

AGENDA

OVERVIEW AND SCRUTINY PANEL

MONDAY, 10 DECEMBER 2018

2.30 PM

**COUNCIL CHAMBER, FENLAND HALL,
COUNTY ROAD, MARCH PE15 8NQ**

Committee Officer: Izzi Hurst
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- 1 To receive apologies for absence
- 2 Previous Minutes (Pages 3 - 12)

To confirm and sign the minutes of the meeting of 15 October 2018.
- 3 To report additional items for consideration which the Chairman deems urgent by virtue of the special circumstances to be now specified
- 4 Members to declare any interests under the Local Code of Conduct in respect of any item to be discussed at the meeting
- 5 Annual Review of Anglia Revenues Partnership

Members to receive a presentation from Paul Corney, Head of Anglia Revenues Partnership.
- 6 Council Tax Support Scheme (Pages 13 - 16)

To advise the Committee of the progress of the 2018 annual review and the resultant proposals for the Council Tax Support (CTS) scheme to take effect from 1 April 2019.
- 7 Response to the Letter from the Chairman of the Corporate Governance Committee

(Pages 17 - 30)

It was agreed by the Corporate Governance Committee, following their meeting on 20 November 2018, that the Chairman write to the Chairman of the Overview and Scrutiny Committee in relation to the apparent financial deficit outlined in the Statement of Accounts in relation to the trading operations of the Markets; Port as well as the Light Industrial Units and Business Centres.

8 Progress update on the Fenland Comprehensive Spending Review (FDC-CSR1)
(Pages 31 - 36)

To provide the Committee with a progress update setting out the achievement of savings required as per the Medium Term Financial Plan to 2021/22.

9 Matters arising - Update on previous actions (Pages 37 - 38)

To receive an update on the previous meeting's Action Plan.

10 Future Work Programme (Pages 39 - 42)

To consider the Draft Work Programme for Overview & Scrutiny Panel 2018/19.

11 Items which the Chairman has under item 3 deemed urgent

Friday, 30 November 2018

Members: Councillor C Boden (Chairman), Councillor M Humphrey (Vice-Chairman), Councillor G Booth, Councillor S Clark, Councillor S Count, Councillor D Hodgson, Councillor K Owen, Councillor Mrs K Mayor and Councillor S Tierney

OVERVIEW AND SCRUTINY PANEL

MONDAY, 15 OCTOBER 2018 - 2.30 PM



PRESENT: Councillor C Boden (Chairman), Councillor G Booth, Councillor S Clark, Councillor D Hodgson, Councillor K Owen, Councillor Mrs K Mayor and Councillor S Tierney

APOLOGIES: Councillor M Humphrey (Vice-Chairman) and Councillor S Count

OFFICERS IN ATTENDANCE: Anna Goodall (Head of Governance and Customer Services), Izzi Hurst (Member Services & Governance Officer), Jo Blackmore (Executive Corporate Support Officer), Amy Brown (Interim Monitoring Officer), Richard Cassidy (Corporate Director), Paul Medd (Chief Executive), Kamal Mehta (Corporate Director) and Nick Harding (Head of Shared Planning)

ALSO IN ATTENDANCE: Councillor P Human (Mayor of Wisbech Town Council), Councillor M Buckton, Councillor Mrs A Hay, Councillor Mrs D Laws and Councillor P Murphy.

OBSERVING: Councillor J Clark and Councillor W Sutton

OSC21/18 PREVIOUS MINUTES.

The minutes of the meeting of 3 September 2018 were confirmed and signed.

Councillor Booth apologised for missing the previous meeting as he had noted the incorrect time.

OSC22/18 ANNUAL MEETING WITH THE LEADER AND CHIEF EXECUTIVE.

Councillor Boden thanked Councillor Seaton and Paul Medd for their attendance at today's meeting.

Members directed their questions to Councillor Seaton in the first instance.

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

1. Councillor Boden asked Councillor Seaton what his strategic objectives were when he became Leader and have these been achieved. Councillor Seaton explained his aim was to deliver the objectives set out in the Council's adopted Business Plan and to improve the quality of life for people living in the local area. He explained that the main achievements include securing millions of pounds of funding from the Cambridgeshire and Peterborough Combined Authority (CPCA), launching the Growing Fenland initiative, driving forward the Wisbech 2020 Vision project, delivering a Planning Advisory (PAS) review, a successful tender process for the management of the Council's Leisure Centres and continuing to deliver core services with a reduced budget yet ensuring that customer satisfaction rates remain high. Councillor Seaton confirmed that going forward; he intends to work with members to draft next year's Business Plan and Corporate Budget to enable a seamless transition into the next term of office.
2. Councillor Booth said in relation to the core services, he has received complaints from residents in relation to the time spent on hold whilst calling the Council and asked Councillor Seaton how this could be improved. Councillor Seaton explained that there has been additional pressure on the service due to the introduction of Universal Credit in the District

and confirmed that Councillor Mrs Hay is investigating this issue further.

3. Councillor Boden asked if the Contact Centres call waiting times are measured. Councillor Mrs Hay confirmed they were and said these figures can be included in future reports to members. She highlighted that the service has had issues with staffing in recent months which they are hoping will be rectified soon.
4. Councillor Seaton reminded members that the service suffers from seasonal periods where incoming calls are higher than unusual, such as during a new Council Tax year however this should not impact the service customers receive.
5. Councillor Tierney suggested members of the public could be reminded to contact their Local Councillor in the first instance as this would alleviate the pressure on the Contact Centre. Councillor Seaton agreed to consider this.
6. Councillor Boden asked officers to provide further information to members in relation to the Contact Centre's call statistics.
7. Councillor Booth asked if the processing of phone enquiries could be refined. At the moment, all calls go through to the Contact Centre and it would be useful if there was a system that directed callers to the relevant teams. Councillor Seaton agreed to consider this.
8. Councillor Boden asked Councillor Seaton which Cabinet Members have been successful in achieving the strategic objectives. Councillor Seaton said members are regularly provided with updates on the delivery of the Business Plan and Portfolio Holder reports. He explained that following the resignation of Councillor Mason due to ill-health, his responsibilities have been delegated to other members and although it can be difficult to manage both the business-side of the Council and reduced finances, he is extremely happy with how the Cabinet is performing.
9. Councillor Boden asked if each Cabinet member has been equally successful in fulfilling their role. Councillor Seaton said each member of Cabinet is successful in their own Portfolios and it is down to the wider Council to decide on their levels of success.
10. Councillor Boden suggested Councillor Mrs Laws (Portfolio Holder for Neighbourhood Planning) has a challenging Portfolio and workload and asked for Councillor Seaton's view on this. Councillor Seaton said Councillor Mrs Laws is very competent and experienced in her Portfolio but recognises that it does involve a great deal of work. He said if ever Councillor Mrs Laws has issues managing the workload, she can discuss this with him and he will re-consider the responsibilities.
11. Councillor Owen asked who is in charge of the Council and how is the Council being run at Cabinet level. Councillor Seaton said all elected members are responsible collectively for the future of the Council but as recognised that technically, as Leader of the Council, he is 'in charge'. He said he was extremely privileged to be joined by very competent Cabinet members and thanked them for their support. He explained that each Cabinet member is responsible for their own Portfolio with support from the Corporate Management Team and information is channelled through to members via Council meetings, All-Member Seminars and many other avenues.
12. Councillor Owen asked how sustainable the current Cabinet is and asked if consideration had been given to changing the Council's decision-making system to a Committee system. Councillor Seaton explained that in light of Councillor Mason's resignation responsibilities have been distributed amongst the current members and they are effectively managing this. As he is half-way through his term in office, he felt it inappropriate to introduce a new member to Cabinet but reiterated that if any members face difficulty in their role in Cabinet, he will re-evaluate the current position. Regarding the current decision-making system, he believed it would be inappropriate of him to consider this as the decision should be that of all Councillors.
13. Councillor Tierney explained that the Cabinet system benefits from additional powers and asked Councillor Seaton if he was happy to accept that all decisions of the Council are his responsibility. Councillor Seaton confirmed that he is happy to accept this responsibility.
14. Councillor Booth disagreed that all members have responsibility for the Council as there is a Cabinet system within the Council and in his view, decisions are made at Group Level as

oppose to across all elected members.

