

OVERVIEW AND SCRUTINY PANEL

MONDAY, 11 JANUARY 2021 - 1.30 PM



PRESENT: Councillor D Mason (Chairman), Councillor A Miscandlon (Vice-Chairman), Councillor G Booth, Councillor D Connor, Councillor S Count, Councillor M Cornwell, Councillor M Humphrey, Councillor M Purser, Councillor R Skoulding, Councillor D Topgood, Councillor R Wicks and Councillor F Yeulett

OFFICERS IN ATTENDANCE: Anna Goodall (Head of Governance and Customer Services), Paul Medd (Chief Executive), Carol Pilson (Corporate Director and Monitoring Officer), Mark Saunders (Chief Accountant) and David Wright (Policy & Communications Manager)

GUESTS: Councillor C Boden, Councillor S Clark, Councillor Mrs J French, Councillor S Hoy, Councillor P Murphy and Councillor S Tierney

OSC33/20 PREVIOUS MINUTES.

The minutes of the meeting of 7 December 2020 were confirmed.

OSC34/20 UPDATE ON PREVIOUS ACTIONS.

Members considered the update on previous actions and made the following comments:

1. Councillor Mason said that there are several outstanding queries awaiting response from Anglian Water (AW) which Anna Goodall will follow up and she will circulate the responses once received.
2. Councillor Miscandlon said it should be noted that following the recent wet weather, more prudent questions into the answers that AW need to give us are appropriate.
3. Councillor Wicks said he has two formal complaints outstanding with AW due to the events prior to Christmas which impacted two of the villages he represents. Namely a lack of response on two occasions one of which left elderly residents without sanitary provision for five days over the Christmas period as they were unable to contact AW.
4. Councillor Booth said to follow up on Councillor Miscandlon's point, we need to be engaging with the County Council as they are the statutory local flood authority. There are a lot of partners involved in the issue of flooding; we need to take a holistic view and County should be coordinating that.
5. Councillor Count agreed that the County Council has a duty to investigate and coordinate but one of the issues is that there were over 200 flood incidents this Christmas, so the matter is complicated. There are 78 bodies across Cambridgeshire that have various responsibilities for flooding issues. Officers at County are currently coordinating the task of gathering responses together and analysing them one by one. He has asked for added focus as this is becoming a recurring occurrence; having met with various bodies everybody seems to think things are fine, but the flooding then occurs again. It is not possible to keep every building safe when flooding occurs but what is not acceptable is the failure of equipment or when duties are not kept up to date. He is intent on looking into these in some detail and so is working with the District and County councils, Middle Level, drainage boards and AW so that we can get to the bottom of all these individual incidents.
6. Councillor Miscandlon said a lot of the equipment used by AW is very old and it may be prudent to obtain data saying how old it is and how long it is likely to last, then investment

must be made in new equipment.

7. Councillor Wicks said we should also audit the infrastructure. What assets there are for sewerage and water supply need to be looked at because they are failing on a too regular basis.
8. Councillor Yeulett said that AW have been out to an incident in his ward and have said they will rectify it, so they have been proactive since the floods.

OSC35/20 DRAFT BUDGET 2021/22

Members considered the Draft Budget 2021/22 report presented by Councillor Boden.

Councillor Boden added that Peter Catchpole, Mark Saunders, Neil Krajewski and the Finance Team have done a tremendous job to produce this report and he thanked them for they work they have done. They have done the best that they can given the level of uncertainty due to the current situation.

Councillor Mason thanked Councillor Boden and acknowledged the hard work that had gone into the budget. He was sure the Panel members would all agree that it is a very difficult task for anyone currently to project a budget or business plan.

