

CORPORATE SERVICES SCRUTINY COMMITTEE

22 June 2017

Present:

Councillor Sheldon (Chair)

Councillors Warwick, Hannan, Holland, Lamb, Owen, Morris and Musgrave

Apologies:

Councillor Baldwin

Also present:

Chief Executive & Growth Director, Chief Finance Officer, City Surveyor and Democratic Services Officer (Committees) (SLS)

In attendance:

Councillor Peter Edwards	- Leader
Councillor Ollie Pearson	- Portfolio Holder for Support Services

20 Minutes

The minutes of the meeting held on the 23 March 2017 were taken as read and signed by the Chair as correct.

21 Declarations of Interests

No declarations of disclosable pecuniary interest were made.

22 Portfolio Holders Statements

Councillors Edwards and Pearson presented the following progress reports on priorities as the respective Leader of the Council and Portfolio Holder for Support Services:-

Leader

The Leader presented the priorities for 2016/17.

In response to Members' questions, the Leader reported the following updates:-

- progress made in respect of devolution with the Heart of the South West partners had halted, in part due to outcome of the General Election. Work had continued on a draft Productivity Plan and a draft Terms of Reference which had been released for the Heart of the South West Joint Committee to consider. He also noted the comment on the importance of safeguarding jobs for the future.
- there had been several meetings in respect of the Council's new approach to deliver housing and commercial schemes, and proposed formation of a development company. A report would come before Members in due course for consideration.

Support Services

The Portfolio Holder for Support Services reported the following updates:-

- the innovative and sensitive use of new technology which enhanced communication with local residents, businesses and the general public in the days after the fire at the Royal Clarence Hotel last October. He advised that the Communications team received an award from the Chartered Institute of Public Relations Excellence Awards 2017, in the Issues, Crisis or Reputational Management category for exemplary public service work with limited resources. The small team managing energy saving projects had also received a number of accolades and awards for energy management. He felt that the awards for both were testament to the investment made in better communications across the Council.
- the Council's investment and the commitment by the team involved in bringing forward the Channel Shift initiative, and similarly that team had received an award from the Society of Information Technology Managers (SOCITM) in part in recognition for the experience of users contacting the City Council with the development of the 'click to call' functionality. This was considered particularly important as the Council's web site received a million hits a year.

A Member wished to endorse the Portfolio Holder's comments that the City Council's web site was easy to navigate.

The Portfolio Holder for Support Services also responded to Members' questions, as follows:-

- following a resolution by Council, the live streaming of Committee meetings was being investigated by the Democratic Services and the Communications team, to consider ways in which to further engage the public, and a number of options would be considered. The Communications team were working on developing a live stream platform using iPhone technology equipment, to ensure that the essence of the meeting was captured and every effort would be made to make it as visually engaging as possible. A further live streaming of a Council meeting would take place as soon as possible, but certainly following the next cycle of Committee meetings. He agreed that there should be a notice or advice given to ensure everyone was aware that filming was taking place to ensure that conversations could not be captured unwittingly.

Corporate Services Scrutiny Committee noted the reports of the Leader and Portfolio Holder for Support Services.

23 Renewable Energy Programme Update

The City Surveyor presented a report which provided an update on the third year of the Renewables and Energy Efficiency Programme, the income and savings generated and a summary of the performance, together with feasibility work for a new programme of projects to commence in 2017/18. He confirmed that the team's work was now generating annual income and savings of £350,000 per annum with a total saving of £750,000 since 2012.

Following the approval of the Renewable Energy Strategy in February by Executive, the Energy team was working on a range of new projects including: -

- Large Solar PV;
- Battery Storage;
- LED Replacement Lighting, and
- Energy Monitoring with SMART controls.

In response to Members' questions, the City Surveyor clarified the following:-

- he thanked the Member for the comments on this being an exciting area of work for the City Council. The team were busily working through the programme and whilst more could be achieved with more resources, and the timetable was challenging, it was nevertheless achievable.
- it had not been possible to install solar panels at the new stand at Exeter City Football Club due to the stand's position. However, every effort would be made to pursue solar panels for the main stand, but the panels had to be fit for purpose and withstand a rigorous environment. If the panels were to be installed, a solar power purchase agreement would be agreed with the Football Club.
- he also addressed an enquiry about the Riverside Leisure Centre and stated that it was leased to Parkwood Leisure by the City Council. The repair of the fire damage to the roof was the subject of an insurance claim but it was hoped that the new structure would be suitably robust to hold solar panels. Parkwood Leisure already had a combined heat and power agreement for the building so that demand might be restricted. However, it was anticipated that, even without onsite demand, a sound business case for investment could be made.

Corporate Services Scrutiny Committee noted the report and progress made to date, income and savings generated up to April 2017, and projects planned for year three of the Renewables and Energy Efficiency Programme; and that the reporting regime for future progress would include a six monthly update using the Scrutiny Bulletin and an annual report to Corporate Services Scrutiny Committee.

24 **Capital Monitoring 2016/17 and Revised Capital Programme for 2017/18 and Future Years**

The Chief Finance Officer presented the report which updated Members of the overall financial performance of the Council's capital programme for the 2016/17 financial year, and sought approval for the 2017/18 revised capital programme, including commitments carried forward from 2016/17. The revised capital programme of £12,925,960 and expenditure in the year amounted to £9,942,174, and the actual expenditure during 2016/17 represented 76.92% of the revised capital programme. The sum of £2.884 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 2016 and schemes to be deferred to 2017/18 and beyond. The Chief Finance Officer also drew attention to a future funding request for £60,000 for a new ashes section at Exwick Cemetery to provide additional internment capacity for the next two years. He also responded to a Member's question about the process for furthering funding requests.

