

## **CORPORATE SERVICES SCRUTINY COMMITTEE**

Thursday 22 November 2018

### **Present:**

Councillor Sheldon (Chair)  
Councillors Warwick, Holland, Lamb, Musgrave, Thompson, Vizard M and Wood

### **Apologies:**

Councillors Hannan

### **Also present:**

Director (BA), Chief Finance Officer, Policy Officer (MP-J), Benefits and Welfare Lead, Local Taxation Lead and Democratic Services Officer (SLS)

### **In Attendance:**

Councillor Peter Edwards - Leader and Portfolio Holder Growth and City Development  
Councillor Ollie Pearson - Portfolio Holder for Support Services

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### **MINUTES**

The minutes of the meeting held on 27 September 2018 were taken as read, approved and signed by the Chair as correct.

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### **DECLARATIONS OF INTERESTS**

No declarations of disclosable interest were made.

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### **QUESTIONS FROM MEMBERS OF THE COUNCIL UNDER STANDING ORDER**

#### **20**

In accordance with Standing Order 20, Councillor Thompson submitted questions on the Private Development Company and Planning Applications.

A copy of the questions had been issued to Members and these together with the appropriate responses from Councillor Edwards, Leader and Portfolio Holder for Growth and Development are appended to the minutes.

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### **PORTFOLIO HOLDER UPDATE - SUPPORT SERVICES**

Councillor Pearson presented an update on the priorities of the Portfolio Holder for Support Services for 2017/18 as follows:-

- the digital customer platform (Firm step) would provide an end to end digital service for any public wishing to contact the City Council in that way. He was pleased to announce that the latest service added was garden waste.

- the introduction of the place based brand Exeter Live Better, set up to recognise the city's strengths and foster civic pride included in kind support and adoption to get behind the branding for the city.
- the prioritisation of the Council's IT requirements to ensure effective and efficient delivery by Strata Solutions will ensure the right focus to take the long term decisions forward.
- the city centre policing hub, currently being established at the Civic Centre will open shortly.
- the introduction of new procurement arrangements had been completed with the appointment of a new dedicated team in line with the original business case. A more innovative way had been employed to tender for the forthcoming cleaning contract at the Civic Centre, and other Council buildings with a recent invitation to tender for the bid in its entirety or in divided lots had drawn great interest from a range of organisations, as well as the knowledge that their employees would enjoy some of the benefits of Exeter's local authority employees such as the Exeter Living Wage.

In response to a Member's question, the Portfolio Holder welcomed the digital customer platform and integration of the Council's services and anticipated the launch of the council tax and rent accounts on line service very soon. The platform would provide a focus on the integrity and offer a tie line point of access for customers in one place, and from a back office point of view, there were many benefits to having a single view of the customer where it was appropriate do so.

Corporate Services Scrutiny Committee noted the report of the Portfolio Holder Support Services.

## **ANNUAL SCRUTINY REPORT**

The Director presented the report providing an annual update on the Scrutiny work achieved during the Municipal Year 2017/18. The report provided the Scrutiny Committee with an opportunity to:-

- a) track the progress of the Scrutiny function and process at Exeter City Council;
- b) comment upon the progress and direction of Scrutiny over the past year and into the future;
- c) ensure that the Scrutiny Committees were kept fully up to date in relation to the Task and Finish Groups and what they had achieved, and
- d) to illustrate how effective Scrutiny could contribute towards an accountable, transparent and democratic process.

The Director outlined the great breadth of work and the various Task and Finish Group priority topics identified during the Scrutiny Work Programme meetings that were held between November 2017 and July 2018. These had included both Members, other local authorities with contributions from a range of external organisations and speakers. The Director addressed the issue that the Scrutiny Programme Officer had now taken up another post within the Council and the decision had been made not to fill the vacant post. She indicated that Members of the other Scrutiny Committees had voiced some concern and referred to the financial challenges which were facing the Council, and whilst it was appreciated that this result was far from ideal, the action was appropriate in the context of the savings that needed to be found. She added that where possible the work of the task and finish groups would be continued by the Democratic Services team, with service leads having to take a more involved role in the groups, where this was possible with other service priorities. Members would have the opportunity

to raise this as an issue during the forthcoming budget setting process. The Director wished to reassure Members that scrutiny was still seen as an important element of the Council's democratic process, and this had recently been reaffirmed with the Council's decision to retain the existing three scrutiny committee structure.

Corporate Services Scrutiny Committee noted and approved the Annual Scrutiny report.