15. Councillor Booth said as Leader of the Council, Councillor Seaton should have a view on whether the Council would benefit from a Committee system. Councillor Seaton explained that in his opinion, Cabinet is performing well and as he has no experience of a Committee system he cannot assess its effectiveness.
16. Councillor Mrs Laws clarified that she was given time to reflect on the responsibility of her Portfolio and the work it would involve. She added that she enjoys her role but if she required any support, she knows the Leader would be willing to assist. Councillor Boden thanked Councillor Mrs Laws for the clarification.
17. Councillor Booth asked if Councillor Seaton felt engagement levels with members has improved since the Chief Executives commitment to the Corporate Governance Committee and if so, how. Councillor Seaton said members currently receive comprehensive levels of engagement by monthly Portfolio Holder Briefings, All Members Seminars, Press Releases, Corporate Management Team briefings and many other avenues. He added that usually very few members attend these sessions and this is indicative of the issues faced in engaging members.
18. Councillor Booth said focus needs to be given on a different approach to member engagement. He suggested that reports to members need to be concise and only contain the information members require to make decisions. He would like the Council to reconsider the delegation of responsibilities within the current system. Councillor Seaton said whilst there are several means of communication for members, they are always trying to improve methods of communication. He agreed that he and officers will strive to make reports as concise but comprehensive as possible.
19. Councillor Boden asked Councillor Seaton what he has learnt over the past months in relation to member engagement. Councillor Seaton said one of his priorities is to improve the way in which information is conveyed to members in future.
20. Councillor Booth asked Councillor Seaton his opinion on reconsidering the delegation of decision making within the Council. Councillor Seaton explained that he is consistently considering ways in which the Council can improve and communicate.
21. Councillor Tierney asked Councillor Seaton if he believes the Council's role is to be a business or to provide public services in a business-like way. Councillor Seaton explained that the Council provides both statutory and discretionary services to the local community and whilst the Council aim to deliver the best possible services with the resources we have, the Council does have to act as a business. He added that the Council must be commercially-minded and willing to take calculated risks in order to increase income.
22. Councillor Tierney asked Councillor Seaton to expand on his response. Councillor Seaton said there are times in which decisions must be made in a business-like manner and times when decisions are made based on the best outcome to residents. He added that in essence the Council must provide public services in a business-like way.
23. Councillor Tierney asked Councillor Seaton if he believes the Council has taken the best action in privatising our leisure centres and if we are able to influence future service delivery. Councillor Seaton explained that as part of the Comprehensive Spending Review (CSR), the Council decided to retain the leisure centre service provision but consider other operational management options in order to improve the Council's financial position. Following consideration by Cabinet of various alternative options for management of the leisure centres in October 2016, a full business case was presented to Full Council in March 2017 and members decided to enter into a formal procurement process to appoint a leisure operator to manage the leisure centres. This in turn will contribute to £351k of savings year on year to the Council's financial position. Service delivery standards of the contractor will be secured through a detailed service specification and ongoing performance reporting. The contractor, Freedom Leisure, is a non-profit leisure Trust which manages leisure and cultural facilities on behalf of 23 partners across the UK.
24. Councillor Tierney highlighted that Wisbech suffers statistically from poor levels of health and life expectancy. Based on this, he asked why a commercial decision had been made to close the Hudson's Indoor Bowls Club which could potentially impact the health of its users.

Councillor Seaton reiterated that Freedom Leisure is a non-profit organisation and the decision to change the management of the leisure centres was decided by Full Council as part of CSR. He added that Freedom Leisure is a long-term operator and is prepared to invest and improve our leisure centres too.

25. Councillor Booth highlighted that the Conservative Group decided to review the leisure centres and as Leader of the Opposition Group, he did not form part of this decision.
26. Councillor Booth asked Councillor Seaton if we can influence the services delivered under the new leisure centre contract and whether there is any flexibility within the contract. Councillor Seaton said he is unaware of the contractual obligations.
27. Councillor Hodgson said Freedom Leisure does not manage any centres geographically close to Fenland and asked for confirmation that the contract is for 15 years. Councillor Seaton confirmed that the contract is for 15 years and the location of their other centres should have no impact on the service they offer to Fenland.
28. Councillor Hodgson explained that the Hudson Indoor Bowls Club is a serious loss to Wisbech and its residents. There is no other indoor bowls clubs within close proximity and the 150 members of the Club will have to travel outside of Wisbech to continue playing. He said at a recent Golden Age Fayre in Wisbech, the Indoor Bowls Club had received a very positive response from attendees. He added that he had discussed the issue with Councillor Buckton (Portfolio Holder for Leisure) and asked if the Council had signed the contract with Freedom Leisure and whether the Bowls Club could remain open.

Councillor Boden had given prior permission to the Mayor of Wisbech, Councillor Human, to ask a question to Councillor Seaton in relation to the Hudson Indoor Bowls Club and leisure contract.

Councillor Human informed members that he is the Chairman of the Hudson Indoor Bowls Club. He said it had been announced recently that the Hudson Indoor Bowls Club will be closed in order for a new gym to be installed at the Hudson Leisure Centre. He disagreed with the projected statistics relating to increased usage of the new gym facility and explained that Fenland District Council had informed him that they would assist the Bowls Club going forward and asked Councillor Seaton how he will do this.

Councillor Seaton said there is a continual dialogue between Councillor Buckton, officers and the bowls club to see if alternative options can be made. He explained that Freedom Leisure were asked, during the procurement process, to assess the usage of the area in which the Bowls Club play and whilst it is not an easy decision, there are times where difficult decisions must be made. He said the Council is continuing to try and mitigate the outcome of this decision and, if they can, help the Hudson Bowls Club continue.

Paul Medd said the management of the leisure centres had been member's decision as part of CSR and officers have facilitated the procurement process based on this.

Councillor Buckton confirmed that he will do whatever he can to help members of the Bowls Club continue with their activity. The position of the Bowls Club is unfortunately a consequence of a decision that was made in relation to the contract with Freedom Leisure but he assured members that he will do what he can to minimise the impact of this decision.

Members asked questions, made comments and received responses in relation to the leisure contract and Indoor Bowls Club as follows;

1. Councillor Tierney said the decision regarding the Hudson Bowls Club has put the Council in a negative light and reiterated that the members of the Bowls Club rely on this activity for their health and social wellbeing.
2. Councillor Booth asked for further information on the savings and costs associated with the leisure centre contract. Richard Cassidy confirmed that the saving is £351,000 with the CSR target being £305,000 and leisure centres will no longer be a net loss to the Council.

3. Councillor Booth asked what control the Council will have over the services provided by the new leisure centre provider and whether this can be amended to reconsider the services on offer. Richard Cassidy confirmed the contractor been appointed as per the detailed specification which details how the operation is to be run and operation standards. He reminded members that this had been agreed by Full Council.
4. Councillor Boden asked if the specification included the Hudson Bowls Club. Richard Cassidy said the contract included the redevelopment of the Bowls Club in to gym and dance studio.
5. Councillor Booth and Councillor Tierney asked if this contract can be altered. Amy Brown confirmed that whilst she is not familiar with the detailed specification of the contract, the removal of the Bowls Club would have been a material factor the provider took into account when bidding. To try and change this would put pay to the procurement process that has taken place and undermine the Council's position. She added that the Council could be liable for costs as the provider may have committed resources to the contract on the basis of being the successful bidder.
6. Councillor Tierney asked if there was an option originally to include the Bowls Club in the specification. Richard Cassidy said the delegation by Council was to pursue the most economically and advantageous tender for the Council. On this basis, the contract that was accepted was that one that included the refurbishment of the bowls hall. He added that although the formal contract has not been signed, the contractor had been appointed as the successful bidder and was working to mobilise for an early December 2018 start.
7. Councillor Buckton confirmed that he is attending a meeting with the Bowls Club on Friday 19 October to consider other options and solutions.
8. Councillor Human thanked members and officers for their responses.

Members continued with questions to Councillor Seaton;

1. Councillor Booth asked Councillor Seaton what his role was in the CPCA, how is he balancing the two roles and how is he ensuring adequate levels of interaction between the CPCA and Fenland. Councillor Seaton explained that he is a member of the CPCA Transport Committee and the two roles are inextricably linked. In Fenland we have received between £40-50 million from the CPCA in funding for projects as well as more regional projects that will have a direct impact on Fenland. He said without the support of the Corporate Management Team and the work of the previous Leader of the Council, this funding would not have been forthcoming to Fenland. He explained that officer and members know that he is contactable at any time to discuss any issues and ideas and attends as many Fenland District Council meetings as he can. He added that although the role involves a lot of his time, he is able to fulfil this.
2. Councillor Booth asked if there is ever any conflict between his role at the CPCA and as Leader of the Council. Councillor Seaton said he had chosen to focus on Transport within the CPCA as he recognises the improvement required on Fenland's infrastructure and said his faith in Cabinet and Councillor Oliver (Deputy Leader and Substitute CPCA member) makes balancing the two roles possible. Whilst there is a lot of time and resource spent balancing the two roles, Fenland benefits greatly from the CPCA.
3. Councillor Booth said there are many studies being carried out in Fenland but very little are being delivered. He said the Government need to streamline the process for funding and asked what Councillor Seaton's involvement is with Government and Ministers and if he has any influence over this. Councillor Seaton explained that Mayor James Palmer is Chairman of the Transport Committee and is very involved in liaising with the Government. He explained that the CPCA committees have only been ratified in the last month so there will be more involvement with Government now this has been done.
4. Councillor Boden asked Councillor Seaton what percentage of his time is spent on CPCA responsibilities. Councillor Seaton confirmed approximately 50% of his time is spent on CPCA work but confirmed a lot of projects are taking place at the moment and Councillor Oliver is able to substitute for him if required.

