

OVERVIEW AND SCRUTINY PANEL

MONDAY, 14 OCTOBER 2019 - 2.30 PM



PRESENT: Councillor A Miscandlon (Chairman), Councillor G Booth, Councillor D Mason, Councillor A Maul (Substitute), Councillor M Purser, Councillor R Skoulding, Councillor D Topgood, Councillor Wicks and Councillor F Yeulett

APOLOGIES: Councillor A Hay (Vice-Chairman), Councillor A Bristow, Councillor M Cornwell and Councillor M Humphrey

Officers in attendance: Anna Goodall (Head of Governance and Customer Services), Izzi Hurst (Member Services & Governance Officer) and Paul Medd (Chief Executive)

OSC18/19 PREVIOUS MINUTES.

The minutes of the meeting of 2 September 2019 were confirmed and signed subject to the following comments;

1. In relation to minute OSC14/19 Point 52; Councillor Booth clarified that the figure of 61% of settlement status applications he stated, had been the figure reported in the media.

OSC19/19 UPDATE ON PREVIOUS ACTIONS.

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

1. Councillor Booth explained that he had had further conversations with Nick Harding in relation to the planning enforcement figures reported to members. Councillor Booth raised concern that not enough enforcement action is being taken but explained that Nick Harding had assured him that the Council are taking a proactive approach in relation to planning enforcement.

OSC20/19 ANNUAL MEETING WITH THE LEADER AND CHIEF EXECUTIVE.

Members had received a copy of the presentation prior to the meeting.

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

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

1. Councillor Yeulett requested that in future, members are provided with a copy of the presentation well in advance of the meeting to allow them time to formulate questions. Councillor Boden agreed to this.
2. Councillor Miscandlon asked how the Council is mitigating against the forecast financial deficit for 2020/21 given that the Medium Term Financial Strategy (MTFS) shows a 0% increase in Council Tax. Councillor Boden said the issue is not what the Council do to meet the financial deficit forecast for 2020-2021 but rather what the Council do to ensure, in the immediate and longer term, a stable financial position. In relation to 2020-2021, an

assumption has been made in the MTFs that there will be a 0% increase in Council Tax. He emphasised that this is not a promise but rather an assumption of a 0% increase in Council Tax, for the purpose of the MTFs.

Councillor Boden explained that the logic of reflecting a 0% increase is to show the scale of the challenge and if this cannot be met then appropriate decisions will be made. He explained that there is both a psychological and financial effect of presuming a 0% increase in Council Tax. Financially, the effects are as follows; in 2020-21 there will be a projected shortfall of £863,000, in 2021-22 there will be a projected shortfall of £1.048 million, in 2022-23 there will be a projected shortfall of £1.405 million and in 2023-24 there will be a projected shortfall of £1.665 million.

Councillor Boden took the figure of £1.665 million as an example of future potential savings. He highlighted the achievements of the Comprehensive Spending Review (CSR) and how much money was saved as part of this process. He explained that the Council are not trying to replicate CSR which targeted 'easy savings' but instead are formulating a transformational change across the organisation. He informed members that information in relation to this will be available in November 2019. He explained that the project will not be named CSR2 as it will be a very different process.

Councillor Boden stated that officers continue to monitor their financial position and delivery of savings, with some being a residual effect of CSR. He highlighted that the Council are also working on the Council for the Future (CFF) project and formulating a Commercial and Investment Strategy (CIS) which both should create savings and generate income to the Council. Whilst the CFF will not produce instant savings he is hopeful that the CIS will generate instant revenue. He assured members that they will be provided with further information on these projects in the coming months.

Councillor Boden drew member's attention to the projected savings and income for the Council as a result of; recent team restructures, reduced insurance costs as a result of the Freedom Leisure Contract and the prospect of a 'one-off' windfall which will be reported to members in due course. He reminded members that accounting adjustments take place throughout the financial year as well and highlighted that longer term savings and revenue will be generated by the CFF and CIS.