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### **BUDGET MONITORING REPORT**

The Chief Finance Officer presented the quarterly financial update report which advised Members of any material differences, by management unit, between the 2018/19 approved budget and the current outturn forecast in respect of Corporate Services Scrutiny Committee. Exeter City Council, had a statutory duty to set and monitor budgets throughout the year, taking necessary actions where required for potential overspending or potential shortfalls in income.

The current forecast showed that against the revised budget, the net expenditure for the Corporate Services Scrutiny Committee would decrease from the revised budget by a total of £24,500 after transfers to and from reserves, representing a favourable variation of 0.31% from the revised budget, including a supplementary budget of £587,590 that had been previously agreed.

Corporate Services Scrutiny Committee noted the report.

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### **OVERVIEW OF REVENUE BUDGET**

The Chief Finance Officer presented the report that advised Members of the overall projected financial position of the Housing Revenue Account (HRA) & General Fund Revenue Budgets for the 2018/19 financial year after six months. He also sought approval for a supplementary budget, and explained that because the Council had been awarded a grant of £481,600 for the Rough Sleeping Initiative by the Ministry of Housing, Communities and Local Government (MHCLG) the supplementary budget totalling £481,600 would be recommended for approval by Council, as this budget would be cost neutral.

The Chief Finance Officer referred to an improvement in the financial position following efforts by the Strategic Management Board and Service Leads having worked to reduce expenditure, which had brought the projected balance to £3.015 million at the year end, and just over the minimum reserves level. He reiterated the need to retain the discipline and be mindful of the ongoing financial position. The second quarter for the Housing Revenue Account also showed a significant reduction in the amount taken from the working balance, projection of £3,868,032 to leave the working balance at £6,344,212. He commented on the key variances as detailed in the report. He also referred to the appearance of a significant overspend in planning which included funding from the Community Infrastructure Levy that was shown elsewhere in the report and offset the additional expenditure. A change in the way this was reflected would be made available for future reports.

Following a request from a Member at the September meeting of Corporate Services Scrutiny Committee, the Chief Finance Officer provided details of spending on agency and consultancies. In the case of agency staff, it could include cover for planned leave for an area where the service had to continue, such as in the case of refuse collection crews. There had been a concerted effort to reduce such spend, and a project had been undertaken to bring together the spend under one contract

to achieve a more advantageous cost. There were occasions where consultants were used, particularly when the expertise was not available at the City Council, and it was reviewed on a case by case basis. He also responded to a Member's request for a comparison of the expenditure by other district councils across the country. The Chief Finance Officer acknowledged a Member's suggestion that a comparison of size of the District Council should be taken into account.

Corporate Services Scrutiny Committee noted the report and requested Executive to note the report, and Council to note and approve the following:-

- (1) The General Fund forecast financial position for the 2018/19 financial year;
- (2) The HRA forecast financial position for 2018/19 financial year;
- (3) The additional supplementary budget set out in 8.3.7;
- (4) The outstanding Sundry Debt position as at November 2018; and
- (5) The creditors' payments performance.

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### **CAPITAL MONITORING**

The Chief Finance Officer presented the report which advised Members of the current position of the Council's revised annual Capital Programme and the anticipated level of deferred expenditure into future years. Local authorities were required to estimate the total Capital Expenditure that it planned to incur during the financial year, which was a significant source of risk and uncertainty, depending on cost variances, delays and changing specifications of large and complex capital projects. The Capital Programme was updated every three months to reflect any cost variations, slippage or acceleration of projects to manage the associated risks and Members' approval to reflect the reported variations was required.

The revised capital programme for the current financial year was £31.803 million, and during the first six months of the year the Council spent £4.164 million of the programme, compared with £4.134 million being spent in the first six months of 2017/18. He referred to his comment as the Section 151 Officer and reiterated the importance of Members being satisfied with the deferral of any scheme, with a reminder that they were always entitled to ask for further explanation of the individual Project Manager. He highlighted two projects of note which included the completion of the refurbishment of Cowick Barton tennis courts and the fire alarms at the Guildhall, which were now back at full capacity.

Corporate Services Scrutiny Committee supported the report and requested Executive and Council approve the revision of the annual capital programme to reflect the reported variations detailed in paragraphs 8.1, 8.4 and 8.5 of the circulated report.

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### **TREASURY MANAGEMENT**

The Chief Finance Officer presented the report on the current Treasury Management performance for the 2018/19 financial year and the position regarding investments and borrowings at 30 September 2018. The strategy for In-House investments included approval to invest in Property Funds. The City Council has made two investments in the Church Charities and Local Authorities – Local Authorities Mutual Investment Trust (CCLA – LAMIT) Property Fund (in April and November 2016). The yield from the Property Fund has been in the region of 4.5% in this financial year, which was significantly higher than the returns on other investment options available. Every effort was made to continue to explore the possibility of widening the investment options available to the Council, and any

viable opportunities would be included in the Treasury Management Strategy which will be presented to committee for approval in February 2019.