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

1. Councillor Miscandlon said that Freedom Leisure have several contracts with other local authorities and the panel would be interested to know how these authorities are responding to the continued impact of COVID-19 on the provider and would like to understand their proposed plans as an approach to influence FDC's response.
2. Councillor Boden said this is one of the largest areas of uncertainty that we have in the budget. He believes Freedom has contracts with 22 local authorities, managing just under 100 leisure centres. We are mindful of Freedom's financial viability and most authorities have adopted the position that we led on in April where we reached agreement with Freedom that we will provide the contractual support that they are entitled to, but that support is overwhelmingly in the form of a loan which is potentially recoverable by better profit share when times return to normal. We have many years left on the contract to do that. We checked carefully our contractual obligations to support Freedom and it was clearly advantageous to FDC to continue this support; the alternative would have found us in breach of contract and resulting in financial loss through court action; also potentially one or more of our leisure centres would not have reopened, or not under our ownership or control. That decision was followed by the other authorities dealing with Freedom and we continue to be in touch with them, so we have knowledge of what is going on. We also contacted our auditor to consider the contractual state of Freedom before we put any financial support in place. We have an open book policy so far as the costs it is incurring and lost income due to COVID-19. We have been receiving from Government 75% of 95% of the monies we would have been receiving under the contract, and this is in place currently until June 2021 but we have not been receiving any significant support in respect of the additional costs incurred to keep Freedom Leisure above water. We are currently applying for £210,000 to cover some of those costs from December 2020 to March 2021. No monies have been allocated to us for additional costs from April 2021 to November 2021 and therefore he has been in contact with Stephen Barclay MP for him to take this up on our behalf and for additional recompense. It should be noted that Freedom was performing well before the pandemic and has been well managed throughout and, given our long-term contract, will deliver benefits to our residents in the future and still provide financial savings. He would like to remind the panel that savings from our current contract are about £400,000 per annum with more savings to be realised in the future. We also anticipate that when the leisure centres can be reopened, and less social distancing is required then pent-up demand will return and therefore we will no longer need to provide financial support to

Freedom and we will start to receive monies that we are due to be paid on a monthly basis. Councillor Miscandlon thanked Councillor Boden for the comprehensive update.

3. Councillor Booth referred to page 32 of the report pack which says we are looking to get some money from a leisure and open spaces management review and asked for more information regarding that. Councillor Boden said he had not seen the detail of that review and so could not currently provide an answer.
4. Councillor Mason said the report discusses the option of council tax increases, stating in terms of ambition would be to freeze council tax over the forthcoming years and he asked Councillor Boden if this situation would rear itself sooner rather than later. Councillor Boden responded that we consider council tax increases every year. However, it is the ambition of this Council that we should not unnecessarily increase the burden on ordinary people in Fenland who have to pay more than enough. At this time given the financial situation faced by many individuals, it is important that we do our utmost to ensure we do not increase council tax, but we may be forced to. We have to wait until we are closer to budget setting day and we have settled at least a few of the uncertainties mentioned in the report settled before we are in a position to make a rational decision. It is his earnest desire not to increase council tax, but he has to be prudent and say at this time it cannot be ruled out. In the longer term, you cannot have a council tax freeze forever as that is unrealistic. However, we will look at every alternative possible first.
5. Councillor Mason said two significant risks have been identified in the report, one relating to business rates which are difficult to collect currently and asked how this impacts future budget plans. Councillor Boden responded that it not the case that business rates are difficult to collect, because in 2020/21 there is such a significant amount of central government business rates support that we are still on track to get the collections that are due this year, allowing for that support which exists. We do not yet know that there will be any extension of that support going through into 2021/22. Once the furlough scheme finishes there will be pressure on many companies cash flow and profitability that government will have little choice but to continue providing continued support to many smaller companies to ensure their survival. If not, then business rate collection going forward will be more challenging and careful consideration has been given by Mark Saunders as to what the appropriate provision will be for us to make against non-collection of business rates in 2021/22. Councillor Mason said much of the shortfall may come from businesses that do not survive the pandemic, but he thanked Councillor Boden for his response.
6. Councillor Mason also asked for clarification on the New Homes' Bonus Scheme. Councillor Boden said everyone requires clarification on this because we do not know what is going to happen. We have been told the system will finish as Government said the New Homes Bonus was failing to achieve its objectives. They said it would be replaced with something that would better achieve their objectives but what that will be and when, he does not know but we have been waiting for two years. However, understandably this year they have failed to advise on this due to the focus on the current pandemic. We do know however that the calculation for new homes bonuses based on the position as at 30 October each year has definitively led to a certain amount of money being credited to us in 2021/22 and that figure is included within the report.
7. Councillor Booth said it would be useful if Councillor Boden could state in layman's terms the impact this would have on reserves as it seems that a deficit will be have to made up from there, and is it correct that we will have to use the equalisation reserve. Councillor Boden said this is potentially correct, but we do not know where we will stand. Ultimately if expenditure is increasing beyond income then either you will be taking money from reserves or will be seeking ways to increase your income or ways to decrease your expenditure, or a combination of all three. Looking at this on an individual year by year basis is never an appropriate way of doing it hence why looking at the medium-term financial strategy and looking forward is the most important thing for us to do. We need not to look at trimming our expenditure but to look at ways if increasing our income particularly through the commercial and investment process that we have in place which has the potential to make a significant