5. Councillor Booth asked what the current situation is in relation to Devo 2, how it is being promoted and what the implications for Fenland are. Councillor Seaton said Fenland District Council played a lead role in finalising the Devolution Deal which was presented to Government and ultimately resulted in the formation of the CPCA. As the CPCA is still in its infancy, focus is being given to delivering everything set out in Devo 1 before turning their attention to Devo 2.
6. Councillor Booth asked for a timescale on this. Councillor Seaton said he is unsure as it is dependable on the progress of Devo 1.
7. Councillor Boden asked what progress is being made towards the revision of the Local Plan. Councillor Seaton explained that there is a statutory requirement for the Council to formally assess their Local Plan every 5 years to determine if an update is required. It is proposed that the review will commence in early 2019 with the result of the review being taken to Council at a later date.
8. Councillor Booth asked if members will be advised of the updated National Planning Policy Framework (NPPF). Nick Harding confirmed that when a formal approach is made to members about the Local Plan review, they will be given a summary of issues the new Local Plan needs to tackle and this would include the summary of the new parts of the NPPF and in particular viability challenges.
9. Councillor Booth asked for Councillor Seaton's opinion on the current Economic Development Member-Led Review. Councillor Seaton said he is open-minded as to what the review might determine, based on the fact that economy is one of the Council's outward facing priorities. He is happy for the Review Group to recommend the best course of action and is looking forward to hearing their views.
10. Councillor Booth asked if there were any areas in particular Councillor Seaton wanted the Review Group to focus on. Councillor Seaton said consideration needs to be given on how the Council can maximise Economic Development opportunities and examine the best options for the Council.

Councillor Boden thanked Councillor Seaton and invited Members to ask questions to Paul Medd.

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

1. Councillor Booth asked Paul Medd if there are sufficient resources to effectively run the Council. Paul Medd said over the past decade the Council have continually reviewed the services they deliver as part of the CSR process with sufficient reductions in management and staff. He believes the Council have maintained a good enough capacity and proactivity to pursue high-value projects such as securing CPCA funding. However whilst he believes the Council has resources to deliver member's priorities, there is always a degree of financial uncertainty. He added that there is little spare capacity in relation to officer's workloads whilst officers continually strive to deliver for Fenland and its residents. He explained that the Corporate Management Team continue to create the right environment for people to work in and recognises the issues surrounding the Contact Centre and staffing in certain teams. In regards to the Economic Development service, until we know the outcome of the Member-Led Review there is pressure in this team and service area. He highlighted that there are national challenges in recruitment in certain service areas however the Council continue to review the positioning of resources to enable them to deliver members strategic priorities.
2. Councillor Tierney asked Paul Medd what the morale and mood is of Council staff. Paul Medd said officers have been through unprecedented challenges over the past few years which can bring a degree of uncertainty and anxiety. Whilst this is a national issue, Fenland District Council has a One Team culture which helps during difficult times. He said a recent staff survey had shown 84% of respondents are proud to work for Fenland District Council and 93% are committed to their work at Fenland District Council. He assured members that he will continue to work closely with officers so they are clear about the issues surrounding future priorities and resources.

3. Councillor Booth asked if the staff survey is carried out by a third-party and what is the percentage of the response rate. Paul Medd explained that whilst most Council's do not have staff surveys, Fenland District Council carry out their survey every two years. He highlighted that this year, 175 FTE responded which is an increase of 27% from 2016.
4. Councillor Booth asked for confirmation that the survey is carried out by a third party. Paul Medd confirmed that the surveys are carried out internally via an electronic survey and employees can remain anonymous and submit their feedback confidentially. The Corporate Management Team encourages staff throughout the year, as part of Staff-Briefings, to give honest feedback.
5. Councillor Booth asked Paul Medd how successful the Council is in recruitment and what the staff turnover rate is at the Council. Paul Medd explained that Fenland District Council has over many years, tried to build a strong reputation which can help with recruitment locally. He hopes that potential employees recognise that the Council has a supportive working environment where people are openly encouraged to share ideas and express themselves. He highlighted that there are many officers within the Council that started as junior officers and have worked their way up to levels of management. Whilst this profile can help recruitment locally, there is a national shortage surrounding recruitment in certain services. In relation to turnover rates, he explained that the Council performs well compared to national statistics, with a turnover rate (to date) of 4.16% with the national average being approximately 15%. He reminded members that a degree of turnover can be healthy as it brings individuals with new ideas into the Council and members must consider the turnover rate as partly a consequence of the Council's downsizing over the years.
6. Councillor Boden asked on behalf of Councillor Count, who was unable to attend the meeting, why benchmarking of service costs between Fenland District Council and other neighbouring Authorities has not been pursued. Paul Medd confirmed that he had met with Councillor Count recently to discuss this further and confirmed that he wants to explore value for money and undertake a cost-comparison assessment, both corporately and for individual services. Paul Medd explained that there was a national performance measurement framework in the past called Best Value Performance Indicators. The Government withdrew this during the period of austerity to reduce the burden on Councils. Whilst this has helped reduce the cost of employing dedicated performance officers, it has left the Council with no benchmarking data to access and assess. He confirmed that there is data available via other sources such as The Chartered Institute for Public Finance (CIPFA) however the Council would need to commit a financial resource to CIPFA in order to obtain specific data we require. He highlighted that only a number of Local Authorities subscribe to this service and therefore we may be relying on statistics of other Local Authorities with different demographics to Fenland, which may be of no benefit to members. He agreed to consider other sources and circulate a Briefing Note to members to gauge their opinion on committing resources to this.
7. Councillor Boden thanked Paul Medd for his explanation and said members may not want to commit officer's time and resource to this. He asked if we could approach a neighbouring authority to access specific data that would assist us, such as the comparable cost of refuse collection. He said, for example, East Cambs District Council charge £1 per property per weekly collection and said it would be useful to compare this with our figures. Councillor Murphy confirmed that Fenland District Council charges 50p per household per collection.
8. Councillor Booth agreed that there is no benefit in gathering this information if it is of no relevance to the Council. He explained Council services have changed dramatically and unless we engage with a similar authority, the statistics are pointless.
9. Councillor Boden asked Paul Medd how successful he believes the Council have been in delivering CSR1 and what the key outputs and aspirations are for CSR2. Paul Medd said he believed CSR1 had been an extremely successful process for the Council with a Member-Led Framework being created to make decisions on areas of saving. The target set by members was a saving of £1.6 million and he can confirm that this figure has either been delivered against or is in the process of being delivered against. The target date to achieve this was set as 2021 however the Council have already achieved a large proportion of this,

with other projects still underway. For example, the leisure centre contracts had a target saving of £305,000 so the ability to achieve this overall figure is dependent on this and a number of other projects. Whilst positive, he highlighted that there is a forecast deficit for 2023 which brings uncertainty with issues such as the Fairer Funding Review by Government, which members must consider. In relation to CSR2, the aspirations are similar to CSR1 with officers providing the same professional support with an aim to position the Council to deliver a sustainable balanced budget. Members were previously keen to protect frontline services and will need to define this further as part of CSR2. He added that the Corporate Management team will continue to support and guide staff through these changes and continue to work in effective partnerships with other Councils for certain services.

10. Councillor Booth asked if the Council will exceed the £1.6 million target saving and if so, what is the projected figure. Paul Medd said profiling shows we are performing slightly over this figure and explained that during the process the Council have been able to consider other options and savings that were not necessarily framed within CSR, for example certain vacancies in posts have instead been redistributed to existing officers.
11. Councillor Booth asked if the Council have reconsidered the areas of CSR in light of the savings in other service areas. Paul Medd said this would be down to member's discretion and added that due to the Council 'downsizing' during CSR1, service budgets have been scrutinised and reduced accordingly giving an extra saving in these areas. He added that with these savings the Council have augmented their reserves and due to this, have not incurred minimum revenue provision in the revenue account to pay for the borrowing. By not having to borrow, this has relieved the pressure that the revenue account may have faced over the coming years. He highlighted to members that the Medium-Term Financial Position does have projected further deficit of £600-800,000 which is affected by variables largely outside of the Council's control. He added that he and Kamal Mehta, along with Councillor Mrs Hay and Councillor Seaton, will be bringing a presentation to a forthcoming All-Members Seminar to show members the Council's financial position and outlook.
12. Councillor Boden asked Paul Medd for his justification for signing the letter to the former Chief Executive of the CPCA in his capacity as Chief Executive of Fenland District Council and asked if there were consideration was given to the delivery of that the letter given the nature of its content. Paul Medd confirmed that the communication was between officers and did not contain any confidential content. In the past when there have been certain issues that need raising within the CPCA these have been encouraged and articulated by officers to the Chief Executive. Unfortunately in this instance, the former Chief Executive of the CPCA was on annual leave and written communication was therefore necessary as oppose to the usual officer to officer discussion. The letter was written to highlight issues officers thought needed discussing and unfortunately due to the timing of the former Chief Executive's resignation, this has been caught up in further outside criticism and scrutiny against the CPCA. He explained that as the CPCA is still in its infancy, naturally there are going to be teething issues but we must not forget the CPCA's achievements and how Fenland has benefitted from these.
13. Councillor Tierney said he was surprised by the letter and explained that whilst he has always found Paul Medd to be professional and act cautiously within his role, consideration should have been given to how the letter could be perceived as it has now been used in a political way. Paul Medd said it was never their intention to make the content of the letter political and unfortunately due to the timing it has been caught up with other issues. Paul Medd said based on issues officers have seen within other organisations historically, it was felt appropriate to give their contributions to help the CPCA.
14. Councillor Booth agreed with Paul Medd and said it would have been remiss to not have raised these valid concerns.