3. Councillor Miscandlon asked for an update on the progress of the prospective CIS. Councillor Boden explained that officers continue to work on this and consideration is being given to the proposed structure and delivery of the project. Members will consider these proposals at the Cabinet and Full Council meeting in November 2019.
4. Councillor Booth agreed that the psychology and culture of the Council needs addressing as repeatedly service area budgets have increased annually. He recommended that budgets are not increase which will change the culture of budget setting by service areas. Councillor Boden agreed and explained that the assumption of a 0% increase in Council Tax, will drive officers reconsider these budgets.
5. Paul Medd informed members that the Council's external auditors have confirmed they are satisfied with the Council's financial planning. In relation to CIS, he confirmed that an All Member's Seminar had been held and another is to be arranged prior to the meeting of Full Council in which this item will be considered by members.
6. Councillor Mason asked how the CIS will be funded by the Council. Councillor Boden explained there the CIS will be funded by both the Council's existing resources and additional borrowing. He explained that the Government had recently increased their interest rate on borrowing via the Public Work Loan Board (PWLb) by 1%. Whilst this will be a deterrent to some local authorities working on small profit margins, the impact on this Council will be marginal. He added that consideration will also be given to the use of existing reserves to fund this too.

7. Paul Medd highlighted that in addition to existing reserves and borrowing, the Council may also have an external income stream available via the Cambridgeshire and Peterborough Combined Authority (CPCA) through their regional growth fund.
8. Councillor Wicks asked if consideration has been given to existing officers and the assets owned by the Council as part of the CIS. Councillor Boden explained that the Council have an Asset Management Plan in place which is subject to challenge in order to maximise income opportunities. He stated that those assets which no longer support service delivery will be disposed of and highlighted the recent sale of Council assets via auction. The funds of this will be used to support not only the capital programme but future investment too. In regards to existing officers, Councillor Boden explained that the Council have officers that offer high quality expertise in relation to this project and consideration is being given to how this expertise can be commercialised. Councillor Boden added that there are some existing assets of land that the Council can develop and the CIS will be linked with the housing needs of the district too.
9. Paul Medd agreed and highlighted that there are existing officers that generate income to the Council by offering their services to other local authorities.
10. Councillor Yeulett asked if the CIS could be bought back to the Overview and Scrutiny Panel to allow their comments and contribution to be considered. Councillor Boden and Paul Medd agreed.
11. Councillor Miscandlon urged members of the Overview and Scrutiny Panel to attend future All Member Seminars held in relation to this item.
12. Councillor Booth stated that serious consideration needs to be given as to how the Council plan to perform an overview of a potential commercial investment vehicle and the governance surrounding this. He suggested that the CIS needs to be considered by the Overview and Scrutiny Panel as a separate agenda item to the Annual Meeting with the Leader and Chief Executive, as the Overview and Scrutiny Panel need to ensure decisions have been made and scrutinised appropriately.
13. Councillor Yeulett asked for clarification on the 1% increase on the interest rate for Government loans and asked if the Council could have set up a Commercial Investment Strategy sooner. Councillor Boden agreed that the increase of 1% will make a difference but it will not have a material impact on the decisions the Council makes. In relation to the CIS, work could have been undertaken sooner however he has moved the process along quickly in the months since he became Leader of the Council. He agreed that it is vital that the delivery vehicle used to support the project has the appropriate governance supporting it. He suggested that the CIS should operate on the principle that policy matters should be decided by members whilst operational matters should be dealt with by officers.
14. Councillor Miscandlon explained that the Government have not only increased the interest rate on PWLBs but will now be considering the criteria of these loans. Councillor Boden explained that whilst these loans will be an important funding stream for the Council consideration will also be given to the available reserves and funds generated from capital disposals too.
15. Councillor Yeulett asked how many additional loans the Council will borrow compared to the ones they have currently. Councillor Boden explained that he could not answer this as the potential opportunities have not been fully evaluated yet. He confirmed that he is working closely collaboratively alongside the Council's Internal and External Auditors and Section 151 officer.
16. Paul Medd explained further the potential staffing arrangements of the CIS. He stated that capacity of existing service areas may be an issue however there are skilled officers within the organisation that may be able to support the implementation of a commercial investment vehicle. He said consideration needs to be given to potentially recruiting externally an individual with knowledge of the commercial marketplace to assess potential investments.
17. Councillor Yeulett asked for the level of potential risk to the Council as a result of a CIS. Councillor Boden explained that there has historically been a culture of minimising risk within this Council and others. Nowadays the requirement should be to manage risk and not necessarily minimise it. He stated that there needs to be a calculated balance between the

risk the Council is willing to undertake and the potential rewards of this risk. He added that whilst the public sector does have constraints in relation to this, this is the attitude taken by the commercial sector when analysing risk.