The Chief Finance Officer also gave the following response to a Member's question in light of the tragic fire at the Grenfell tower block in London, relating to the replacement of new front doors in Council properties in Exeter as part of fire safety

compliance. The Member also sought an assurance that all necessary fire safety checks and any necessary works identified within the Council's properties were up to date, were in compliance with all current fire regulations, as £400,000 had been spent on fire risk assessments, but she had noted a carryover of £63,000 to 2018/19.

The Member was advised that the Housing Department undertook regular fire safety checks by means of fire risk assessments, weekly fire alarm and monthly emergency lighting checks. In addition, weekly visits were made by the City Council's Older Persons Property Officers to sheltered schemes. A sum of £437,000 was budgeted for this financial year to undertake the bulk of the remedial works coming out of previous fire risk assessments. This followed a strategic review of the fire risk assessments last year and works outstanding. This may seem to be a substantial sum, but the City Council had 437 risk assessments, so there was a direct correlation with each assessment costing around £1,000 each. It was anticipated that all the remedial works could be achieved in this financial year, and subsequent years would require a significantly smaller budget.

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

- (1) overall financial position for the 2016/17 annual capital programme; and
- (2) amendments and further funding request to the Council's annual capital programme for 2017/18.

25 Overview of Revenue Budget 2016/17

The Chief Finance Officer presented the report which advised Members of the overall financial position of the Housing Revenue Account and the General Fund Revenue Budgets for the 2016/17 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 £1,520,867 had also been requested and included in the report. The General Fund working balance at 31 March 2017 would be £5,264,841, the Housing Revenue Account working balance for the same period would be £8,567,454 and the Council Own Build working balance to be set at £208,097. He explained that Committee would need to formally approve the Council's end of year financial position and carry forward any budgets that were not spent, but where funding was still required. Further information on the General Fund Services Committee would set out an overall underspend of £1,407,213, against a revised budget of £15,028,650.

He also drew Members' attention to a request to vire budgets to be in line with new technical accounting practices and to align the presentation of the budget to be more meaningful to the individual Committees.

The following responses were given to Members' questions by the Chief Finance Officer:-

- a large increase in outstanding sundry debt with a value of £5 million related to an invoice for a capital receipt for the sale of the bus depot site, and there had been no delay in settling the account following the completion of the sale.
- despite there appearing to be an overpayment in respect of Clifton Hill Sports Centre, this related to a budget allocated to address the depreciation of assets to reflect the use of the asset, which for local authorities is removed below the line to have a neutral impact on the Council Tax.

Corporate Services Scrutiny Committee noted the report and requested that Council note the overview of the Corporate Services budget for 2017/17 and approve (where applicable):-

- (1) the net transfer of £330,710 from earmarked reserves as detailed in paragraph 8.3.6;
- (2) supplementary budgets of £1,520,867 as detailed in paragraph 8.3.8
- (3) earmarked reserves at 31 March 2017;
- (4) the virements detailed in 8.3.9;
- (5) the council tax account and collection rate;
- (6) the outstanding sundry debt, aged debt analysis and debt write-off figures;
- (7) the creditor payments performance;
- (8) having regard to the overall financial position of the Council, the General Fund working balance of £5,264,841 as at 31 March 2017; and
- (9) the housing revenue account working balance of £8,567,454 and the Council Own Build working balance of £208,097 as at 31 March 2017.

26 Treasury Management 2016/17

The Chief Finance Officer presented the report on the overall performance for the 2016/17 financial year, and the position regarding investments and borrowings at 31 March 2017. The report, which was a statutory requirement, set out the detail of investments made and levels of borrowing by the City Council, which had been undertaken in accordance with the Council's approved Treasury Management Practices. He also confirmed that the Council had approved a Treasury Management Strategy in February 2017 and assured Members that any proposed amendment to the regime would be reported. Officers continued to explore new investment opportunities that could return potentially higher yields, ensuring that any decisions taken would continue to be prudent and comply with the Investment Code of Practice.

He responded to a Member's question and agreed to include a six month snapshot in terms of the value of the Council's investments, as he received a regular report from the Churches, Charities and local Authorities Trust Management Ltd (CCLA).

Corporate Services Scrutiny Committee noted the Treasury Management report for the 2016/17 financial year and recommended approval by Executive and Council.

27 Budget Monitoring – Final Accounts 2016/17

The Chief Finance Officer presented the final outturn report for 2016/17, and advised Members of any major differences, by management unit, between the approved annual budget, and the outturn for the financial year up to 31 March 2017 in respect of Corporate Services - Scrutiny Committee. The total variance for the year showed a deficit of £2,099,291 after transfers from reserves, however, £2,900,256 of this variance were due to changes in the way support services were accounted for as detailed in the circulated report. The actual surplus attributable directly to Corporate

Services Committee was £800,965 after transfers from reserves and revenue contribution to capital, as detailed in an appendix incorporated into the report.

The Chief Finance Officer responded to a Member's comment on the overspend in relation to the Elections and Electoral registration budget. He stated that although the additional 'snap' General Election had not been included in the budget, recompense would be made by the Government in due course.

Corporate Services Scrutiny Committee noted the report.

28 Members' Allowances Paid 2016/17

The Democratic Services Officer (SLS) presented the report on allowances paid to Elected Members in 2016/17. The Council had a statutory obligation to publish all allowances paid, and expenses claimed by Members for each financial year.

Corporate Services Scrutiny Committee noted the allowances paid and expenses claimed by Members in 2016/17.

29 Task and Finish Scrutiny Membership

The Chair presented the report setting out the Task and Finish Group membership for 2016/17.

Corporate Services Scrutiny Committee noted the report.

The meeting commenced at 5.30 pm and closed at 6.20 pm

Chair