

**SCRUTINY COMMITTEE held at COUNCIL OFFICES LONDON ROAD
SAFFRON WALDEN at 7.30pm on 7 FEBRUARY 2017**

Present: Councillor A Dean (Chairman)
Councillors H Asker, G Barker, R Chambers, P Davies, M Felton,
S Harris, B Light, E Oliver and G Sell.

Officers in attendance: D French (Chief Executive), R Auty (Assistant Director -
Corporate Services), M Cox, (Democratic Services Officer), A
Knight (Assistant Director - Resources), V Taylor (Business
Improvement and Performance Officer) and A Webb (Director of
Finance and Corporate Services).

Also present: Councillors H Rolfe (Leader) and S Howell (Portfolio Holder for
Finance).

Public speaking

The committee received copies of a statement for Mr Buhaenko-Smith
concerning issues around the Local plan and the proposed development west
of Braintree. The Chairman said he would send a written response.

SC43 APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST

Councillor Asker declared a non-pecuniary interest as a member of Saffron
Walden Town Council.

SC44 MINUTES

The minutes of the meeting held on 17 January 2017 were received and signed
by the Chairman as a correct record.

SC45 CABINET FORWARD PLAN

Members received the latest version of the Cabinet Forward Plan.

Cllr G Barker asked for more details about the broadband investment item. He
was advised that the proposal was being evaluated and the decision on
whether to proceed would be made between 1 – 30 April 2017. There might be
a need for an additional Cabinet meeting and the details would be reported to
Scrutiny at a later date.

SC46 SCRUTINY WORK PROGRAMME

The committee received its work programme to the end of the council year.

The meeting in April would look at the potential work topics for the following year.

The next meeting would consider the annual report to Council on the work of the committee during 2016/17.

Status report on outstanding Scrutiny items

The Chairman asked about progress with the review of community engagement, which was intended to be undertaken by the Youth Engagement Working Group. Cllr Light said the youth group's work was continuing and it would be bringing forward proposals to Council. The next stage, to look at options for community engagement would follow this work.

SC47

CORPORATE PLAN 2017 – 2021

The Committee received the draft Corporate Plan for 2017/18. This sets out the Council's vision and priorities for the next four years. The plan was supported by the Cabinet's delivery plan, which detailed the output measures and milestones relating to the key activities to be undertaken in the forthcoming year to meet the aims of the Corporate Plan.

The Chairman said this more comprehensive document, including a delivery plan was helpful to understand the Council's plans for the upcoming year.

Cllr Sell referred to the action 'to engage with the community', and questioned how this could be achieved. He said although there was a degree of community engagement with the membership of outside bodies, he was not aware of any formal feedback from Members. Also, the Community Forums had not served their purpose but there was not yet an alternative in place.

Cllr Rolfe said the council was reaching out to the community in other areas of council, particularly through the work of the LSP and the four subgroups. He said he expected members to make reports to council about their outside bodies, but he also emphasised that it was the responsibility of the individual member to be involved within their community.

A question was asked about the Members' New Homes Bonus grant, and what would happen to any unspent money. It was confirmed that there was a detailed annual report to Cabinet on how the grants had been spent.

Cllr G Barker mentioned superfast broadband coverage and said that the objective should be to identify those properties that weren't in range rather than to achieve percentage coverage of the district.

In relation to the objective to promote the heritage of district, there was a specific target to increasing visitor numbers in Saffron Walden. Members said this should apply to the other centres in the district.

The Chairman reported that in relation to encouraging the establishment of higher education facilities, Harlow College was looking at a site near to Stansted Airport, using money from the growth fund and the council would work with the college to progress this scheme.

Cllr Sell said parish councils would need support from the District Council to develop their neighbourhood plans. This was not so much financial support but to providing relevant information. He thought it would be helpful to hold regular forums to share knowledge and to establish a communications network.

It was noted that the housing objectives in the Corporate Plan would be updated with any information arising from the Housing White Paper.

SC48 BUDGET 2017/18

The Committee considered a series of reports for the preparation of the 2017/18 budget. These reports would be considered at Cabinet and recommended to Full Council for approval.

SC49 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES 2017/18

The committee received the statutory report from the Section 151 Officer on the robustness of estimates and the adequacy of reserves. This report was to ensure that Members could set a budget in full awareness of the risks and uncertainties, and ensure that it had adequate contingency reserves. The report also included the Reserves Strategy, which showed reserves at an adequate level and the minimum safe contingency level was set at £1.280 m and gave details of the reserves set up for specific purposes.

In relation to the Local Plan, it was noted that additional funds had been drawn down from the reserve but there was potential for further spend above this amount.

Cllr Dean asked about the reserve for defending planning appeals and was advised that this was funded from the revenue budget. This reserve was a contingency for costs awarded against the council.

The report was noted.

SC50 MEDIUM TERM FINANCIAL STRATEGY

The committee received the Medium Term Financial Strategy (MTFS). This considered the ongoing financial health and stability of the council and looked ahead to anticipate issues that might arise in the council's finances. The committee noted that the council was facing decreasing funding allocations and a significant reduction in New Homes Bonus, There was also uncertainty around the 100% business rate retention.

The committee was advised that this was an interim report to be revised in May/June when more up to date information was available. This update could also include the impact of the investment opportunity, which had not been taken into account within these figures.