18. Councillor Maul said that to effectively manage risks you must first minimise them. Councillor Boden disagreed and said to manage risk is to evaluate them. He explained that there is often a negative connotation surrounding the word 'risk' and risk management should be viewed as a statement of fact. He added that minimising risks, minimises returns and whilst the Council do not want to enter in to 'risky' investments, they must consider those with higher returns.
19. Paul Medd reminded members that the Council's Risk Register is continually reviewed and forms the basis for the ongoing programme of audits across the organisation. The full Risk Register details specific risks and contains a high level of detail of how the Council can mitigate against these.
20. Councillor Booth commented that the Council will need experts in the risk management of commercial investment vehicles as it is a very complex area. Councillor Boden confirmed that a general assessment of risk can be carried out by existing officers however it may be necessary, at times, to call on external expertise.
21. Councillor Wicks stated that risk analysis will need to be undertaken in relation to the potential contracts the Council may undertake with commercial partners. Councillor Boden agreed that this was being considered.
22. Paul Medd informed members that a review is currently being undertaken in relation to the Council's Legal Services.
23. Councillor Mason stated that the Council must ensure that any external expertise used as part of the CIS, is appropriate as there have been several issues with the Growing Fenland project. Councillor Boden explained that the Growing Fenland project had been implemented by the CPCA and whilst there had been some minor issues, the reports generated as part of this project will be invaluable to the market towns of Fenland.
24. Councillor Booth highlighted that the presentation does not mention potential changes to Local Government. He suggested that this be considered. Councillor Boden explained that whilst a reform of Local Government is on the horizon, the timescale is still unknown. He confirmed that consideration will be given to this.
25. Councillor Mason asked if the Growing Fenland project was value for money. Councillor Boden explained that £200,000 had been spent on the Growing Fenland project across the districts market towns. He explained that whilst this is a large amount of money the CPCA felt that the focus provided by external consultants represented the best value for money. He reminded members that Metro Dynamics had previous knowledge of Fenland due to their work on the Cambridgeshire and Peterborough Independent Economic Review (CPIER). He reiterated that the work undertaken was a result of serious consideration of the value added by consultants.
26. Councillor Mason asked for the next step as part of the Growing Fenland project. Paul Medd explained that the next step in the project is to present the plans to each market town. Following this, the project will be considered by Cabinet before ultimately being presented to the CPCA Board in November 2019. Once this formal process is completed, the delivery plan will be considered based on available resource.
27. Councillor Boden highlighted that the focus of the Growing Fenland project was on deliverable schemes within 5 years. He confirmed that the individual councils will decide which parts of the scheme they wish to implement over a short and long term.
28. Councillor Mason asked if further external expertise will be required to deliver the project. Paul Medd said it was difficult to know until decisions have been made on the delivery of the individual projects.
29. Councillor Mason asked if the new structure of the Council's Corporate Management Team will be sufficient to deliver this work. Paul Medd reiterated that until the Council know which projects will be delivery, they are unable to carry out an assessment on their resources.
30. Councillor Boden highlighted that as the project had been commissioned by the CPCA, he is expects any additional funding required will come from the CPCA to commission each

organisation to deliver the work.

