

CORPORATE SERVICES SCRUTINY COMMITTEE

Wednesday 29 June 2016

Present:-

Councillor Sheldon (Chair)

Councillors Warwick, Ashwood, Baldwin, Hannan, Harvey, Holland, Lamb and Musgrave

Also Present

Assistant Director Finance, Corporate Manager Democratic and Civic Support, Scrutiny Programme Officer and Democratic Services Officer (Committees) (SLS)

1 **MINUTES**

The minutes of the meeting held on 16 March 2016 were taken as read and signed by the Chair as correct

2 **DECLARATIONS OF INTERESTS**

No declarations of disclosable pecuniary interest were made.

3 **TERMS OF REFERENCE**

The following terms of reference for Corporate Scrutiny Committee were noted:-

To review the implementation of the Council's existing policy and budget framework and consider the scope for new policies for the Council use and management of its resources and discharge of its corporate and strategic services, governance arrangements, business strategy, estate management, ICT, channel shift, communications, equalities and emergency planning.

To review the draft budgets of the Executive and the Council's and ensure the effective scrutiny of the Council's Treasury Management Strategy and policies.

The Portfolio Holders reporting to this Committee will be the Leader and the Portfolio Holder for Support Services although there may be overlapping in some areas of responsibilities.

4 **PORTFOLIO HOLDERS' STATEMENTS**

Councillor Bull, Portfolio Holder Communities and Neighbourhood attended on behalf of the Leader and Councillor Pearson, Portfolio Holder Support Services and presented an update on the work programme and broad priorities relevant to their portfolios for 2015/16. He undertook to pass on comments made by Members. A list of priorities for 2016/17 including outcomes and targets was also circulated at the meeting.

Councillor Bull undertook to pass on a Member's comment to Councillors Pearson and Sutton and on their respective portfolios for Support Services and City Development. The Member had commented on the proposed planning application for student accommodation on the bus depot site and why an ordinary housing scheme for local people had not been proposed, as an alternative. Councillor Bull added that student accommodation schemes mostly met the current planning

regime edict to encourage sustainable development.

Corporate Services Scrutiny Committee noted the reports of the Portfolio Holders.

5

ANNUAL SCRUTINY REPORT 2015/16

The Scrutiny Programme Officer presented the report providing an annual update as to the Scrutiny work achieved during the Municipal Year 2015/16. The report included a synopsis of the Task and Finish Group investigations, and a review of the proposals for the Scrutiny system. Members were advised that the annual meeting of the Scrutiny Work Programme would be held on 13 July and she encouraged Members to contact her with potential topics for review. She also provided an update in relation to the recommendations from the Income Generating Measures Task and Finish Group over maximising the potential of parks and open spaces. The Assistant Director Public Realm had welcomed the opportunity to pursue this, but required an affirmation to discuss this further with Members as there was not the capacity to pursue this at the moment. The recommendations would continue to be followed up.

The Scrutiny Programme Officer responded to a Member's enquiry regarding the capacity of the task and finish groups, stating that, currently, there were three groups with another five topics selected for consideration. In the last year, six groups had who met, together with spotlight reviews. She added that if it was not possible to programme a topic for the current year, it would be slotted in the following year.

Corporate Services Scrutiny Committee noted the report and were content with the progress and direction of Scrutiny over the past year, together with the proposals on direction for the forthcoming year, and approved the Annual Scrutiny report for publishing on the Council's web site.

6

CAPITAL MONITORING 2016/17 AND REVISED CAPITAL PROGRAMME FOR 2016/17 AND FUTURE YEARS

The Assistant Director Finance presented the report which updated Members of the overall financial performance of the Council's capital programme for the 2015/16 financial year. The capital expenditure amounted to £15,085,951, and the actual expenditure during 2015/16 represented 63.51% of the revised capital programme. The sum of £8.923 million had been identified and would need to be carried forward to be spent in future years. The report also set out the expenditure variances that had arisen since December 2015 and schemes to be deferred to 2016/17 and beyond. Officers had been working to identify the details of a revised programme for schemes in 2016/17 and report back the detail to Members as part of the Revised Capital Programme report to this Scrutiny Committee in September.

The Assistant Director Finance also drew attention to a future funding request to purchase a new server and associated oracle licenses, required to upgrade the financial system. The estimated maximum cost to Exeter City Council would be £50,000, and some of the additional costs in excess of this would be provided by the other local authority Strata partners at Teignbridge and East Devon District Councils. He responded to a Member's comment about the likelihood of this request being repeated or whether the original procurement process had not been sufficiently thorough, stating that the cost of the additional licence was an unavoidable requirement as part of a system upgrade.