Corporate Services Scrutiny Committee noted the Treasury Management report in respect of the first six months of the 2018/19 financial year and recommended approval by Executive and Council.

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### **SAFEGUARDING POLICY**

The Policy Officer presented the report which sought approval for the City Council's revised Safeguarding Policy, which had been updated to reflect changes in governance arrangements for safeguarding within the Council. There had been an existing Policy in place since 2006, and the Policy was subject to an annual review in order to respond to changes in legislation and best practice.

The significant changes included the governance framework and responsibilities of officers and Members in respect of safeguarding, and also two additional sections to clarify responsibilities around events and land hire and grant applications.

Corporate Services Scrutiny Committee supported the report and requested Executive and Council approve the adoption of the revised Safeguarding Policy.

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### **COUNCIL TAX SUPPORT SCHEME**

The Benefits & Welfare Lead presented the report which sought Member's views on the local Council Tax Support Scheme (CTS) for working age residents for 2019/20. The scheme, which commenced in April 2013, required Member's agreement of the rules of the Scheme on an annual basis.

The Benefits & Welfare Lead explained that the rollout of Universal Credit began in September 2018 and the full impact of that on the CTS scheme was not yet known. He advised Members that reductions to the level of support given to households would impact on collection rates, but noted that savings were not being requested from the scheme costs. He further commented that the Council would not need to align the local scheme with national changes, following little change in welfare reform from Central Government in the past 12 months. He confirmed that the adoption of the Council Tax Support Scheme each year, should be no later than 11 March 2019 and not as stated in the report.

A Member referred to the Council Tax Protocol from the Citizens Advice Bureau and enquired what efforts were made by the City Council to support those who found themselves in council tax arrears. The Benefits & Welfare Lead advised that the City Council was aware of the Protocol and made every effort to work with customers within the District Councils' billing authorities and major preceptors. The Director referred to the different approaches by officers when individuals were not being able to pay rather than choosing not to pay and in the case of the latter, every effort was made to ensure a speedy recovery. However, it was also important to work with the individual and see how they could be supported to reach a manageable and sustainable way to ensure a quality of life and pay their council tax, working towards the ethos of CAB with regular conversations to understand the issues.

Corporate Services Scrutiny Committee noted the report and requested Executive and Council to support the scheme for 2019/20 to continue without substantive changes from the current year's scheme.

### **COUNCIL TAX LONG TERM EMPTY PREMIUM 2019/20**

The Local Taxation Lead presented the report on the Government proposal to allow Local Authorities to increase the Council Tax Long-Term Empty Premium from a maximum of 50% to a maximum of 100% from 1 April 2019. on the assumption that the primary legislation was in place. This would affect properties that had been empty for two or more years. He explained that the Council was committed to reducing the number of empty homes and that the 100% premium would be an important tool to support this aim. Although there would be some financial reward for the Council through the New Homes Bonus scheme introduced in 2011, and in the region of £5,000, the focus of this initiative was to encourage owners of empty homes to bring their properties back into use.

In responses to questions from the Members, the Local Taxation Lead explained:-

- they were working with the Environmental Health Section to offer greater incentives for the owners of long term empty properties. It could be more difficult to engage with owners who may not be in the locality or who would rather pay the additional council tax levy rather than sell, particularly if there was an emotional attachment to the property.
- the advice given by the Government in 2013 was that if it could be shown that a property was actively being marketed for rent or for sale, then the premium would not apply. This information was set out on the council tax bill and the Council's web site.
- he was not aware of any changes due to the setting up of the Council's new development company. The Director added that Environmental Health were now a part of the Housing Development team and as such were more aware of the private sector property in the city. The Director (JY) would identify the issues and review as much as possible before bringing into use.
- the report was presented on a yearly basis to Government and the council tax evaluation information was only available in the reported format, but he would send by year statistics on the number of Long Term Empty Premium cases going back to April 2013.
- there were just over 50 Band H properties, of which two are long term empty premises cases. If the policy was adopted then the owners of those properties would have to pay up to £7,000 which was likely to prove a greater incentive to bring a property back into use.

Corporate Services Scrutiny Committee supported the report and requested Executive and Council approve the adoption of the increase in the Council Tax Long-Term Empty Premium from 50% to 100% from the 1 April 2019 assuming the relevant primary legislation is in place.

(The meeting commenced at 5.30 pm and closed at 6.20 pm)

Chair