31. Councillor Wicks asked if the Council have engaged with Marshall Aerospace in relation to their potential relocation to RAF Wyton. Councillor Boden stated that he believes the CPCA and Cambridgeshire County Council are engaging with them however as this is outside of Fenland, it would not be appropriate for the Council to get involved.
32. Paul Medd explained that the Council are proactive in terms of inward investment in the district. He confirmed that the Council have an ongoing dialogue with existing businesses wishing to expand or relocate to Fenland.
33. Councillor Miscandlon asked for further information on the Council's achievements. Councillor Boden explained that the Council is currently changing direction and putting increased emphasis on economic growth and commercialisation. He said one large area of importance is the commencement of the Local Plan review which is a very important piece of work that will provide direction to the Council. Paul Medd agreed and stated that he has great pride in working for Fenland District Council and there is a good track record of delivery which reflects positively on the Council. Whilst there are always areas of improvement, he said he was proud of the Council's achievements. He stated that CIS has potential to transform the Council further and continue the delivery of savings and highlighted the success in securing external funding in recent months. During the past year he said the level of external funding available was the highest he had seen during his time as Chief Executive. He confirmed that whilst there are challenges in terms of lengthy feasibility studies he is optimistic in the delivery of these projects. He added that another key achievement is the upcoming Fenland Regeneration Programme which will provide a significant upgrade to the districts railways.
34. Councillor Booth said in reference to the external funding from the CPCA, there is very little tangible evidence of the success of this as most of the funding is spent on consultants and studies. He said the Council need to ensure the delivery of these projects on the ground. He highlighted that the presentation provided to members does not include key challenges to the Council and said the organisation need to be self-reflective on what could have been done better. Councillor Boden agreed that it can be frustrating waiting for the delivery of these projects however the established processes and procedures must be adhered to. He added that this is also outside of the Council's remit to change this process.
35. Paul Medd responded to Councillor Booth and agreed that the Council have faced challenges. He stated that the Council could have been more proactive in relation to the implementation of CIS and from time to time, there have been occasions in which service performance have slipped in some areas. He said that the Council are humble and officers have the humility to address times in which there have been issues. He said officers work hard with both Councillor Boden and Cabinet members to bring performance standards back on track and give priority to urgent areas.
36. Councillor Wicks asked what the Council do to develop the career path of apprentices to ensure that the benefit of their knowledge can be developed. Paul Medd agreed that apprenticeships are incredibly important to the organisation and are supported by Mayor Palmer of the CPCA. He confirmed that the Council had changed their recruitment approach and now consider if vacant posts can lend themselves to apprentices. He confirmed that the Council embrace apprenticeships as and where it is feasible.
37. Councillor Miscandlon agreed and praised the recent recruitment of apprentices across the organisation.
38. Councillor Booth highlighted that the presentation focuses heavily on the districts towns and fails to represent the rural residents. Councillor Boden agreed that whilst the presentation does not include this information, work is ongoing within the districts rural areas. He confirmed that he is keen to ensure a more equal balance.
39. Councillor Skoulding asked for further information on the Port and its profitability. Councillor Boden reminded members that this was considered as part of the previous Overview and Scrutiny Panel Economic Development review. He confirmed that the Council are actively considering options in relation to the Ports.
40. Councillor Miscandlon asked if the Council's Corporate Management Team has sufficient

capacity. Paul Medd stated that following changes in staff, he was impressed with the response of officers and Heads of Services. He said officers are working hard to ensure extensive work and headline projects keep on-track and both he and Councillor Boden discuss this regularly. He said in light of the current absence of a Corporate Director, consideration is being given to interim cover and members will be updated on this in the near future.

41. Councillor Yeulett asked what the Council can do to ensure the delivery of affordable housing due to viability issues. Councillor Boden agreed that this is a national challenge and affordable housing is not being delivered at the rate required. He said the Council need to consider alternative delivery models for this and one of these options is via the CIS. He assured members that the Council are working hard to tackle this issue. Paul Medd confirmed that the CPCA also support the delivery of affordable housing.
42. Councillor Booth asked if the Council could challenge viability policies nationally. Councillor Boden agreed that there is an issue nationally with this but highlighted that the Council cannot directly influence national policies. He said the concentration needs to be on other ways to achieve affordable housing and one of these methods may be via funding from the CPCA. He added that the Local Plan will also need to reflect the current situation.
43. Councillor Wicks asked what the Council are doing in relation to the environment and energy efficiency. Councillor Boden confirmed that both of these topics are at the forefront of his mind, especially as part of the Local Plan review. He added that work is also being undertaken by Cambridgeshire County Council to improve the natural landscape of the area.
44. Councillor Booth stated that a resident had recently informed him that any trees removed on Council-owned land are not replaced. He asked if a policy was in place stating this. Officers confirmed no such policy was in place.
45. Councillor Wicks asked consideration could be given, as part of the Local Plan review, to ensure that developments include planning conditions relating to landscaping and sustainable planting. Councillor Boden confirmed that this was part of the scope of the Local Plan. Councillor Booth confirmed that this is already possible however the condition is only valid for 5 years.

Members of the Overview and Scrutiny Panel thanked Councillor Boden and Paul Medd for their attendance at today's meeting.

OSC21/19 FUTURE WORK PROGRAMME

Members agreed the Future Work Programme subject to the following comments;

1. Members agreed to add an agenda item to a future meeting of the Overview and Scrutiny Panel in relation to the CIS.

4.39 pm

Chairman