difference to FDC's revenue account.

8. Councillor Yeulett said he appreciates the challenges that are being faced and asked if Councillor Boden can confirm when we can expect a firmer budget. Furthermore he read in the press that councils are sitting on large amounts of COVID money and asked where FDC is in respect of this and finally the Chancellor has been intimating that interest rates will not stay low forever and we must be aware of this going forward. Councillor Boden responded that the budget presented this year will be more incorrect than any before as a direct result of the uncertainty we face now and will still face when setting the budget for 2021/22, so will be far less firm than any other budget produced before; this will be the same for lower tier councils across the country. Regarding the sitting on COVID money, government has been making announcements about the availability of money for councils and then either have not sent it to us for distribution, or when they have they have failed to send the detailed rules about how that money must be sent. Without those detailed rules we cannot allocate the money to where it is needed; this has caused great frustration and he is pleased that Councillor Yeulett has given him the opportunity to express this. We have done our utmost to ensure we can get the money to those who need it urgently as quickly as we can whilst ensuring that we stay within the rules set by central Government. He would like to give an enormous amount of credit to Neil Krajewski in the Finance team and to Mark Saunders and Peter Catchpole for pushing that forward and ensuring systems are in place to allow people to make claims which we will then pay as quickly as we can. Therefore, is not right to say councils have been sitting on vast amounts of money as explained. In terms of interest rates, given the amount of money that has been spent by central Government and governments worldwide over the last ten months, and which is likely to carry on being spent at least for the next six months, then inevitably there will be consequences. Basic economics means that there will be a pressure for higher taxation and there must eventually be pressure on inflation and interest rates will also rise above the long-term lows that we have experienced. No-one can predict what combination of these will happen and when.
9. Councillor Yeulett asked if we have any areas within Fenland where people or businesses are suffering badly because of the circumstances mentioned by Councillor Boden, and if so, is there anything FDC can do ourselves to help. Councillor Boden confirmed there are people and businesses suffering which are entitled to grants but there are those who fall between the gaps who have no entitlement to grants at all and it would be remiss of us to forget them, but we are not in a financial position to help these. Occasionally we have circumvented the normal payment system that may take several days to process and provide monies on the same day for extreme cases where monies were due but this follows a strict procedure and is signed off by the Section 151 officer.

Members AGREED the draft budget proposals for 2021/22 outlined in the report and the updated capital programme be forwarded to Cabinet.

(Councillor Cornwell took no part in any debate relating to Freedom Leisure by virtue of the fact that he has a relative employed there).

OSC36/20 DRAFT BUSINESS PLAN 2021/22

Members considered the Draft Business Plan 2021/22 presented by Councillor Boden.

