

NORTH DEVON COUNCIL

Minutes of a meeting of the OVERVIEW AND SCRUTINY COMMITTEE held at the Civic Centre, Barnstaple on Thursday 13th February 2014 at 2.00 p.m.

PRESENT: Members:

Councillor Biederman (Chairman)

Councillors Brown, Chesters, Clark, Gurney, Lane, Lucas, Luggar, Moores and Tucker.

Councillor Greenslade attended the meeting in accordance with Standing Order 9 (4).

Officers:

Chief Executive, Head of Financial Services, Finance Manager (JT), Corporate and Community Support Manager (JP) and Member Services Co-ordinator (KS).

76 MINUTES

RESOLVED that the minutes of the meeting held on 9th January 2014 (circulated previously) be approved as a correct record and signed by the Chairman.

77 ITEMS BROUGHT FORWARD BY THE CHAIRMAN

The Chairman addressed the Committee regarding Councillor Haywood and Members agreed to send a card and flowers to Councillor Haywood and her husband to wish him well in his recovery.

The Committee discussed the potential impact on North Devon of a number of budget cuts being consulted on by the County Council. These included reductions to the Women's Refuge, adult day centres, meals on wheels, youth services, outsourcing residential care for the elderly and the end of the Public Records Office in North Devon. This was added to the Committee's work programme for 13th March 2014 and Torridge District Council would be consulted on the practicality of a joint meeting.

The Chairman announced that the joint Informal meeting of the Crime and Disorder Sub-Committee had been arranged and would be held on Wednesday 19th February 2014. The first meeting of the Housing Strategy Task Team had also been arranged and would be held on Thursday 13th March 2014.

The Committee also agreed that the Chairman meet with the Chairman of the Overview and Scrutiny (External) Committee at Torridge District Council to

discuss the options of a future joint work programme for certain elements of work for the forthcoming year.

78 DECLARATIONS OF INTEREST

There were no declarations of interest announced.

79 CRIME AND DISORDER SUB-COMMITTEE

The Committee considered the minutes of the meeting of the Crime and Disorder Sub-Committee held on 9th January 2014 (circulated previously).

RESOLVED, that the minutes of the meeting of the Crime and Disorder Sub-Committee held on 9th January 2014 be adopted.

**80 PERFORMANCE AND FINANCIAL MANAGEMENT
QUARTER 3 2013/14**

The Committee considered a report by the Leader and Executive Team (circulated previously) regarding the Performance and Financial Management of Quarter 3 2013/14.

During the consideration of the Performance and Financial Management report for Quarter 3 of 2013/14, Members of the Committee raised and debated issues relating to the following:

- In response to a question regarding funding for repairs to Old Quay Head in Ilfracombe, the Finance Manager advised that funding was being managed internally at this stage.
- In response to a question, the Chief Executive advised that an opportunity had arisen for North Devon Homes to purchase a repossessed property to add to their social housing portfolio and they had approached the Council to request a grant of £10,000 to assist with the purchase.
- The Head of Financial Services advised that the funding for the grant had been taken from the funds already set aside for Rural Housing Enabling, which had been created for instances such as this.
- There was an ability to restrict right to buy in some circumstances but the Council would need to discuss with North Devon Homes whether this might be applicable in this case.
- The Committee queried the policy for dealing with requests such as this and was informed that they were dealt with on a case by case basis with each judged on the strength of the business case.
- The Leader advised that a half day Housing and Economy seminar would be held towards the end of March 2014 and Members would be invited to attend and raise any issues that they had.

RESOLVED:

- (a) that the decisions and recommendations of the Executive be endorsed;

- (b) that the Councils policy regarding contributions to social housing was robust enough to manage should we receive any further applications for grant funding; and
- (c) that any further issues identified by the Committee be followed up by the Housing Strategy Task Team and sent back to the Committee if further investigations were required.

81 REVENUE BUDGET 2014/15

The Committee received a presentation by the Finance Manager regarding the Revenue Budget 2014/15.

During the consideration of the presentation, Members of the Committee raised and debated issues relating to the following:

- The Council had a legal duty to prepare a balanced budget. It was also committed to having adequate reserves and balances in place whilst continuing to provide good and cost effective services to the community within the financial envelope available.
- The budget recommended no increase in the level of Council Tax and to accept the 1% freeze grant of £58,000.
- The current forecast was that the Council had a net shortfall of £0.076m against its budget for 2013/14.
- During quarter 3 the need to accelerate the ICT infrastructure investment of £56,000 had become apparent and was acted upon.
- The original budget for 2013/14 of £12.142m included £0.846m of savings identified through Heads of Service and at 31st December 2013, the Council was forecasting to achieve at least £0.726m of these savings.
- The 2013/14 budget included a vacancy savings target of £400,000 and the Council was forecasting to achieve £626,000.
- The recommended level of general fund balance was 5%-10% of the Councils net revenue budget. The forecast for general fund reserve at 31st March 2014 was £0.986m, which was a level of 8%.
- During the three years to 2013/14, the Council had reduced its net budget by £3.0m. This had been achieved without significant detriment to service provision and the Council was now operating with 70 fewer staff than three years ago.
- Funding costs and additional costs pressures produced a budget gap for 2014/15 of £1.5m of which £1.2m had been addressed.
- The remaining gap of £0.3m was funded by the Finance settlement, Council Tax, reduction in contribution to reserve and a change in the vacancy savings target (set at the same level of £0.4m as in 2013/14).
- The main grant received from Central Government was paid via the Local Government Finance Settlement mechanism. North Devon had been provisionally allocated £5.742m for 2014/15, which was £0.798m (12%)