Councillor Boden thanked Councillor Seaton, Paul Medd, members of Cabinet and officers for their responses and attendance today and said it had been extremely helpful to members.

(Councillor Buckton arrived at the meeting at 3.25pm)

(Councillor Hodgson declared that he is the President of the Hudson Indoor Bowls Club, Wisbech)

OSC23/18 MATTERS ARISING - UPDATE ON PREVIOUS ACTIONS.

Members were provided with an update on the status of actions they had raised at previous meetings of the Committee.

Members thanked officers for their response and statistics in relation to the Wisbech Alcohol Partnership but said the success and impact of the project have not been measured or reported adequately.

OSC24/18 FUTURE WORK PROGRAMME

Members agreed the Future Work Programme 2018/19 for the Overview and Scrutiny Panel subject to the following additions;

- An Item exploring the achievements of CSR1 and the aspirations of CSR2 is to be included in the next meeting's agenda.
- Due to the current Member-Led Review into the Economic Development service, it was decided that the 'Progress of Corporate Priority – Economy' Item be removed from December's agenda.
- Due to Purdah, members requested that the meeting scheduled to take place on 8 April 2019 is cancelled and re-scheduled to a date in March 2019.
- Members agreed to consider an Item in relation to the Powers of the Overview & Scrutiny Panel after the elections in May 2019.

5.00 pm

Chairman

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Agenda Item No:	6	
Committee:	Overview and Scrutiny Panel	
Date:	10 December 2018	
Report Title:	Council Tax Support – 2019-20 scheme	

Cover sheet:

1 Purpose / Summary

Each year the Council is required to review its Council Tax Support (CTS) Scheme. This report advises Overview and Scrutiny of the progress of the 2018 annual review and the resultant proposals for the CTS scheme to take effect from 1 April 2019.

2 Key issues

- No changes are being proposed to the CTS scheme for 2019/20.

3 Recommendations

- For Overview and Scrutiny to comment on the 2019-20 CTS scheme set out in this report so that Cabinet and then Council can take them into account when determining the final scheme at their meetings on 13 December 2018.

Wards Affected	All
Forward Plan Reference	This item is included in the Forward Plan
Portfolio Holder(s)	Cllr Mrs Anne Hay – Portfolio Holder for Finance
Report Originator(s)	Sam Anthony – Head of HR & OD
Contact Officer(s)	Kamal Mehta – Interim Corporate Director and Chief Finance Officer Sam Anthony – Head of HR & OD
Background Paper(s)	None

Report:

1 Introduction

- 1.1 Before April 2013, Council Tax Benefit (CTB) was a nationally controlled scheme administered by District and Unitary Councils that give reductions from Council Tax to people on low incomes according to set criteria specified by regulations. The maximum reduction was 100%.
- 1.2 The costs of CTB were fully reimbursed to the Council by the DWP, so that if demand rose or fell, the Council did not bear the costs of these changes.
- 1.3 CTB was localised and replaced by CTS in April 2013. At the same time, Government funding was reduced and CTS was localised, coming under the control of District and Unitary Councils. Whilst pensioners were protected and regulations specified that they must still receive up to 100% CTS, this protection did not apply to working age people.
- 1.4 Unlike CTB, the costs of CTS are borne by Councils. Funding is given by the Government, but this is fixed each year so that Councils bear the costs of an increase in demand but gain from reduced demand.
- 1.5 The implementation of CTS left Fenland with a funding gap, that potentially saw working age customers only being entitled to 80% CTS. However, Members considered the options available to help increase CTS and were able to implement a scheme in 2013-14 that saw working age customers be entitled to up to 91.5% of CTS; in two ways.
- 1.6 Members primarily met the funding shortfall by revising Council Tax exemptions on empty properties, permitted by regulations that changed in 2013. This meant that the Council would no longer give a Council Tax reduction for most empty domestic properties.
- 1.7 The funding shortfall was further closed by a one-off transitional Government grant that applied in 2013-14 only.
- 1.8 In 2014-15 this grant was not available. With demand for CTS not growing as much as was predicted for 2013-14, Members were able to revise the CTS scheme to feature a reduction of 14% CTS for working age customers.
- 1.9 Further annual reviews determined that the CTS reduction remained at 14% in 2015-16 and 2016-17.

- 1.10 As part of the FDC-CSR1 process, Members asked Officers to look at the option of increasing the reduction from 14% to 20%. This option was considered by Overview and Scrutiny Panel on 28 November 2016 as part of the review of the CTS scheme for 2017-18. Members decided to retain the 14% reduction for 2017-18 and this was formally approved by Council on 15 December 2016.
- 1.11 The annual review for 2018-19 retained the 14% CTS reduction.

2 Reviewing the current CTS scheme

- 2.1 Councils are required to review operation of their CTS schemes each year. Where a change is proposed, we are required to undertake customer consultation; the results of which assist in the final decision made by the Council regarding the CTS scheme next year.
- 2.2 The existing scheme has provision to incorporate DWP welfare reforms and to uprate allowances etc in line with DWP so as to achieve harmonisation with the prescribed national LCTRS scheme for Pensioners as well as HB. Officers have reviewed the existing scheme and are recommending that it does not change for 2019-20.
- 2.3 The small changes made to the current scheme during the review for 2018-19 have worked well – harmonising to DWP welfare reforms and uprating, as well as removing the stipulation that customers must make a separate claim for Council Tax Support when claiming Universal Credit, thereby making the scheme compatible with the introduction and planned expansion of Universal Credit.
- 2.4 Continuing with the existing scheme enables compliance with DWP benefits and the introduction and planned expansion of Universal Credit.
- 2.5 Consequently we are proposing not to change the existing 14% reduction level.

3 Consulting about our proposals

- 3.1 As there are no changes proposed to the CTS scheme for 2019-20, there is no requirement for any customer consultation .

4 The impact of CTS to date

- 4.1 CTS with its associated gap between Council Tax payable and the maximum help working age people can receive has been in operation now for four full years and we are mid-way through the fifth year of its operation.
- 4.2 The table below shows how the amount of CTS awarded and numbers of customers claiming it have changed since CTS was introduced in 2013:-

CTS cases and amount awarded			
Date	CTS awarded	Working age claims	Pensioner claims
1/11/13	£7.68 million	4,682	4,727
1/11/14	£7.49 million	4,641	4,539
1/11/15	£7.33 million	4,487	4,281
1/11/16	£7.10 million	4,063	4,064
1/11/17	£6.97 million	4,170	3,920
1/11/18	£7.05 million	4,232	3,702
Change in last year	+1.15% +£0.08 million	+1.49% +62	-5.56% -218

- 4.3 The reduction in pensioner claims above and increase in working age claims is primarily a result of the gradual increase in the state retirement age, resulting in there being fewer pensioners.

5 Next steps

- 5.1 This report has given the Panel an update on progress of the annual review of the Council's CTS scheme.
- 5.2 Officers will then take the proposed 2019 CTS scheme to Cabinet and then Council at their respective meetings, both on 13 December 2018 for Members to formally determine the scheme.

FAO Councillor Boden
Chairman of Overview & Scrutiny Panel

22/11/18

Dear Chris

Letter to the Chairman of the Overview & Scrutiny Panel from the Corporate Governance Committee

At the Corporate Governance Committee meeting on 16 June the committee was concerned by the loss experienced on four trading operations in the statement of accounts.

	Before adjusting for capital charges	Actual operating deficit (loss)
Markets	84,000	80,090
Ports	426,000	131,119
Office and Factories	329,000	225,089
Estates	9,000	9,000
	-----	-----
	£848,000	£445,298

The committee felt that these areas should be able to operate more efficiently and tax payer's money put to better use. It was unanimously agreed for me as chairman to write to you to raise our concerns and could your committee review the performance in those areas with a view to reducing costs.