Corporate Services Scrutiny Committee noted the report and recommended Executive and Council approve the following:-

- (1) overall financial position for the 2015/16 annual capital programme; and
- (2) amendments and further funding requests to the Council's annual capital programme for 2016/17.

7

OVERVIEW OF REVENUE BUDGET

The Assistant Director Finance presented the report which advised Members of the overall financial position of the Housing Revenue Account and General Fund Revenue Budgets for the 2015/16 financial year. The report also sought approval for the respective General Fund and the Housing Revenue Account working balances. The detail of a number of supplementary budgets totalling £1,457,409 had also been requested and included in the report. The General Fund working balance at 31 March 2016 would be £5,516,722 and the Housing Revenue Account working balance for the same period would be £7,068,670 and the Council Own Build working balance to be set at £169,004.

In respect of the Housing Revenue Account, the report set out the key variances relating to management costs and also to the repairs and Maintenance Programme where a saving in respect of resolving damp ingress following lower tender prices and a lower level of remedial repairs had been achieved. The routine service and maintenance budgets had also reduced as the working practices had changed, following greater interaction with tenants, enabling a more proactive approach to maintenance and repairs. Further information on the General Fund and Service Committee was provided with an overall underspend of £3,024,056, against a revised budget of £13,517,220.

The following responses were given to Members' questions by the Assistant Director Finance:-

- funding had been set aside to enable the City Council to undertake works at the Riverside Leisure Centre, as part of the previous contractual arrangement with Parkwood Leisure. The work had been identified as part of the Riverside Leisure Centre Dilapidations and appropriate funding had now been identified, which would enhance the building.
- whilst the significant level of new homes would result in additional expenditure for associated works such as grass cutting and refuse collection, this would in turn attract additional income from the collection of council tax and New Homes Bonus. Officers had been working to identify the required level of staff, equipment or plant for servicing the new houses had used the projection of an anticipated 4,400 houses over the next six years, so that any capacity issues and requests for increased resources could be identified and met.

Members congratulated the finance team and their colleagues for ensuring there had been close management of the budget in such straightened times.

Corporate Services Scrutiny Committee noted the report and requested that Council note the overview of the Resources Budget for 2015/16 and approve (where applicable):-

- (1) the net transfer of £198,695 from Earmarked Reserves as detailed in paragraph 8.3.6;
- (2) supplementary budgets of £1,457,409 as detailed in paragraph 8.3.8;
- (3) Earmarked Reserves at 31 March 2016;

- (4) the Council Tax account and collection rate;
- (5) the outstanding sundry debt, aged debt analysis and debt write-off figures;
- (6) the creditor payments performance;
- (7) having regard to the overall financial position of the Council the General Fund working balance of £5,516,722 as at 31 March 2016; and
- (8) the Housing Revenue Account working balance as at 31 March 2016 £7,068,670 and the Council Own Build working balance of £169,004.

8

TREASURY MANAGEMENT 2015/16

The Assistant Director Finance presented the report on the overall performance for the 2015/16 financial year, and the position regarding investments and borrowings at 31 March 2016. The report, which was a statutory requirement, set out the detail of investments made and levels of borrowing by the City Council. He confirmed that £500,000 of an historic investment with Iceland's Landsbanki Bank investment had been put forward into an auction on the Foreign Exchange and converted from euros at a more favourable rate than had been anticipated. He responded to a Member's comment on the possible financial effect that a post- Brexit UK might have on Exeter City Council, stating that the City Council were in close contact with their treasury advisers, Arlingclose Ltd, to monitor any future situation.

Corporate Services Scrutiny Committee noted the Treasury Management report for the 2015/16 financial year and recommended approval by Executive and Council.

9

BUDGET MONITORING (FINAL ACCOUNTS)

The Assistant Director Finance presented the final report for 2015/16, which advised Members of any major differences, by management unit, between the approved budget and the outturn for the financial year up to 31 March 2016 in respect of the former Scrutiny Committee – Resources, and the current Corporate Services Scrutiny Committee. The total variance for the year showed a surplus of £179,416 after transfers from reserves and revenue contributions to capital, as detailed in an appendix incorporated into the report. This represented a variation of 8.19% from the revised budget. The report also detailed the significant element of the underspend relating to asset improvement, maintenance and property maintenance fund budgets.

Corporate Services Scrutiny Committee noted the content of this report.

10

MEMBERS ALLOWANCES PAID 2015/16

The Corporate Manager Democratic and Civic Support presented the report on allowances paid to Elected Members in 2015/16. The Council had a statutory obligation to publish all allowances paid, and expenses claimed by Members each financial year.

Corporate Services Scrutiny Committee noted the allowances paid and expenses claimed by Members in 2015/16.

(The meeting commenced at 5.30 pm and closed at 6.00 pm)

Chair