less than the £6.540m allocated for 2013/14. The final settlement was in line with expectation and was approved by Parliament on 12th February 2014.

- There had been an updated forecast position for the reserves, which was currently forecast to reduce from £2.573m to £1.826m, with the General Fund Balance to remain at £0.986m as at 31st March 2014.
- Currently the forecast amount held in earmarked reserves at 31st March 2015 would be £1.517m with a General Reserve Fund Balance of £0.986m.
- There were also various risks that could affect the Council's financial plans. These included unanticipated changes to Government grants, key areas of income reducing, capital receipts not being realised, the pay settlement being higher than anticipated, savings plans not being achieved, increase in demand for services, localisation of Council Tax support, business rates retention and the Welfare reform.
- The 2014/14 Budget would be considered by Full Council on 26th February 2014.
- The Leader advised that the Corporate Plan was updated and agreed by the Executive and Council in October 2013. He added that in terms of the future, the Council were now fully aware of the Governments announcements in relation to cuts to Local Government and would continue to have a viable Council moving forward and sharing costs wherever possible.
- The Planning Service was historically very costly. However, a lot of work had been undertaken to reduce the cost of the service and the recent planning performance figures were generally very good.
- In response to a question in relation to time taken to determine major planning applications and the possible risk of Government intervention, the Chief Executive reassured the Committee that the Council was above the required percentage where Government intervention would be initiated.
- The Committee raised concerns regarding the non-increase of Council Tax and whether it would be better to increase it in small stages rather than a large increase further down the track. The Leader advised that the current economic climate within the North Devon area would not support an increase.
- In response to a question regarding the impact of reduction in funding to external organisations, the Leader advised that the Council had liaised with those organisations regarding the requirement to reduce the grants and they understood that the Council had to make those savings and had reviewed their own organisational structures to address the shortfall in funding.
- In response to a question regarding the preparation of the Medium Term Financial Strategy, the Committee was advised that this would take place as usual in the late Spring or early Summer.
- In response to a question regarding a reduction in resources and the impact upon the service provided by the Council, the Chief Executive advised there would be an impact upon the services that the Council provided in the future.

- The Committee discussed the provision of IT for the Council, the ways in which technology would develop in the future and the importance of diversifying to keep up to speed with the technology as it developed.
- In response to a question, the Chief Executive provided an update regarding the current situation at Ilfracombe Swimming Pool.
- The Committee also discussed the Dotto Land Train and the options if an operator could not be found, the Chief Executive advised that there had been four expressions of interest but no tenders received. The Council would now be liaising with these companies to ascertain if there were any issues regarding the complexity of the tender documentation that would make a re-tender viable.
- The Committee also raised concerns regarding the proposed closures of North Devon against Domestic Violence Abuse Refuge and day centres within the North Devon area.

RESOLVED:

- (a) that the decisions and recommendations of the Executive be endorsed; and
- (b) that the Committee request copies of the Devon County Council consultation documents in relation to reductions in:
 - Support for addressing domestic violence.
 - Changes in the heritage service.
 - Subsidy of meals-on-wheels.
 - Ending of residential care services.
 - Adult social care facilities.
 - Youth facilities.

82 TREASURY MANAGEMENT AND ANNUAL INVESTMENT STRATEGY 2014/15

The Committee considered a report by the Chief Financial Officer (circulated previously) regarding the Treasury Management and Annual Investment Strategy 2014/15.

During the consideration of the Treasury Management and Annual Investment Strategy 2014/15, Members of the Committee raised and debated issues relating to the following:

- The Statement had been prepared in compliance with CIPFA's Code of Practice and covered the Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Statement for 2014/15.

RESOLVED, that the decisions and recommendations of the Executive be endorsed.

83 **WORK PROGRAMME/FORWARD PLAN**

The Committee considered the work programme (circulated previously).

RESOLVED:

- (a) that the work programme be noted;
- (b) that the consultation documents in relation to the main Devon County Council budget reductions be added to the work programme for consideration at the next meeting of the Committee;
- (c) that Councillor Stuart Barker be invited to the next meeting to discuss the consultation documents with the Committee; and
- (d) that the room layout for future meetings be revised to ensure that all speakers can be clearly heard when addressing the Committee.

Chairman

The meeting ended at 3.24 p.m.

NOTE: These minutes will be confirmed as a correct record at the next meeting of the Committee.