Regards

John Clark
Chairman Corporate Governance Committee
Enc. Page 80 and 81 of the Statement of Accounts

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Agenda Item No:	7	
Committee:	Overview & Scrutiny Panel	
Date:	10 December 2018	
Report Title:	Response to the Letter from the Chairman of the Corporate Governance Committee	

1 Purpose / Summary

It was agreed by the Corporate Governance Committee, following their meeting on 20 November 2018, that the Chairman write to the Chairman of the Overview and Scrutiny Committee in relation to the apparent financial deficit outlined in the Statement of Accounts in relation to the trading operations of the; Markets; Port as well as the Light Industrial Units and Business Centre's.

2 Key issues

- The annual accounts are prepared in accordance with the Code of Practice on Local Authority Accounting (The Code) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and based on International Financial Reporting Standards (IFRS).
- The Statement of Accounts and Annual Governance Statement were considered by The Corporate Governance Committee on 27 July 2018
- During the consideration of the Statement of Accounts the Corporate Governance Committee discussed their desire for a response to the fact that the Council's three trading services, namely the Markets, Port as well as the Light Industrial Units and Business Centre's appear to be requiring financial subsidy, rather than being cost neutral.
- This matter was considered further during the meeting of the Corporate Governance Committee on 20 November 2018 where the decision was taken for the Chairman of the Corporate Governance Committee to write to the Chairman of the Overview and Scrutiny Committee requesting this matter be further considered.
- This report provides some commentary to explain the apparent 'deficit' position as identified by the Corporate Governance Committee, which is created when the figures are reported in accordance with the Accounting Code of Practice and why the trading accounts and profitability differs significantly to the reported outturn figures.

3 Recommendations

Members are asked to;

- Note the content of the report including the accounting figures and the required method of reporting.

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Councillor Chris Boden – Chairman of the Overview and Scrutiny Committee. Councillor Peter Murphy –Portfolio Holder – Markets and Events Councillor Mrs Anne Hay – Portfolio Holder – Finance Councillor David Oliver – Portfolio Holder – Growth, Community Safety and Heritage
Report Originator(s)	Anna Goodall, Head of Governance and Legal Services, agoodall@fenland.gov.uk 01354 622357
Contact Officer(s)	Anna Goodall, Head of Governance and Legal Services, agoodall@fenland.gov.uk 01354 622357 Annabel Tighe, Environmental Health Manager atighe@fenland.gov.uk 01354 622497 Justin Wingfield, Head of Business and Economy jwingfield@fenland.gov.uk 01354 622472 Mark Saunders, Chief Accountant msaunders@fenland.gov.uk 01354 622486 Kamal Mehta, Interim Corporate Director & Chief Finance Officer (S.151 Officer) 01354 622201 kamalmehta@fenland.gov.uk Gary Garford, Corporate Director 01354 622373 garygarford@fenland.gov.uk
Background Paper(s)	Fenland District Council Constitution

4 Background

- 4.1 This report is structured by service area and aligned to concerns raised by the Corporate Governance Committee regarding the apparent deficit created through normal accounting practice. Further background financial information is attached as Appendices A-C.

Markets

- 4.2 A market operates in the towns of March, Whittlesey and Chatteris. The market in Wisbech is managed by the Town Council.
- 4.3 The management and ownership of Wisbech marketplace transferred to Wisbech Town Council in August 2011. At that time Wisbech market realised 50% of the overall markets income.
- 4.4 Following a service review in 2013/14 which realised savings in the region of £42,000, March, Whittlesey and Chatteris markets are now managed by the Council's streetscene team. The officers collect rent, manage any day to day issues, introduce new traders and ensure the sites are open and usable. Managing the markets is a small part of a streetscene officers job which also includes, daily patrols within the towns and rural areas, addressing community issues, investigating and taking enforcement action in relation to environmental crimes such as fly tipping, parking management on the marketplace in March, inspections to ensure cleansing standards are maintained in addition to inspections to ensure safety of memorials.
- 4.5 A market forum is held each year; feedback from this is used to scope the market's action plan for the following year. Actions include management of parking on the market places, use of charity stalls, incentives and advertising.
- 4.6 Most markets are fairly stable in size with regular traders attending. Currently for Whittlesey there are 4 permanent and 3 additional casual stalls, in Chatteris 4 permanent and 1 casual stall and in March 3 permanent and 1 casual stall for March Wednesday and a further 8 permanent stalls on March Saturday. 'Casual' stall holders turn up on an ad-hoc basis and are not licenced. For comparison purposes Wisbech Market was held at least twice a week and attracted around 40-45 stalls per market.
- 4.7 The size of the markets is dictated by the market places themselves and dependent on the location. Chatteris and Whittlesey markets do relatively well with most pitches taken each week and a regular customer base. March Saturday is the busiest market currently and many of the traders have been attending for many years. The Wednesday market currently has low stall holder occupancy, which despite efforts to attract new traders has not seen a marked increase.
- 4.8 March and Whittlesey Market offers the largest space available for stalls. In Whittlesey the pedestrianised Buttercross area could hold comfortably 10 stalls. Occupancy here is currently on average 70%.
- 4.9 March Market Place can comfortably hold 20 stalls. On a Wednesday occupancy is currently as low as 15% and Saturday around 70%.
- 4.10 Chatteris Market is the only town which does not have its own pedestrianised space. Instead the market is held in a layby which offers space for between 5 – 6 stalls. This is normally at full capacity.
- 4.11 To incentivise new traders a '321' offer is in place which offers new traders reduced rent over a 6 week period, designed to help them settle in and build a customer base. Market traders are also offered priority pitches at Council run Four Seasons events.
- 4.12 In 2015 the Comprehensive Service Review (CSR), which took account of staffing costs, supplies and services costs and income identified the markets ran at a deficit in the

region of £4,700 a year. The CSR paper proposed discontinuing support for the markets or working with another provider to deliver markets. These options were not considered further at that time.

- 4.13 Market fees were reviewed fully in 2016 and benchmarked against neighbouring and similar local authorities. We found that in comparison we offered on average a lower rent. We also were able to offer other attractive benefits such as free electricity and trade waste collection which previously constituted an extra charged service. More recently traders have feedback verbally that our rent continues to be good value and the additional facilities are a welcomed incentive.
- 4.14 Over the past 5 years the markets' infrastructure has been improved with new signage, additional enforcement to address local parking issues (March market place), new electricity feed pillars for March in 2017 and Whittlesey in 2018 and a small marketing budget to support with local events to attract customers to the market. Continental markets have been approached from time to time however these travelling markets tend to visit city and busy tourist locations and have not added Fenland to their usual programme.
- 4.15 Premises costs for the markets in 2017/18 include the cost of infrastructure enhancements completed in that financial year. The benefit of these infrastructure enhancements improves the Councils overall offer to stallholders in Whittlesey. Similar works were undertaken in March in 2016/17 as part of the capital programme and the cost of these is accounted for as part of the depreciation charged. Cleaning expenses are also included as part of premises costs. The impact of reducing the current pattern of cleaning (based on four days on four days off) will be realised fully in the financial statements when the charges have been in place for a full year.

Wisbech Port and Marine Services

- 4.16 The District Council role within Port & Marine service covers the statutory duties relating to the District Council as CHA (Competent Harbour Authority) & SHA (Statutory Harbour Authority) in respect of the management and control of all operations including marine operations of the Port of Wisbech (includes the Ports of Wisbech (PoW) and Sutton Bridge (PSB) and river channel out into The Wash) and to ensure compliance with the requirements of the Port Marine Safety Code, local bye laws and other relevant legislation.
- 4.17 These statutory duties include navigation and pilotage together with maintaining the 'open port status' through the provision and upkeep of the quay and commercial berths. The service also includes non-statutory functions as owner of the port infrastructure, yacht harbour, boat lift, boat storage area, and commercial land. These roles are delivered by a multi-functional Port & Marine team.
- 4.18 Wisbech port is still a busy port, with a regular trade between the Baltic consisting of mainly timber imports. The principal export is scrap metal. Commercial ship numbers at both Wisbech Port and Port Sutton Bridge have been relatively steady over the past 2 years. There is however a national and international trend of larger ships being used to transport cargo and this may act as a physical constraint associated with the River Nene related to length and draught of ships that it is able to accommodate.
- 4.19 It may be helpful to remind Members that Wisbech Port was considered in full by the Overview and Scrutiny Committee on 3 April 2017 as part of the CSR process at which time all aspects of the service and finances were considered. Officers are finalising changes to historic agreements related to the operator of Wisbech port along with updated freight management/income and land lease costs and agreements.
- 4.20 The Marine service has been subject to a series of reviews that resulted in £60,000 of staff savings along with £40,000 of operational savings. As outlined previously ~~Page 22~~

team is now fully multidiscipline so it can operate effectively and efficiently yet still deliver a safe and commercial service.

- 4.21 Members will note the large disparity of income between the years from wind farm income. The Council and marine team worked hard to exploit benefits to the Council from supporting and providing marine services to both the undersea cable laying and the wind turbine erection out in the Wash. This resulted in a significant amount of income over the years totalling £615,800 which was received in the profile below:

Wind Farm Income					
2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
£138,200	£142,600	£87,800	£12,500	£19,700	£215,000

Unfortunately this major construction project is now complete therefore wind farm income is relatively small and relates to in the main maintenance visits.

