

MINUTES of a meeting of the CORPORATE SCRUTINY COMMITTEE held in the Council Chamber, Council Offices, Coalville on THURSDAY, 7 NOVEMBER 2019

Present: Councillor R Boam (Chairman)

Councillors J Hoult, E G C Allman, A J Bridgen, V Richichi, S Sheahan, M B Wyatt and D Bigby (Substitute for Councillor R Johnson)

In Attendance: Councillors T Gillard

Portfolio Holders: Councillors N J Rushton

Officers: Miss A Wright, Mrs B Smith, Mrs T Bingham, Mrs C Hammond, Mr M Fiander and Mr C Lambert

**16. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor R Johnson and N Smith.

**17. DECLARATION OF INTERESTS**

There were no interests declared.

**18. PUBLIC QUESTION AND ANSWER SESSION**

There were no public questions

**19. MINUTES**

Consideration was given to the minutes of the meeting held on 4 September 2019.

It was moved by Councillor J Hoult, seconded by Councillor A Bridgen and

RESOLVED THAT:

The minutes of the meeting held on 4 September 2019 be approved as a correct record and signed by the Chairman.

**20. ITEMS FOR INCLUSION IN THE FUTURE WORK PROGRAMME**

Members were invited to put forward suggestions for inclusion in the Committee's work programme which was set out in the report.

Councillor D Bigby requested that the contract between the Council and leisure provider, Everyone's Active be considered by the Committee.

RESOLVED THAT:

The work programme be noted and the Leisure item added.

**21. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED THAT:

In pursuance of Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the remainder of the meeting on the grounds that the business to be

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transacted involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act and that the public interest in maintaining this exemption outweighs the public interest in disclosing the information.

## **22. BUDGET PROPOSALS 2020**

The Chief Executive advised Members that the committee would have the opportunity to scrutinise the draft budget in January and that officers would support the groups in putting forward alternative budgets as previously. However the Corporate Portfolio Holder was keen for the Committee to have early input into the draft proposals. She advised that the Portfolio Holder was present to receive the comments and would then feed back to the other Portfolio Holders to look at including the proposals, if possible, into the budget.

The Head of Finance presented the report to Members and advised that it was the first time that scrutiny Members has been engaged early and it provided an opportunity to identify gaps and put forward ideas to be considered, highlighting that these would then be considered at the Cabinet meeting in December. She informed Members that the proposals in the report only reflected the key changes for the next year and that it was planned to roll the existing budget forward subject to changes required. She stressed that there was still more work to do especially around staff increases including pensions and pay awards, changes below £5k, the impact on Capital plans in relation to revenue and a substantial piece of work required in relation to the special expenses budget.

She highlighted the background to the process and advised that it would fall in-line with the Medium Term Financial Plan (MTFP), with the aim of being in a no worse position than what was predicted in July 2019. She advised the committee that there were two emerging issues, these being climate change and a review of accommodation, however it was too early to make firm proposals and know the impact on the General Fund. She stated that it was too early to provide a formal statement Section 25 statement in respect of the adequacy of reserves and robustness of estimates for next year , however, it was anticipated that the plans before them were affordable. She was pleased to advise that there would be an enhanced consultation process that would now include the wider public, along with Parish Councils, trade unions and the federation of small businesses, as before.

She informed that the focus of the meeting would to be look at the proposals that were set out in each section of the report and that officers were present to answer any questions from Members. She drew Members' attention to an error in section 2 paragraph 2.1 where the first £322k should have read £337K.

The Corporate Portfolio Holder addressed the committee. He noted that the biggest difference was the prediction of a revised MTFP deficit of £1.3m but still urged caution until the figures had been confirmed and the expenditure plans for next year were reflected in the plan, as there were still huge risks should there be less new homes bonus or less business rates. He advised that it was the policy of the administration not to raise council tax but showed the requirement of external funding sources. He reminded Members that the Council had passed a climate change motion and the proposals before them included £1m in reserve for work towards the council achieving carbon neutrality by 2030. He also highlighted that the report included proposals for £50k to be set aside to support proposals for the Hermitage Leisure Centre, £20k towards tourism development and £13k towards increasing the free tree scheme.

Members were then invited to comment on the proposals before them.

Councillor S Sheahan welcomed the report at the early stage and asked if the £1m climate change reserve was spare money or was there a plan in place and how did officers arrive at the figure?

Councillor N J Rushton advised that there was no plan yet, however as issues emerged if the no money was allocated, then Cabinet would not have the resources to agree. He informed Members that the figure was flexible and not set in stone but was being set aside to take advantage of the favourable financial impact of the deferral in implementing the local government funding reviews.

The Chief Executive advised that the climate work was being led by the Head of Community Services and that a study had been commissioned and the report received which would be presented to Members at the workshop in December. She advised that there were estimations as to how the actions would be achieved and what the priority would be. She felt that there would be many decisions for Members to make as the Council would not be able to afford to do all of them and the £1m was a good start but a lot more work would be required.

The Head of Finance advised that, following the deferral of Local Government funding reviews, that had the Council could be set to achieve a £1.8m surplus in 2020/21, subject to confirmation of expenditure plans in the draft budget. The original agreement from Cabinet was to contribute the reserves to the self-sufficiency fund, but it was proposed that some of the money would be set aside to enable the Council to work towards its ambition of becoming carbon neutral.. She also informed Members that a letter had been received from MHCLG about the provisional Local Government Scheme and that due to the General Election it would not be able to consider the allocation in December but it would be a priority after the election.

Councillor M B Wyatt stated that in relation to the Climate Change motion that authority needed to show that it was serious and £1m did just that. He advised that in relation to the free trees scheme the biggest issue in planting new trees was the long term maintenance and there not being the money set aside to cover it. He also highlighted that at Coalville Specials Expenses meetings discussions had taken place around applying for funding from Bardon Aggregates and the £40k pot that was available. He felt that it would be a way to fund some of the projects and urged officers to look into it.