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

1. Councillor Cornwell referenced page 62 - Economy where a large section relates to businesses. He asked if we could develop performance indicators in relation to this, i.e. jobs, new businesses created. Councillor Boden said performance indicators are used for us to measure what we are doing and to try to control it, however in terms of jobs it is difficult to measure the effectiveness of what we do. So much of in relation to jobs is

influenced by external factors therefore it is difficult to create a true PI on something like employment. He would ask that members consider and suggest any meaningful PI to him going forward. Councillor Cornwell said he appreciated some of the difficulties outlined but there must be some way of judging the success or otherwise of our team. It could be the amount of time taken to work with new businesses for example, we need to be creative. Councillor Boden agreed there are a number of indicators that can be used in replacement to direct indicators of output, but he finds these to be too indirect. Many of these do not measure output but rather measure activity. For a PI to be meaningful it should be a measure of success in outcome, hence he would welcome suggestions from all FDC members for ideas for robust, meaningful and fair performance indicators for economic growth relating to our officers' achievements.

2. Councillor Booth said he had made an observation repeatedly over the years that our performance indicators do not match our priorities. We have a lot of priorities and no real way of measuring these and as he has said in the past, we need to come up with a system with quite specific measurable priorities to help us determine how successful we are. We have some 37 priorities with no decent indicator that we can measure against so how can we say we are a successful council? Councillor Boden thanked Councillor Booth for many of his points that were valid, but it is not appropriate for us to look for different priorities so we can have indicators to measure them. Our priorities should be there regardless of whether they can be measured or not. The problem we have is that many of our priorities are difficult to measure the outcome of objectively but need more subjective assessment and not everything can be measured in percentages.
3. Councillor Miscandlon said performance indicators are difficult to quantify but suggested engaging a consultant to correlate and create some meaningful indicators, as happened with the PAS review for Planning. Councillor Boden responded that it is possible but transactional events are more meaningful than percentages. We have already looked for better alternatives.
4. Councillor Yeulett asked if we measure job creation. Councillor Boden said we do attempt to measure the effect we have on job creation and job retention, but it is difficult to say that our intervention has been the catalyst for creating jobs or saving them. There is a degree of subjectivity in such assessments that makes it difficult to measure.
5. Councillor Booth pointed out the text on page 52 of the report did not mention that the telephone support hub worked in partnership with other organisations, community groups and volunteers. He also referred to page 59 of the report in respect of projects being delivered across Fenland and made the point, as he has in previous meetings, that the majority of those were based in the towns, with little concentration on the villages and rural areas. 25% of the population live in these areas and they deserve better investment. Councillor Boden responded that the support hub has been dependent on the partnerships it has and without the volunteers at grass roots level within our communities, we would have been able to do little so he pays full tribute to the work done by our partners. Regarding projects being delivered in the towns, it must be remembered that the towns are generally the engines of economic activity within the district hence the focus taking place on the towns, which does ultimately benefit the villages also.
6. Councillor Wicks said we have so many blackspots within the rural areas as broadband is an ongoing issue with the rural areas. We do not seem to be focusing on trying to improve the coverage being provided by commercial companies, therefore failed to see the benefit to these areas.
7. Councillor Booth said in respect of Councillor Wicks' comment he had seen the Government were being criticised for leaving rural areas behind, so how can we ensure that our rural areas are not left behind in respect of this issue. The impact of COVID has enhanced the need for connectivity with more people having to work from home. Councillor Boden said it is not necessarily true that rural areas are worse off than urban areas; one of the worst areas for connectivity is in the City of London. However, he agreed with Councillor Wicks that poor connectivity is an issue in some of our rural areas and we need to continue to raise this issue with central Government and at the Combined Authority so that when

resources are available we manage to ensure that Fenland gets its fair share of resources made available.

8. Councillor Count pointed out that although he has sympathy for those who do not have great mobile phone or internet coverage, all of Fenland and Cambridgeshire was well placed at the start of the pandemic with over 98% of premises receiving superfast broadband throughout the county. That is due to excessive investment of some £28m by the County Council and is well in excess of other rural communities throughout the UK.