Light Industrial Units and Business Centre's

- 4.22 It is important for Members to recognise that the Business Centres and the Light Industrial Units to a lesser extent are provided as incubator units. This means they spawn new businesses that are generally just starting up or moving from home working. Therefore the constant 'churn' of occupation is expected as successful companies grow and move onto larger premises in the area. Therefore measuring success is not directly related to occupancy at any one time.
- 4.23 One of the key priorities of the FDC Business Plan relates to the Economy, which includes the promotion and development of business premises to encourage investment, job creation and skills diversification. In support of this priority, the Council owns and operates The Boathouse Business Centre in Wisbech, South Fens Business Centre in Chatteris, together with a number of light industrial units which are located in Wisbech (New Drove, Boleness Road & Venture Court); March (Longhill Road) and Chatteris (Prospect Way & South Fens Enterprise Park).
- 4.24 The Business Premises Team manages the Council's business premises for start-up and existing small and medium sized enterprise (SME's). The Business Premises estate comprises 82 serviced office suites and 69 light industrial units. The estate provides over 93,150ft² (8,650m²) of business space together with meeting and conferencing facilities at the Business Centres which provides secure, high quality environments for businesses to grow and flourish.
- 4.25 In line with the Council's efficiency agenda and its commitments contained within the [Asset Management Plan 2017-20](#), the business premises estate is managed intensively on a financially efficient basis, with staff operating the business centres and providing administrative support to the Marine Services Team. There is a continued culture of innovation and diversification within the Team in an effort to reduce voids, increase income and maintain occupancy.
- 4.26 One of the Team's key tools is ensuring better utilisation of existing space, which includes creating new lettable space at The Boathouse Business Centre, together with subdivision (into smaller suites) of a large and difficult 'to let' office suite at South Fens Business Centre. Other ventures include the roll out of 'Virtual Office' provision (which provides a professional address and use of the Business Centre facilities for a subscription fee to non-tenant businesses). Services start from £20 per month, whilst utilising existing staff to effectively minimise additional on-costs.

- 4.27 In terms of the financial context, the Business Premises estate produced an operating surplus of £83,500 in 2017/18, which represents a gross profit margin of just over 10%. Between 2016/17 and 2017/18 rental income increased by 2% (just over £13,000) and conference and meeting room income decreased by a modest 3% (£3,200). The continued management of the Business Premises estate remains robust, resilient to change and innovative in adopting efficient practices aiming to secure additional income.

5 Financial Information

- 5.1 Appendices A, B and C contain a further financial break down for each of the trading activities associated with the Markets, Port and Marine Services in addition to the Light Industrial Units and Business Centre's. The financial figures also provide some commentary regarding how the figures are reported in accordance with the Accounting Code of Practice and why the trading accounts and profitability differs significantly to the reported outturn figures.
- 5.2 In addition to the financial figures, it is worthy of note that there are also a number of other considerations which are less easy to quantify in relation to the provision of these services.
- 5.3 Additional benefits include the increased visitor numbers to our Fenland towns and the wider economic benefit markets and non-statutory marine services bring to the respective towns. The provision of business incubator units is considered to have wider economic benefits in relation to job creation and employment, vibrancy and sustainability of our market towns as well as attracting work aged residents into the area. The Council has considered these additional benefits to be a key priority in relation to the achievement of the aspirations outlined in the Business Plan.

6 Recommendations

- 6.1 Members are asked to note the content of the report in response to the letter from the Chairman of the Corporate Governance Committee.

APPENDIX A

<u>Port</u> (Note 1)	2017/18 £	2016/17 £
<u>Direct Costs</u>		
Employee Cost (Inc On Costs)	520,470	549,926
Premises Costs	169,763	98,724
Transport	61,252	55,709
Supplies and Services	168,900	114,459
Third Party Payments	4,521	3,888
Total Direct Costs	924,905	822,706
<u>Income Received</u>		
Harbour and Light Dues	-186,697	-182,639
Pilotage and Boarding	-285,271	-281,489
Wharfage	-62,936	-52,467
Towing	-40,206	-22,574
Conservancy	-149,229	-147,635
Wind Farm Fees and Charges	0	-214,966
Yacht Harbour Fees and Charges	-99,777	-103,132
Environment Agency Contribution	-20,000	0
Insurance reimbursement (Note 2)	-156,202	0
Other Income	-82,397	-21,724
Total Income	-1,082,715	-1,026,625
Operating Surplus for the Year (reported to members via performance reporting and CSR)	-157,810	-203,919
Support Costs recharge (Note 3)	91,010	91,798
Net Operating Surplus	-66,800	-112,121
<u>Accounting Adjustments (Note 4)</u>		
IAS 19 Adj (Pensions)	60,602	-5,042
Accumulated Absences Adjustment	2,482	4,369
Depreciation	308,099	309,437
<u>Other Adjustments</u>		
Pilot Pension Fund adjustment (Note 5)	114,157	678,868
Rents classified as Investment Property Income in Accounts (Note 6)	7,800	7,800
Total Accounting and Other Adjustments	493,140	995,432
Deficit as per Statement of Accounts	426,340	883,311

Notes:

- The Port Service consists of the Council's Statutory Harbour Authority responsibilities, Commercial activities and the Yacht Harbour.
- The insurance reimbursement relates to settlement of an insurance claim at the Port. Page 25 of 25

expenditure relating to the claim incurred over the previous year.

3. Support Costs consists of recharges from ICT, Accountancy, Assets & Projects, Accommodation, Legal, Health & Safety, Human Resources & Payroll, Internal Audit and Customer Services. The individual recharges from these services are based on a variety of apportionment methods. The total cost of these services are apportioned across all 'front-line' services.
4. Accounting adjustments are made each year to the service accounts as required by International Accounting Standards and the CIPFA Code of Practice. Government regulations require these adjustments to be 'reversed out' of the accounts (in a separate part of the Statements) so there is no impact on the Council Taxpayer.
5. These accounting adjustments were required to reflect the liability of the Council to the Pilots' National Pension Fund. This has now been settled and no further adjustments are required.
6. Income derived from 'Investment Properties' is required to be reported as a separate note in the Statement of Accounts. Investment Properties are defined as assets held exclusively to derive rental income and/or to realise expected increases in the underlying value of the asset.

APPENDIX B

<u>Light Industrial Units and Business Centre's</u>	2017/18	2016/17
	£	£
<u>Direct Costs</u>		
Employee Cost (Inc On Costs)	233,876	171,998
Premises Costs	349,253	346,013
Supplies and Services	98,221	79,579
Third Party Payments	49,683	48,423
Total Direct Costs	731,033	646,013
<u>Income Received</u>		
Rents	-676,955	-663,945
Boathouse Room Hire	-56,610	-53,927
South Fens Room Hire	-42,144	-48,042
Other Income	-38,831	-43,451
Total Income	-814,539	-809,364
Operating Surplus for the Year (reported to members via performance reporting and CSR)	-83,506	-163,352
Support Costs recharge (Note 1)	250,530	257,878
Net Operating Deficit	167,024	94,526
<u>Accounting Adjustments (Note 2)</u>		
IAS 19 Adj (Pensions)	29,874	-6,148
Accumulated Absences Adjustment	-1,001	2,755
Depreciation	138,681	137,377
Revaluation of Assets	-28,264	-14,459
<u>Other Adjustments</u>		
Rents classified as Investment Property Income in Accounts (Note 3)	21,896	7,900
Total Accounting and Other Adjustments	161,186	127,425
Deficit as per Statement of Accounts	328,210	221,951

Notes:

1. Support Costs consists of recharges from ICT, Accountancy, Assets & Projects, Accommodation, Legal, Health & Safety, Human Resources & Payroll, Internal Audit and Customer Services. The individual recharges from these services are based on a variety of apportionment methods. The total cost of these services are apportioned across all 'front-line' services.
2. Accounting adjustments are made each year to the service accounts as required by International Accounting Standards and the CIPFA Code of Practice. Government reporting

require these adjustments to be 'reversed out' of the accounts (in a separate part of the Statements) so there is no impact on the Council Taxpayer.

3. Income derived from 'Investment Properties' is required to be reported as a separate note in the Statement of Accounts. Investment Properties are defined as assets held exclusively to derive rental income and/or to realise expected increases in the underlying value of the asset.

