

Overview and Scrutiny Committee

Tuesday, 17th February, 2015

MINUTES

Present:

Councillor Jane Potter (Chair), and Councillors Joe Baker, Michael Braley (substituting for Councillor Paul Swansborough), David Bush, Andrew Fry, Carole Gandy, Alan Mason, David Thain (substituting for Councillor Gay Hopkins) and Pat Witherspoon

Officers:

B Holden, J Pickering and L Tompkin

Democratic Services Officers:

J Bayley and A Scarce

MINUTE EXTRACT

76. MEDIUM TERM FINANCIAL PLAN 2015/16 TO 2017/18

Officers presented the Medium Term Financial Plan 2015/16 – 2017/18 and reminded Members that any recommendations they wished to make would feed in through the Executive Committee and Council meetings to be held on 23rd February 2015. The Chair also brought Members' attention to Minute No 100 from the minutes of the Executive Committee meeting held on 3rd February where Members had made recommendations on this matter.

During the presentation of the report the following areas were highlighted:

- The actual reduction in the grant funding received and the forecast made for reductions in future years.
- The localised Business Rates pool and the benefits gained from being part of a pool. The Council had reached a "safety net" level whereby a payment was made to mitigate the effect of the decline in income.
- New Homes Bonus and concerns around the possible reduction or cessation of this funding.
- The methodology behind recommending an increase in Council Tax of 1.9%.

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- Future savings expected to be made through the transformation work being carried out.
- The revenue bids which had been put forward. In particular the financing of the Essential Living Fund. The Committee was informed that Worcestershire County Council had agreed to match fund any monies from the Borough and had also received further funding from central government a proportion of which would be given to the Borough. This would realise a total of £168k for the Essential Living Fund for 2015/16.
- Bids had also been received in respect of Small Business Support and the spend to save funds for Energy Management support and advice
- The assumptions which had been made to reach the current summary position, including a 2.2% pay increase in relation to the National Agreement followed by 1% for future years.

Officers informed Members of the current position in respect of the draw down from reserves and in particular previous advice relating to the replacement of the Job Evaluation reserve with the capital receipt from Threadneedle House. Officers apologised and advised Members that the receipt would be realised in this financial year. Officers also explained that they had been unaware of the position in respect of planning when the Committee was updated at the previous meeting. Discussions had been held with the relevant Officers to ensure this would not be the case in the future. It was confirmed that there were sufficient capital receipts already available to replace the reserves of £755k. Details were also provided in respect of the general fund balances and the capital programme, which included replacement of the fleet vehicles.

In relation to unavoidable pressures it was highlighted that with effect from April 2015 the Council would be implementing the Living Wage to staff at a cost of approximately £70k. There had also been a reduction in the income received from Car Parking Enforcement which was carried out on behalf of the local authority by Wychavon District Council. This was partially offset by a reduction in the costs associated with car parking enforcement.

Officers also highlighted that there were potential savings that could be delivered from a review of how Leisure Services would be delivered. It was anticipated that this would be dealt with early in the new municipal year in order for it to be in place from September to allow savings to be made for 2015/16. It was however raised that Officers were aware there was a risk of delivery of the savings in 2015/16 due to the reporting and procedures that would be involved to ensure that members had the opportunity to consider all options.

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Following consideration of the report the Chair commented that she had been disappointed with the quantity, quality and consistency of the information which the Committee had been provided with and confirmed that she had spoken to Officers and was confident that this would be addressed in future years. It was important that the Committee was able to look at the budget in a timely manner in order to provide help and support to the Executive Committee in its decision making.

Officers responded to questions and points raised by Members in respect of the following areas:

- Concerns around estimated savings, as it was questioned whether monies would need to be drawn down from balances if those were not met.
- The revenue bid for Energy Management – it was confirmed that this would cover expert advice for a review of energy efficiency work and that work in respect of purchasing utilities would be picked up by property services.
- The calculation of the New Homes Bonus funding.
- The potential to receive a monthly or quarterly monitoring report in order for Members to ensure that the estimated savings were being made.
- Clarification of the use of Job Evaluation reserves, as it was understood that capital receipts could only be used for gender equality purposes.

In discussing the current year position and the impact on the future budget Members had been alarmed and disappointed to learn that the outstanding funds from the Grants Panel had been returned to balances without consultation with either the Chair of the Grants Panel or other Members. It was confirmed that this was a decision that had been made by the Executive Committee. There were concerns that some voluntary sector groups had not applied for grants as they had been unable to receive assistance from the Council in completing the relevant forms. The Committee questioned why the funds were not being returned to the “pot” and a further round of applications being sought. This was particularly in light of the fact that work was being carried out in respect of other funds which had unexpectedly become available and there would be a further application round. Members commented that the funds should not have been returned to balances and classed as an unidentified saving. It was important that the Council supported the voluntary sector groups to ensure they were able to continue the essential work they provided for the community.

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Councillor Bush, in his capacity as the Chair of the Grants Panel, confirmed that he had not been contacted in respect of the outstanding funds being returned to balances and that in previous years, where there had been unallocated funds, these had been carried over to a further round of bids. He was also disappointed that this had not been the case on this occasion. Councillor Witherspoon, in her capacity as Chair of the Voluntary Sector Task Group, also raised concerns, particularly as the group had recommended that the application forms be made simpler in order for voluntary sector groups to more easily be able to apply for funding. She was also concerned that there had been an implication that groups had been unable to receive the appropriate support due to the unavailability of officers, as the group had recommended that an apprentice be employed to support the relevant officers. If this had been put in place it could have possibly gone some way towards easing the situation.

Councillor Gandy, in her capacity as Chair of the Abbey Stadium Task Group, raised concerns around the information provided in respect of Leisure Services moving to a leisure trust management arrangement. It was inferred from the report that this was being rushed through and used merely as a savings exercise. She commented that it was important that all options were considered as highlighted in the Task Group's recommendation. It was accepted that money could be saved, but Members suggested it should be used to re-invest in the facilities. The trusts which the Task Group had visited were keen to highlight that it was not merely a money saving exercise, although it was acknowledged savings had been made in the long-term and services had been greatly improved from the re-investment made. This would be imperative for the Abbey Stadium in order to bring the standard of services provided up to a more competitive level. Those Members who had been involved with the Task Group supported the concerns raised and noted that the Executive Committee had been supportive of the recommendations made by the Group.

Members questioned whether there would be a conflict of interest for senior members of the Leisure Services Team to be involved in reviewing this matter. However, Officers confirmed that a report had been compiled by an external organisation and not the Leisure Team. The Committee would have the opportunity to make comments and recommendations for consideration by the Executive Committee.

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RECOMMENDED that

£45,000 is released from balances for 2014/15 for the Grants Panel to re-consider distributing; and

RESOLVED that

the Medium Term Financial Plan 2015/16 to 2017/18 be noted subject to the Executive Committee noting the Overview and Scrutiny Committee's concerns in respect of the high risks associated with the leisure trust option in the current budget plans as detailed in the pre-amble above.

The Meeting commenced at 7.00 pm
and closed at 8.53 pm