The Overview and Scrutiny Panel commented on the Draft Business Plan 2021/22.

OSC37/20 FEES AND CHARGES 2021/22

Members considered the Fees and Charges 2021/22 report presented by Councillor Boden.

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

1. Councillor Booth referred to fees and charges for the traveller pitches and asked how many of those pitches are occupied and maintained at this time. Councillor Clark said there are 69 plots, and all are occupied. Councillor Booth asked if his included the Turf Fen site; Councillor Clark said she would have to get back to him on this. Councillor Booth said going past the site it seems there are empty pitches, and he thanked Councillor Clark for agreeing to investigate this.
2. Councillor Booth addressed Councillor Boden saying he would recall a commercial working party started two years ago reviewing the markets and the port. He said the outcome of the review for the port was that although the income covers the running costs, the issue was the capital investment required and he believed the recommendation was for the new administration to look at how this could be made sustainable. There was also concern about the sustainability of the markets given the low number of pitches. He asked what steps have been taken in relation to that because they have been highlighted as areas where we are losing income or might have to spend money to keep these services provided.
3. Councillor Murphy responded that we actually now have more market stalls at Whittlesey, Chatteris and March than we have had for some time. We are now trying to encourage a wider variety of stalls, but the situation is vastly better than two years ago.
4. Councillor Boden said the port has been a long-standing issue but the biggest change we can make is at looking at more commercial opportunities within the port through Fenland Future Limited. However, there are some confidential contractual issues which need to be resolved before we can move forwards in our management of the port. There are some interesting new opportunities being pursued currently in respect of businesses at the port, but there are also practical difficulties in terms of the number of ships that can get to the port due to tides. However, it is not the case that we have to have a position where the port makes a profit for the Council. The fact it operates produces business which helps economic growth take place within Fenland.
5. Councillor Booth asked why we are not proposing to increase the fees for fairs to increase our income. Councillor Murphy responded that these fees were raised in 2020, unfortunately though the fairs have been unable to attend the area due to COVID. It is not likely they will return this year either and the amount of income is so small from it anyway.
6. Councillor Mason asked why Wisbech Port collects berth fees on behalf of Sutton Bridge. Councillor Boden said that FDC collects money for leisure mooring fees at Sutton Bridge on behalf of Lincolnshire County Council as a convenience arrangement for both parties, but the fees similar to the wharfage fees at Wisbech Port which relate to the ships that berth at the commercial port at Sutton Bridge are the responsibility of the Port of Sutton Bridge Ltd and we have no involvement with those. Therefore, all we deal with are the mooring leisure fees.

7. Councillor Yeulett thanked Councillor Murphy for keeping the markets open at this time as they have been a boon for many residents, and much appreciated by all. Councillor Murphy said it was disappointing that he could not allow certain stalls to trade due to government rules, but it was his intention to keep as many stalls trading as was legally allowed at this time.

The Overview and Scrutiny Panel considered the proposals contained in the report and at Appendix A and recommended to Cabinet the Fees and Charges to be included in the final budget proposals for 2021/22.

(Councillor Cornwell declared an interest by virtue of the fact he is a berth holder at Wisbech Yacht Harbour and left the meeting at the commencement of discussion on this item).

OSC38/20 FUTURE WORK PROGRAMME

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

1. Councillor Yeulett wondered if there would be any material changes or information on the budget that could be delivered to the panel for comment.
2. Councillor Miscandlon asked if it would be appropriate to invite Anglian Water back early this year so they can update us on their work programme to alleviate the flooding issues that have been experienced. Councillor Mason pointed out that Anglian Water are under no obligation to attend an Overview and Scrutiny meeting, but that Anna Goodall could contact them to see if they would be willing to make representation again.
3. Councillor Booth said he thought he had previously asked if the work programme could be a rolling twelve-month programme so the panel can see what is coming up in the future rather than end in May. Councillor Mason thanked Councillor Booth for the reminder.

3.10 pm

Chairman