

OVERVIEW AND PERFORMANCE SCRUTINY FORUM

Tuesday, 22nd November, 2016

Present:-

Councillor P Gilby (Chair)

Councillors	J Barr	Councillors	Miles
	Borrell		Perkins
	Callan		Sarvent
	Catt		T Gilby +
	V Diouf		P Innes
	Derbyshire		

Anita Cunningham, Policy and Scrutiny Officer
 Kevin Hanlon, Director of Resources +
 Rachel Lenthall, Committee and Scrutiny Co-ordinator

+ Attended for Minutes No. 35

33 DECLARATIONS OF MEMBERS' AND OFFICERS INTERESTS RELATING TO ITEMS ON THE AGENDA

No declarations of interest were received.

34 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Dyke and Flood.

35 LEADER AND CABINET MEMBER FOR REGENERATION - GENERAL FUND REVENUE AND CAPITAL BUDGET MONITORING AND UPDATED MEDIUM TERM FINANCIAL FORECAST

The Deputy Leader and Cabinet Member for Planning and the newly appointed Director of Resources attended to provide members with an update on the Council's budget position.

The Deputy Leader began by highlighting the funding reductions detailed in the Efficiency Plan for 2016/17 to 2019/20 and noted that there was an expectation that further funding reductions would be made over the next 3 years. The Director of Resources added that the Efficiency Plan included

a request for a 4 year funding settlement from the government in order to provide certainty, a settlement that 85% of other local authorities also requested. Predictions had shown that the budget was expected to run deficits for the next 4 years and plans were being put into place to make savings early on in order to remove pressure in future years where there was a need for greater savings to be made.

Members were presented with a table providing a summary of where the key variances to the budget were occurring. Increases in income had been generated from the renewal of leases, rental income and Queens Park Sports Centre. Areas where budget savings were being made included energy budgets, vacancy savings and grants to voluntary organisations. Income from car parking, market rents, the community infrastructure levy and commission from collection of fees had reduced. There had been an increased expenditure on housing benefits, the old Queen's Park Sports Centre and pensions. The updated forecast showed a deficit of £326k. The Director of Resources added that though there was a challenge to meet the deficit, the Council was in a good position to achieve the savings.

The Director of Resources provided an update on the General Fund Capital Programme. The original forecast for capital receipts for the year was £1.8m however this had been revised down to £1,029k. There had since been the repayment of the loan by Chesterfield Football Club and re-phasing of capital receipts for the former fire station and 87 New Square which had increased the capital receipts to £2.6m. The capital spend on the general fund had been increased from £2.3m to £6.2m due to increased costs from the Waterside infrastructure scheme, Disabled Facilities Grants, old Queen's Park Sports Centre, Town Hall alterations and new schemes for the Northern Gateway, Winding Wheel lifts, Museum store and the Market Hall café. The Director of Resources added that a break even position was still expected for the General Fund Capital Programme.

The Director of Resources advised that a general working balance of £1.5m was being maintained in the reserves. The Budget Risk Reserve had a balance of £1m at the start of the year; a large proportion of this had been used to fund severance costs of £405k arising from the voluntary redundancy and voluntary early retirement schemes. The Invest to Save reserve contained £274k at the beginning of the year however only £1k remained uncommitted. The opening balance of the Service Improvement Reserve was £1m at the start of the year. Investment from

this reserve had been spent on the innovation centres, Northern Gateway and other transformation projects. At the end of the year the balance was predicted to go down to £280k. In total, these three major reserves had seen a total drop from £2.3m at the start of the year to £0.79m predicted at year end. Consideration was being given to find ways of replenishing these reserves.

Members commented that there were fewer houses being built with developers gaining planning permission but then sitting on land; members asked what impact this was having on the New Homes Bonus (NHB). The Director of Resources replied that the NHB had been recalculated as part of the budget setting process and though there were some unknowns around changes to government policy, the worst case scenario was built into the calculations. Members requested that the revised NHB be circulated to members. Concerns were raised that the act of Britain leaving the European Union (EU) could raise the costs of building new houses as many of the building materials were imported from countries in the EU. The Director of Resources replied that it was expected to take up to 5 years for Britain to leave the EU and the Chair added that Britain leaving the EU would be included on the risk register. Derbyshire County Council had launched a private development company to help provide homes and create employment opportunities for apprentices; Staveley corridor was one of the sites earmarked for development.

The Director of Resources reported that the Housing Revenue Account had seen an under spend of £284k on housing repairs however there had been an over spend of £336k on responsive works. The Housing Capital Programme budget had increased to £24m however at September 2016 it was £3m below the budget profile therefore approval may be needed to carry forward some of the budget into 2017/18. The estimated cost of the 1% reduction in rents for 4 years from 2016/17 stood at £10m which also presented a challenge.

Members asked if the 1% reduction on housing rents was expected to continue beyond the 4 years already announced. The Director of Resources replied that the Government had not made any announcements on whether it would continue and it was expected that new plans would be announced after the next parliamentary election.

The Autumn Statement was due to be published on the 24 November, 2016 and members asked if an update on its impact to Chesterfield would be available. The Director of Resources informed members that the Local

Government Association website published a summary soon after the statement was released, this would then be used to analyse the factors which would affect Chesterfield. The Chair requested that any report following the Autumn Statement be circulated to Scrutiny members before going to Cabinet.