In answer to a question, the Assistant Director - Resources said the details of the business rate changes were still unclear, particularly regarding the central and local lists and the effect of the allocation of Stansted Airport and its related activities. The council was holding a business rate reserve for any potential shortfall in income.

The Chairman asked whether officers expected an increase in the budget surplus and questioned how to draw the line between prudence and over caution. The Director of Finance and Corporate Services said forecasting had improved, though as the council was working to improve efficiency there would be budget savings. There were also some areas, including capital finance and business rates where the council had limited control.

The committee endorsed the report.

SC51 TREASURY MANAGEMENT STRATEGY 2017/18

The Committee received the Treasury Management Strategy, which was a technical document and gave information on the the council's cash-flow management, use of banks, investments and borrowing.

The report was noted.

SC52 CAPITAL PROGRAMME 2017/18 – 2021/22

Members received the Capital Programme for the next 5 years for spending on schemes and assets that had a long-term value and exceeded the cost of £10,000. The programme detailed planned capital expenditure on the council's buildings, vehicles and ICT assets and was for both the General Fund and Housing Revenue Account assets and schemes,

Councillor Dean said the programme appeared unambitious as most of the projects were internally focused. In reply Councillor Howell said the Administration was comfortable with the programme. He pointed to the vehicle replacement programme, which was a significant investment and essential for the performance of the waste management service. There were also proposals for the Dunmow depot and the possible investment opportunity but it was equally important to maintain a programme of routine upgrades and replacements.

Members noted the achievements of the HRA Capital Programme over the last four years, including building new houses and improvements to the housing stock. The council was due to start the repayment of the principle loan in 2017/18 and this would affect the development programme in the HRA from 2018/19. The council's consultants, Arlingclose would be looking at options for

re-financing the loan to give the council continued ability to build and develop council properties. The HRA financing options will be presented to Members in May/June and an amended business plan in the Autumn.

Cllr G Barker asked about progress with implementing zero based budgeting. The Assistant Director – Resources said the finance section now had a full complement of staff and it would look at this option for some areas for the 2018/19 budget.

The report was noted.

SC53

HOUSING REVENUE ACCOUNT 2017/18

The committee considered the Housing Revenue Account (HRA) budget and reserves position for 2017/18 and the 5-year financial forecast from 2017/18 to 2021/22. The report explained that rents to general needs properties and supported accommodation had been reduced by 1% in accordance with Government guidance. It also detailed the other service charges, which had been agreed by the Housing Board and the Tenants Forum. The Housing Board had also reviewed the Housing Revenue budget and the 5 year financial strategy and had recommended approval.

The committee discussed the current situation with right to buy and noted there had been a slight increase in the number of expected applications but it was not possible to replace the housing stock at the same rate.

- It was agreed to circulate details of the number of RTB sales in the current year.

Members also asked about the current level of discount for tenants and when this had last been reviewed.

- Officers agreed to provide this information.

SC54

GENERAL FUND AND COUNCIL TAX 2017/18

The committee received the 2017/18 General Fund budget. The report provided the detailed revenue estimates for the General Fund and council tax for 2017/18. This assumed a 2% increase in council tax.

The 2017/18 budget had a surplus of £564K, which had been allocated to the Strategic Initiatives Fund as agreed in the Reserves Strategy. The report explained the key budget movements from 2016/17 to 2017/18 and set out the key areas of risk. This included changes to the Local Government settlement, particularly the NHB, that would have an adverse impact on Uttlesford. The report also included a review of fees and charges.

Cllr Dean drew attention to the proposed pay increase and realignment of the pay grades to aid the retention and recruitment of staff and address the increasing cost of agency staff. The Leader said a benchmarking exercise of

UDC salaries had found they were in the bottom quartile of pay locally. It was proposed that the pay proposals would add an additional increase of approximately 2% on top of the nationally negotiated pay award.

Cllr G Barker was concerned that the proposal might cost the council more than anticipated if staff continued to receive increments and moved automatically up the new pay band. The Leader said the proposal would include the introduction of performance management and performance related pay.

Cllr Sell said it would be helpful for members to receive the 'starters and leavers' information to provide evidence that salary was a disincentive for potential new staff joining the authority.

Cllr Howell said the employment market was tight and recruitment was not just a problem for UDC. There were some areas of the council that had low churn but it was difficult to just identify certain areas. He said this solution might be a blunt instrument but it was the fairest solution.

G Barker said the council was having to realign itself with the market following the action taken to address the financial problems in 2007, which had included a pay freeze and changes to the terms and conditions.

Members confirmed that they supported the proposal.

Cllr Sell welcomed the proposal to extend the contract for the Day Centre Liaison Officer for an additional year. It was explained that the 1 year contract for the Car Parking officer would fall within economic development and would address an important income area for council. There would also be a £96k investment in updating the car park ticketing machines.

It was confirmed that UDC would continue to support the two PCSO's although there was no budget for additional officers. UDC had committed £10k in the 2017/18 budget to work with the Police to recruit special officers.

The Chairman asked for details about the £100k that had been allocated to enable customer services enhancements. Cllr Howell said this was seed money to develop initiatives where the public would see a real difference. Details of any proposals would be reported to Members.

The committee endorsed the report for consideration by Cabinet.

SC55

LOCAL PLAN ACTION PLAN

The committee received an updated version on the Local Plan Action Plan.

The meeting ended at 9.25pm