Councillor N J Rushton thanked Councillor M B Wyatt for his compliments on £1m climate change reserve and agreed that the residents needed to see that the Council was serious. He agreed to feed the comments in relation to long term maintenance of trees back to the relevant Portfolio Holder for consideration of inclusion into project.

The Chief Executive agreed that the Bardon Aggregates fund was under-utilised and that where there were schemes in Coalville that would benefit and that officers would need to look creatively as to how to draw on the funding.

Councillor D Bigby noted, in relation to the Climate Change reserve, that agreement was being sought for replacement vehicles for the years 2021/ 22 which seemed a long way ahead without taking in to account requirements such electric vehicles and costs; and was wondering if it would slow down the process for committing the climate funding.

The Head of Finance advised that the proposals for 2021/22 were included in the budget as the orders had to be placed in October ready for the following April and that environmentally friendly fleet replacement would be considered.

The Chief Executive advised that the funding needed to be put in to ensure that replacements were procured but the technology may not have been available for all the

vehicles. However it would not prevent the Council from moving forward. She highlighted that when Climate Change actions were discussed with Members, it would be noted that each piece of work would require individual business cases to be developed.

Councillor N J Rushton agreed that vehicles would be a way to show residents that the authority was serious about climate change. However the new refuse lorry was fairly urgent as it was an addition to the fleet to deal with the number of new homes in the District.

Councillor S Sheahan asked why the National Forest would not be maintaining any trees planted.

The Chief Executive advised that any tree planting in the public realm and town centres was maintained by the authority and that there would be a cost element to that, which at times was a barrier to the planting.

Councillor E Allman was pleased about the £1m reserve for Climate Change, however he noted that the report mentioned that it was a top up and asked how much had already been invested and in terms of a new truck how far would the £1m go?

Councillor N J Rushton advised the £1m would not make the Authority neutral but it showed the sincerity of the motion and that there was a starting point for when the report is presented to Members.

The Chief Executive advised that many Councils had declared a climate emergency and that within Leicestershire County, North West Leicestershire was the only one that had commissioned and received a report back. She advised that it was proposed to present the report to the other authorities to look at collective working to achieve some of the actions.

The Head of Finance advised that she would come back to Councillor E Allman outside the meeting as to how much funding is already built into to expenditure plans around Climate Change activities.

Councillor M B Wyatt advised that the Council needed to consider other possible income streams and recommended that officers looked at the possibility of the interment of ashes at Coalville Cemetery as there was sufficient space to provide the service.

Councillor N J Rushton advised that he would pass the proposal forward.

In response to a question from Councillor D Bigby, the Head of Finance advised that there were no issues surrounding the drivers of the Council's fleets but the new technology for driver identification was required as the current system was coming to the end of its life.

The Corporate Portfolio Holder advised that the HRA was doing very well despite being told in the past that the authority could increase rents but for the past four years being told to decrease them. He noted that the service was generating money and it was recommended to put some spare money into the Capital Programme enable the building of more Council houses.

The Head of Finance advised that the Revenue to Capital Programme tied in with the proposal at paragraph 5.16, which would increase the new supply budget and the increase of investment in the current homes.

Councillor M B Wyatt asked that, in relation to new build Council homes, would they be carbon neutral?

Councillor N J Rushton stated that it was a very good comment to feed back to the Portfolio Holder that Members would like to see carbon neutral new builds. He advised that even if it were more expensive to install the right heating elements, it would be the right thing to do to show that the Council was serious about climate change. He would feed the comment back to the Housing Portfolio Holder.

In response to a question from Councillor S Sheahan, Councillor N J Rushton advised that it proposed to increase rents by 2.7%. He informed Members that in relation to right to buy it would be wise to put any new stock in to a housing company to ensure that it was not lost as soon as it was available through the right to buy scheme.

The Head of Finance advised that the national formula for the next year would be based on CPI 1.7% + 1%.

Councillor N J Rushton advised that the average rents payable in 2020/21 would be the below the average in 2014/15. He noted that the more rent collected, the more capital that would be converted for building new homes.

Councillor D Bigby expressed concerns over rents previously going down then being increased and what impact it would have on tenants and asked if it been looked into. He noted that the policy was to allow local authorities to increase rent if it wished.

The Head of Finance advised, in relation to national policy, that Councils had the choice to follow if they wanted but there were other considerations around the budget, including cost pressures. For example staff pay awards that added pressures, therefore officers would be recommending the increase.

Councillor D Bigby noted the expectation to increase the cost of Service Charges by 0.4%.

The Head of Housing and Property advised the increase was full cost recovery and if need to it would be reduced and was not a way of making money.

In relation to a question from Councillor D Bigby, the Head of Housing and Property advised Members that the provision for off street parking was to look at Council Estates where the grass verges could be removed and spaces made on the side of road. He highlighted that there was a cost of £3.5k per space and that there would be some work at looking providing spaces on the curtilages of properties.

Councillor D Bigby requested consideration be given to providing charging points on council houses for use by the tenant.

Councillor N J Rushton stated that Members could request that any spare money be put aside to create more parking spaces around the council estates and he would pass that back to the Housing Portfolio Holder.

The Corporate Portfolio Holder thanked Members for their comments and considerations which had been noted and advised that they would be taken forward.

**RESOLVED THAT:**

The comments made by the Committee on the early budgetary proposals contained with the report and the other considerations proposed be taken forward as part of developing the 2020/21 Budget.

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The meeting commenced at 6.30 pm

The Chairman closed the meeting at 7.31 pm