APPENDIX C

<u>Markets</u>	2017/18 £	2016/17 £
<u>Direct Costs</u>		
Employee Cost (Inc On Costs)	26,167	28,133
Premises Costs	54,612	40,087
Supplies and Services	1,025	843
Total Direct Costs	81,805	69,064
<u>Income Received</u>		
Fees and Charges and Other Income	-23,701	-27,617
Total Income	-23,701	-27,617
Operating Deficit for the Year (reported to members via performance reporting and CSR)	58,104	41,447
Support Costs recharge (Note 1)	18,630	18,585
Net Operating Deficit	76,734	60,032
<u>Accounting Adjustments (Note 2)</u>		
IAS 19 Adj	3,457	-564
Accumulated Absences Adjustment	-101	249
Depreciation	4,283	644
Total Accounting Adjustments	7,639	329
Deficit as per Statement of Accounts	84,373	60,361

Notes:

- Support Costs consists of recharges from ICT, Accountancy, Assets & Projects, Accommodation, Legal, Health & Safety, Human Resources & Payroll, Internal Audit and Customer Services. The individual recharges from these services are based on a variety of apportionment methods. The total cost of these services are apportioned across all 'front-line' services.
- Accounting adjustments are made each year to the service accounts as required by International Accounting Standards and the CIPFA Code of Practice. Government regulations require these adjustments to be 'reversed out' of the accounts (in a separate part of the Statements) so there is no impact on the Council Taxpayer.

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Agenda Item No:	8	
Committee:	Overview and Scrutiny	
Date:	10 December 2018	
Report Title:	Progress update on the Fenland Comprehensive Spending Review (FDC-CSR1).	

Cover sheet:

1 Purpose / Summary

To provide the Committee with a progress update setting out the achievement of savings required as per the Medium Term Financial Plan to 2021/22.

2 Key issues

- In July 2015, the Council voted to establish a Fenland District Council Comprehensive Spending Review (FDC-CSR1) in light of the significant further savings of approximately £1.8 million the Council was required to find from 2016-17. This savings target subsequently increased to £3.206m over the Spending Review period following the final Local Government Finance Settlement. In 2016/17, £968,000 of savings were delivered with a further £105,000 in 2017/18, leaving savings of £2.133m still to be identified and delivered.
- The FDC-CSR identified £1.667m savings over the medium term to 2021/22 leaving a further £0.466m to find. The remaining amount of savings to be found was to be considered in future years as the amount will not have remained static and absolute. The reason for this is that over the years the expenditure and income of the Council will have changed as part of the normal annual budget cycles and the incorporation of the savings achieved from the FDC-CSR1 including due to timing differences.
- Since the approval of the FDC-CSR1, members received detailed business cases on several proposals some which have now been fully implemented or which are progressing to implementation. These include the following:
 - Community House external funding
 - Ceasing Youth District Council
 - Community Grants review
 - Garden Waste charging
 - Leisure Centre management options
 - Contact Centre review
 - Wireless CCTV
 - New Horizons Bus

3 Recommendations

- That the Committee notes the report.

Wards Affected	All
Forward Plan Reference	
Portfolio Holder(s)	Leader of the Council, All Portfolio Holders
Report Originator(s)	Kamal Mehta, Interim Corporate Director and Chief Finance Officer (S.151 Officer) Paul Medd, Chief Executive Amy Brown, Interim Corporate Director and Monitoring Officer Gary Garford, Corporate Director Richard Cassidy, Corporate Director
Contact Officer(s)	Paul Medd, Chief Executive, Kamal Mehta, Interim Corporate Director and Chief Finance Officer (S.151 Officer) Amy Brown, Interim Corporate Director and Monitoring Officer Gary Garford, Corporate Director Richard Cassidy, Corporate Director
Background Paper(s)	CSR reports and previous Budget reports

Report: Update on progress on the Fenland Comprehensive Spending Review (FDC-CSR1).

1 Background / introduction

- 1.1 In July 2015, the Council voted to establish a Fenland District Council Comprehensive Spending Review (FDC-CSR1) in light of the significant further savings of approximately £1.8 million the Council needed to find from 2016-17. This savings target subsequently increased to £3.206m over the Spending Review period following the final Local Government Finance Settlement. In 2016/17, £968,000 of savings were delivered with a further £105,000 in 2017/18, leaving savings of £2.133m still to be identified and delivered.
- 1.2 The FDC-CSR1 identified £1.667m savings over the medium term to 2020/21 leaving a further £0.466m to find. The remaining amount of savings to be found is to be considered in future years through a CSR2 but the amount will not have stayed static and absolute. The reason for this is that over the years the expenditure and income of the Council would change as part of the normal annual budget cycles and the incorporation of the savings achieved from the FDC-CSR1 including timing differences.
- 1.3 An update on the FDC-CSR1 has been provided in the annual budget reports in 2017/18 and 2018/19. Detailed business cases have been presented to members to progress the implementation of the CSR savings to fruition.

2 Considerations

- 2.1 Officers in consultation with the Leader and relevant Portfolio Holders have been working hard to ensure that the FDC-CSR1 savings are implemented within the timescale set out which was that by 2020/21 a total of cumulative savings of £1.667m will have been achieved. Appendix A shows the current position as at November 2018.
- 2.2 By the end of this financial year (2018/19) the Council will have achieved £1.230m and it is scheduled to achieve a cumulative total of £1.651m by the end of the next financial year (2019/20), the variance being due to timing differences in implementation and therefore realising the full year effects of the savings. It is estimated that the ongoing cumulative full effect of the FDC-CSR programme of savings will have achieved a total of £1.802m by 2020/21. Overall, the Council will have achieved more than its original target of £1.667m as the savings actually achieved in a number of areas are higher than originally estimated i.e leisure management contract
- 2.3 This clearly shows that the Council, in taking the hard and difficult decisions to make the required savings over the medium term was diligent in bringing forward proposals that were achievable and not putting itself in the position of having targets that were over ambitious or unachievable as has been reported in some Council's which are having to draw heavily on their reserves.
- 2.4 All of the FDC-CSR1 savings projects are impacted on by factors and considerations that affect the timing of implementation and therefore some projects have been able to be implemented in accordance with the original timescale whilst a small number are requiring longer to bring them to fruition i.e customer service shops
- 2.5 Overall, the Council has put itself in a relatively secure position that will allow it to address future financial risks facing it in a managed manner. The Medium Term Financial Plan (MTFP) is being updated for the period 2019/20 to 2022/23 and this will show the in-year and cumulative budget deficits which will inform the future savings programmes. It will be part of the budget considerations by Cabinet and Council over the next three months.

2.6 Whilst this is a progress report on the implementation and achievement of the FDC-CSR1 savings programme, it is important to keep in mind the future risks and uncertainties facing the Council as regards its finances including known spending pressures. The outcome of the Fair Funding Review, the Business Rates Retention System, the replacement of the New Homes Bonus, Local Plan Review costs, Pension Fund triennial valuation (1 April 2020) and resultant employers contribution rate, costs of the Clinical Waste Collections service from 1 April 2019 are all unknowns and not quantifiable at present and therefore keeping the Council's reserves at the current and robust levels will be a key element of the MTFP together with the already published council tax increases factored in. The forecast deficits for the Council as reflected in the draft 2019/20 budget report are as follows:

- 2020/21 = £632k
- 2021/22 = £605k
- 2022/23 = £777k

The discussion and consideration of the next programme of savings/income generation, (FDC-CSR2) is expected to commence early in the new Council as budget deficits are forecast for the medium term (2020/21 to 2022/23) based on current known information.

3 Effect on corporate objectives

- 3.1 The FDC-CSR1 savings programme will deliver savings and increased income in order for the Council to be sustainable over the medium term.
- 3.2 The Council faces significant risks and uncertainties in the medium term as set out in paragraph 2.6 including known spending pressures and therefore needs to ensure a robust level of reserves and maximises the revenue from its local tax raising powers.

4 Community impact

- 4.1 The Council has become leaner whilst at the same time maintaining front line services through alternative service delivery models. Further savings and income generation programmes will be required to keep the Council sustainable into the future.

5 Conclusions

- 5.1 The FDC-CSR1 savings and income generation programme was created to ensure that the Council remains financially secure and sustainable. The programme is estimated to achieve cumulative total savings of £1.651m by 2019/20 and the full effect is estimated to be £1.802m by 2020/21.
- 5.2 By their very nature not all projects within the programme are able to be implemented at the same pace in the timetable and some projects may not be delivered either in full or in part by the end of 2019/20. Whilst most projects have been implemented in consultation with the Portfolio Holders a number of them are sensitive to and dependent on the wider policy considerations of the Council such as economic regeneration and other partners such as the relocation of the services from the Services Shops to partner's premises.
- 5.3 The MTFP is being updated to determine the future year's budget deficits including factoring in the continuation of the published council tax increases. The MTFP and the Budget Estimates for 2019/20 will be presented to the Cabinet and Council over the course of the next three months.
- 5.4 The Council faces significant risks and uncertainties in the medium term as set out in paragraph 2.6 above including known spending pressures and therefore needs to ensure a robust level of reserves and maximises the revenue from its local tax raising powers.
- 5.5 It is expected that work on FDC-CSR2 will commence early in the new Council following the election in May 2019.

