark Saunders well.

OSC30/15 REVIEW OF FEES AND CHARGES 2016/17

The Overview and Scrutiny Panel Members considered the Review of Fees and Charges 2016/17.

Members asked questions, made comments and received responses as follows:

1. Councillor Yeulett asked how can we get more people to contribute towards the cost of the CCTV as previously the police have refused to make a contribution. Councillor Clark confirmed that the recommendations from CSR are that the Police have to make a contribution towards the CCTV. Councillor Yeulett confirmed that the Overview and Scrutiny Panel also recommend this;
2. Councillor Mrs Bucknor stated that the Police Commissioner will change in May, and may have a different approach;
3. Councillor Mrs Hay asked how are we marketing the business centres. Councillor Seaton confirmed that there is a marketing budget for the business centres in the marketing programme. He added that previously we have used a local company called Tinfish, we are optimistic that there may be some new leads with Opportunity Peterborough;
4. Councillor Mrs Hay asked if the new charges listed for the business centres are competitive with the market rate. Councillor Butcher confirmed that the charges are competitive with the local market rate. Rob Bridge stated that we need to have a balance between being competitive and getting tenants in, we are also advertising on Right Move now and this has increased capacity. Councillor Clark confirmed that as part of the CSR we are going to be looking at underperforming industrial units;
5. Councillor Mrs Hay asked for clarification of the first hour free for meeting rooms at the business centres asking if this was offered to residents only. Councillor Butcher stated that he was unsure of the details around this, but agreed to check and let the panel know;
6. Councillor Mrs Hay stated that there were many charges in the report that showed no increase, she added that it would be useful to be able to see which charges are set by Central Government and which fees we are in the position to be able to alter. Councillor Seaton agreed to show that detail in the future. Rob Bridge confirmed that detail is available on page 55 of the agenda pack;
7. Councillor Mrs Hay stated that it would also be useful to see the cost against the revenue so that we can see which areas make a profit. Rob Bridge stated that as a Local Authority we would be looking at a surplus and there are tight regulations around this. He agreed to look into a way to be able to help with this enquiry;
8. Councillor Mrs Bucknor stated that the café at the Boathouse Business Centre is still empty and asked if there has been any interest in that recently. Councillor Clark stated that it is footfall that keeps that café open and sadly it has not been very successful, he added that we are keen to see the café re-open and to encourage more people to make use of it;
9. Councillor Mrs Bucknor asked for clarification with regards to the proposal to introduce residential caravan licenses, she asked if this would be a charge per caravan or for the owner of the site. Richard Cassidy confirmed that this is a charge for the whole site and applies to the owner of the site only;
10. Councillor Yeulett asked what the budget position is with regards to the mini-factories. Councillor Seaton stated that as part of the CSR we are now going to have a more in-depth look at how the centres are run.

Councillor Yeulett thanked the Members and Officers for attending today.

OSC31/15 FUTURE WORK PROGRAMME

Members considered the Future Work Programme 2015/16 for the Overview and Scrutiny Panel stating the following:

- The panel would like to invite FACT to a meeting with regards to FDC's involvement with them, and asked that officers add this to the work programme.

Members agreed the Future Work Programme 2015/16 for the Overview and Scrutiny Panel subject to the comments above.

4.15pm

Chairman