

**SCRUTINY COMMITTEE held in the COMMITTEE ROOM - COUNCIL OFFICES, LONDON ROAD, SAFFRON WALDEN, ESSEX CB11 4ER, on TUESDAY, 6 FEBRUARY 2018 at 7.30 pm**

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

Officers in attendance: R Auty (Assistant Director - Corporate Services), B Ferguson (Democratic Services Officer), A Knight (Assistant Director – Resources), S Pugh (Assistant Director – Governance and Legal Services) and A Webb (Director - Corporate and Financial Services)

Also present: Councillor S Howell (Portfolio Holder for Finance and Administration) and Ian Parry (Centre for Public Scrutiny).

**SC27 MINUTES OF THE PREVIOUS MEETING**

The minutes of the meeting held on 21 November 2017 were signed and approved as a correct record.

Councillor Light said she wished it to be on the record that she had been in favour of maintaining the LCTS grant to parish and town councils and had not endorsed its withdrawal.

**SC28 CABINET FORWARD PLAN**

The Chairman said he would have liked the opportunity to scrutinise the Corporate Economic Development Strategy which was going to Cabinet on the 15 February. He asked Members to contact him outside of the meeting if they had any comments on the strategy.

In response to a question on the Voluntary Support Grants Committee, the Assistant Director – Corporate Services said the committee had been established to monitor organisations which had received large grants from the Council. These organisations made presentations to the committee and were assessed on KPIs that had been set the previous year. A report would be tabled at the Cabinet meeting in April reviewing how the current year's funding had been spent.

The Chairman asked why work on the Day Centre item was still ongoing. The Assistant Director – Corporate Services said the work had been complicated by the fact that discussions with different day centres had been progressing at different rates.

In response to a question on HRA Land Asset Management, the Director of Finance and Corporate Services said the report had gone to the Housing Board and would be going to Cabinet in April. The two sites in question were not viable

for the Council to build on and therefore they would be put on the open market for sale. He said he would circulate the report that went to the Housing Board.

**SC29 SCRUTINY WORK PROGRAMME 2017-18**

The Chairman said the Scrutiny work programme for 2018-19 would have to be compiled in the near future. He proposed that he, Councillor Light and Councillor Barker build a potential programme before presenting it to the committee for approval. This was agreed by Members.

The Chairman said he wanted the delivery of the Corporate Plan to be scrutinised in the upcoming year and included on the work programme.

**SC30 BUDGET COVERING REPORT - 2018/19**

The Chairman invited Members to comment as the committee considered the budget reports, paper by paper as listed in the Budget Covering report.

**SC31 ROBUSTNESS OF ESTIMATES AND ADEQUACY OF RESERVES**

In response to a Member question on the level of scrutiny the budget had received, the Assistant Director – Resources said six of eighteen lines had been subjected to zero based budgeting, all of which were significant service lines for the Council such as Customer Services and Benefits and Revenue.

The Chairman asked how well the savings programme was progressing and how would it be taken forward.

The Assistant Director – Resources said £715,000 worth of efficiency savings had been made in 2017/18. This meant that resources did not have to be reallocated in 2018/19 and savings did not have a dedicated line in the forecast for next year. However, the programme was ongoing and savings had been incorporated from 2019/20 onward in to the budget presented before Members.

In response to a Member's question regarding service reductions, the Assistant Director – Resources said efficiency was not only related to savings but also generating additional income. She confirmed that no frontline services had been cut to create these savings.

Members considered the reserves strategy as set out in the report.

The Chairman asked what risk was posed by the Private Finance Initiative and why reserves had been put in place.

The Assistant Director – Resources said an external auditor had identified a risk two years ago and had recommended that a reserve was established to deal with a potential shortfall. However, in reality more income had been received

than predicted and if the reserve was no longer needed it would be released back into the budget.

The Director of Finance and Corporate Services said recycling was a case in point in demonstrating the importance of a reserves strategy. Due to global market fluctuations, the recycling budget was under pressure and a reliable forecast of costs was difficult to estimate. In response to a Member question, he said recycling may not be the most cost effective form of waste disposal but there was a moral issue when discussing the merits of landfill versus recycling waste.

The Chairman said recycling would be included in next year's Scrutiny work programme.

### **SC32 INVESTMENT STRATEGY 2018/19**

The Director of Finance and Corporate Services presented his report on the Investment Strategy for the upcoming year, which would go to Council for approval on 22 February.

Members considered the report and discussed current investments held by the Council, as well as the stipulation that a further major investment would be required to cover the loss in central government funding.

The Director of Finance and Corporate Services said there would be no dividends in the next few years but as the Chesterford Research Park grew, the possibility of future dividends would be higher.

The Chairman asked whether the development at Walpole Farm was to generate income, or to provide local start-up businesses with below market rents.

The Director of Finance and Corporate Services said Walpole Farm was an opportunity but the income generated from the development of four small office units would be minimal. Discussions were still ongoing with the developer regarding the delivery timetable as the offices had yet to be built.

Members discussed the Council's budget contribution to the investment strategy.

The Director of Finance and Corporate Services said the day of large surpluses had passed and, whilst Uttlesford was in a better financial position than most authorities, investments would be required to 'plug the gap' incurred by the loss of central government funding. He said this strategy would aid the Council in planning its investments.

### **SC33 MEDIUM TERM FINANCIAL STRATEGY 2018/19**

Members considered the Medium Financial Strategy (MTFS) presented before them.

In response to a question relating to Universal Credit, the Assistant Director – Resources said support mechanisms had been put in place and a Benefit Officer would support those who would be crossing over to the new benefit system. A discretionary housing payment budget had been made available to help people in need.

Members discussed the rise in Council tax of 2.99% for 2018/19 as outlined in the report.

The Portfolio Holder for Finance and Administration said the Council had lost significant funding from central government and therefore income had to be raised through a rise in taxation, or through investments.

In response to a suggestion from the Chairman, the Director of Finance and Corporate Services said graphical representations could be produced in future to show financial trends in chart form.

#### **SC34 CAPITAL PROGRAMME 2018/19 TO 2022/23**

In response to a question from the Chairman, the Director of Finance and Corporate Services confirmed that the additional procurement of street cleansing vehicles was due to the corporate priorities and consultation responses, to provide additional resources for litter picking, fly tipping and to generally keep the district cleaner.

The Chairman asked whether funding for energy efficient improvement schemes on Council properties had ceased.

The Assistant Director – Resources said external funding had dried up but a lot had already been achieved. She said certain improvements were no longer affordable, although a programme of works was still included within the HRA revenue budget, which included programmes such as a replacement boiler scheme.

The Chairman requested that a report on energy efficient improvement schemes was produced and submitted to this committee in future.

#### **SC35 GENERAL FUND BUDGET AND COUNCIL TAX 2018/19**

Members considered the General Fund and Council Tax report.

The Portfolio Holder for Finance and Administration said responses to the public consultation on the budget had been taken into account, and where possible, the Council had dedicated resources to services that were deemed as public priorities. He added that the consultation was not a referendum and services which were not regarded as a priority, such as the museum, would also be taken into account.

Members discussed the additional resources allocated to the district's PCSO as proposed in the budget.

The Portfolio Holder for Finance and Administration said this need had been identified in consultation with parish and town councils, who would provide part of the funding for an additional PCSO. The intention was that this PCSO would be deployed across two or more parishes in the district, although the exact details had yet to be confirmed.

The meeting ended at 9.01pm.