CSR Projects

Update : 29 November 2018

APPENDIX A

		2018/19	2019/20	2020/21	2021/22	2022/23
		£000	£000	£000	£000	£000
CSR Projects completed and included in MTFS Feb 2018 Bottom Line						
Garden Waste - Self-funding scheme	Charge for Brown Bin collection - Net effect	-522	-530	-530	-530	-530
Community Grants	Phased reduction of SLA's	-73	-81	-81	-81	-81
Policy and Comms	Stop monthly Fenlander page	-3	-3	-3	-3	-3
Member Services	Review civic events and expenses	-1	-1	-1	-1	-1
Member Services	Review twinning arrangements	-1	-1	-1	-1	-1
Awards	Business Awards - stop	-3	-3	-3	-3	-3
New Horizons Bus	Decommission and sell	-31	-31	-31	-31	-31
Council Tax Support Grant Funding	Remove Town/Parish funding	-59	-89	-89	-89	-89
Youth District Council	Stop YDC programme	-57	-57	-57	-57	-57
Business Premises	Increase occupancy of light industrial units	-10	-10	-10	-10	-10
Customer Services	Contact Centre reduce targets or service hours	-123	-123	-123	-123	-123
Open Spaces	Reduction in bedding plants	-10	-10	-10	-10	-10
Open Spaces	Cancel Green Flag accreditation	-1	-1	-1	-1	-1
CCTV	Wireless & ARC	-49	-49	-49	-49	-49
CCTV	Increase income from businesses covered by cameras	-31	-31	-31	-31	-31
Street Scene	Work with another provider to deliver enforcement	-6	-6	-6	-6	-6
Golden Age	Deliver differently	-10	-10	-10	-10	-10
Customer Services	Deletion of Customer Services Post wef 01.04.18	-50	-50	-50	-50	-50
CSR Projects delivered	Delivered and included in Service Budgets - Feb 2018	-1,040	-1,086	-1,086	-1,086	-1,086
Vehicle Workshop	Investigate delivery models	-30	-30	-30	-30	-30
Support Services - PFC	Review assuming Leisure Outsourcing	-31	-41	-41	-41	-41
Leisure Centres	Look at management options	-115	-351	-351	-351	-351
Community House	Close, review Community Support team		-28	-28	-28	-28
CSR Projects	Delivered during 2018/19	-176	-450	-450	-450	-450
Other CSR Projects ongoing						
Cemeteries	Review staffing levels for cemeteries service					
Open Spaces	Review staffing for Open Spaces	-14	-55	-55	-55	-55
Customer Services	Relocate March and Wisbech Shops to Libraries		-38	-76	-76	-76
Wisbech Port	Lease arrangements quayside land					
Wisbech Port	Increase wharfage income			-25	-25	-25
Wisbech Port	Pursue windfarm activity/income					
Fenland Hall/Base	Office utilisation and market spare capacity			-30	-30	-30
Tourism Development	Options to reduce, partner, stop, advertising income					
Housing Options	Investigate shared service opportunities					
Environmental Health	Explore shared service opportunities					
Licensing	Investigate shared service opportunities					
CCTV	Consider alternative service delivery opportunities		-15	-65	-65	-65
Support Services	Review following Leisure Outsourcing		-7	-15	-15	-15
Total Other CSR Projects ongoing	Projects in Progress and included in MTFP	-14	-115	-266	-266	-266
Total CSR Projects	Net Benefit to MTFP	-1,230	-1,651	-1,802	-1,802	-1,802

Removal of vacant post
PFC Restructure implemented - June 2018
In progress. Contract start date 4.12.18
No external funding available
Restructure implementation November 2018
Shop leases terminate in 2019/20
Implementation ongoing
Implementation ongoing
Implementation ongoing
Options being identified
Options being identified
Options being identified
Options being identified
Report to Cabinet/Council December 2018
CEL Support Team review

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Agenda Item 9

Outstanding actions from Overview and Scrutiny – December 2018

MEETING DATE AGENDA ITEM AND MINUTE NUMBER	RECOMMENDATION/ ACTION	UPDATE	TIMESCALE
OSC/17/18	MEMBERS ASKED FOR FURTHER INFORMATION IN RELATION TO THE SUCCESS OF THE WISBECH ALCOHOL PARTNERSHIP	THE FENLAND CSP (COMMUNITY SAFETY PARTNERSHIP) WILL BE CARRYING OUT A STRATEGIC ASSESSMENT ON DRUG & ALCHOL ABUSE. THIS WILL INCLUDE AN ASSESSMENT INTO THE IMPACT OF THE WISBECH ALCOHOL PARTNERSHIP AND ITS SUCCESS.	EARLY 2019
OSC22/18	MEMBERS ASKED FOR FURTHER INFORMATION ON THE CONTACT CENTRE	MEMBER SERVICES CIRCULATED A BRIEFING NOTE ON 29/10/18 IN RELATION TO THE CUSTOMER SERVICES TEAM.	COMPLETE
OSC22/18	MEMBERS ASKED FOR INFORMATION ON BENCHMARKING STATISTICS AVAILABLE TO THE COUNCIL AND THE ASSOCIATED COSTS FOR THIS INFORMATION	OFFICERS ARE LOOKING INTO THIS INFORMATION AND WILL REPORT THEIR FINDINGS BACK TO MEMBERS.	ONGOING

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Overview and Scrutiny – Draft Work Programme 2018 – 2019

All Formal meetings are held in the Council Chamber at Fenland Hall

Meeting Dates

<u>Agenda Despatch Date</u>	<u>Informal pre-meeting</u>			<u>Formal Overview & Scrutiny Meeting</u>		
	<u>Date</u>	<u>Time</u>	<u>Location</u>	<u>Date</u>	<u>Pre-Brief</u>	<u>Meeting</u>
Friday 18 May 2018	Thursday 24 May 2018** Please note the amendment to this meeting date.	2:00pm	Room 38	Wednesday 30 May 2018 ** Please note the amendment to this meeting date	2.00pm	2.30pm
Thursday 19 July 2018	Monday 23 July 2018	2:00pm	Room 38	Mon 30 July 2018	2.00pm	2.30pm
Thursday 23 August 2018	Tuesday 28 August 2018	2.00pm	Room 38	Mon 3 September 2018 **Please note the change of time	9:30am	10:00am
Thursday 4 October 2018	Monday 8 October 2018	2.00pm	Room 38	Mon 15 October 2018	2.00pm	2.30pm
Friday 30 November 2018	Monday 3 December 2018	2.00pm	Room 38	Mon 10 December	2.00pm	2.30pm

				2018** Please note the amendment to this meeting date		
Thursday 3 January 2019	Monday 7 January 2019	2.00pm	Room 38	Mon 14 January 2019	2.00pm	2.30pm
Thursday 7 February 2019	Monday 11 February 2019	2.00pm	Room 38	Mon 18 February 2019	2.00pm	2.30pm
Friday 8 March 2019	Tuesday 12 March 2019	2.00pm	Room 38	Mon 18 March 2019 ** Please note the amendment to this meeting date	2.00pm	2.30pm

Monday 14 January 2019

Time	Agenda Item	Fenland Corporate Priority	Portfolio Holder/ Officer/ External Witness
14.00 to 14.30 Pre Briefing	Draft Overview and Scrutiny Future Work Programme 2017/2018	Quality Organisation	Councillor Boden, Anna Goodall
14.30 to 16.30 Meeting	Draft Budget	Economy	Cabinet CMT
	Draft Business Plan	Economy	Cabinet CMT
	Fees and Charges	Economy	Councillor Mrs Hay Cabinet Mark Saunders & Neil Krajewski
	CSR items as required		
	Future Work Programme 2018/2019	Quality Organisation	Councillor Boden Anna Goodall

Monday 18 February 2019

Time	Agenda Item	Fenland Corporate Priority	Portfolio Holder/ Officer/ External Witness
14.00 to 14.30 Pre Briefing			
14.30 to 16.30 Meeting			
	Progress of Corporate Priority – Environment	Environment	Councillors Murphy, Oliver Richard Cassidy, Dan Horn, Phil Hughes, Mark Mathews, Annabel Tighe
	Crime Disorder and Reduction Partnership	Communities	Councillor Oliver Richard Cassidy, Dan Horn and Aarron Locks
	Draft Overview and Scrutiny Future Work Programme 2019/2020	Quality Organisation	Councillor Boden Anna Goodall
	CSR items as required		
	Future Work Programme 2018/2019	Quality Organisation	Councillor Boden

Monday 18 March 2019

Time	Agenda Item	Fenland Corporate Priority	Portfolio Holder/ Officer/ External Witness
14.00 to 14.30 Pre Briefing			
14.30 to 16.30 Meeting	Clarion – this item may potentially be moved	Communities	Richard Cassidy / Dan Horn Sue Stavers - Clarion Councillor Mrs Laws
	CSR items as required		
	Future Work Programme 2019/2020	Quality Organisation	Councillor Boden Anna Goodall