Members asked how the savings identified in the Efficiency Plan would be achieved. The Director of Resources replied that income from the sports centres and theatres would be maximised, there would be reductions in spending and the pooling of business rates would continue. The Great Place, Great Service (GPGS) transformation programme planned to deliver several projects to achieve savings; an update on GPGS would be received at the Overview and Performance Scrutiny Forum meeting on 10 January, 2017.

The Chair noted that the feedback from the Corporate Cabinet/Corporate Management Team Away Day on 8 November, 2016, suggested that scrutiny should aim to get ahead of the budget setting process. The Chair asked if the Director of Resources had knowledge of other local authorities that scrutinised the budget setting process however he was not aware of any other local authorities where scrutiny was involved in this.

Members thanked the Deputy Leader and Director of Resources for attending and providing the update.

RESOLVED –

1. That the new Director of Resources be welcomed to the Council and that the Overview and Performance Scrutiny Forum looks forward to them working together.
2. That the report be noted.
3. That the request for the revised New Homes Bonus projection be noted and that the information be circulated to scrutiny members.
4. That the link to the Local Government Association website for the Autumn Statement summary be circulated to scrutiny members.

Following the Overview and Performance Scrutiny Forum (OPSF) on 8 November, 2016, the slides from the Work Programming presentation delivered by the Chair and the Policy and Scrutiny Officer to the Corporate Cabinet/Corporate Management Team Away Day (CC/CMT) on 8 November, 2016 were circulated to all members for suggestions and feedback.

Members commented that some scrutiny project groups (SPGs) needed to be more specific as reviews into broader subjects had a tendency to run for a long time. It was felt that the issues chosen for SPGs needed to be more focussed and split into two or three separate groups if the issue was too large. The Chair asked the SPG on concessions on fees and charges to meet to evaluate the positives and negatives of how the project was run and bring a report back to a future meeting of the OPSF.

Members agreed with the three suggestions made by the Overview and Scrutiny Management Team to improve future work programming sessions:

- Better alignment of work programme planning with corporate priorities and budget setting timetables;
- Prioritise the long list – but be strict about the short list
- Allow more time after work programme planning to formulate and consult before OPSF approval

Members added that, in relation to the second point, the second work planning day needed to be structured in a way that would support members in prioritising the long list.

The Policy and Scrutiny Officer commented that three of the new Corporate Management Team had not yet been appointed at the time of the work programming sessions in March and April which created some gaps in the information available. Feedback from cabinet members suggested that they needed more information from senior officers to support the work programming days adequately but were keen to help with the work programming process. The Policy and Scrutiny Officer added that there was now a complete Corporate Management Team which had improved communication between officers and cabinet members which should enable the work programming sessions to be more effective in creating the long list for the 2017/18 work programme.

Members declared the pilot work programming sessions as a success and agreed that a similar exercise would be carried out in order to set the 2017/18 work programme. It was suggested that the dates for the work programming sessions should be set sooner to improve the availability of officers and members. Additionally, Members agreed that research should be carried out to explore if other local authorities have undertaken budget setting scrutiny and how it had worked. The Policy and Scrutiny Officer agreed to contact other authorities and report back to the Forum.

RESOLVED –

1. That the Members of the Overview and Performance Scrutiny Forum agree with the suggestions of the Overview and Scrutiny Management Team to improve the work programming days:
 - Better alignment of work programme planning with corporate priorities and budget setting timetables.
 - Prioritise the long list – but be strict about the short list
 - Allow more time after work programme planning to formulate and consult before Overview and Performance Scrutiny Forum approval
2. That the Policy and Scrutiny Officer carries out research to establish if other local authorities undertake budget setting scrutiny and report back to the Overview and Performance Scrutiny Forum in July 2017.
3. That the pilot work programming sessions undertaken in March and April 2016 be agreed as a success and that the process be repeated in 2017 to enable members and officers to plan the work programmes for 2017/18.

37 CORPORATE WORKING GROUPS

Councillor Derbyshire, scrutiny committee appointee to the Member Development Working Group (MDWG), and the Policy and Scrutiny Officer provided members with an update from the latest meeting of the MDWG on 15 November, 2016.

The MDWG received Cllr Sarvent's report on the Scrutiny and Effective Challenge training session that was considered by the Overview and Performance Scrutiny Forum on 8 November, 2016. The MDWG

supported the proposal that a training session be provided by the Policy and Scrutiny Officer and Cllr Sarvent based on the Scrutiny and Effective Challenge training and agreed that scrutiny could decide who to open the training up to.

Members recognised that many of the training and development requests are scrutiny led and felt that a clear corporate action plan for member development needed to be created and maintained.

Two dates for Procurement Training had been proposed, 19 or 26 January, 2017. Members felt that as the request for procurement training came from the OPSF, scrutiny members should ensure that they are represented at the training session.

The Policy and Scrutiny Officer provided an update on the arrangements for Questioning Skills training. The Law Centre had agreed to provide the training which would consist of a half-day session of 3 ½ hours to take place in January or February 2017. The Law Centre had been approached to deliver the course due to the trainer's experience in training through Sheffield University and the questioning skills techniques used. The session would be open to all members.

The MDWG had discussed a pilot that was taking place of an electronic system for online training, it was hoped it would improve the efficiency of training delivery. The group were waiting for information on what training could be provided through the system in order to decide if it would be useful to members.

Members thanked Cllr Derbyshire and the Policy and Scrutiny Officer for providing the report.

RESOLVED –

That the members of the Overview and Performance Scrutiny Forum endorse the comments about the need for a clear corporate action and method plan for members' development that facilitates a variety of training options.