NORTH DEVON COUNCIL

Minutes of a meeting of the OVERVIEW AND SCRUTINY COMMITTEE held at the Brynsworthy Environment Centre, Barnstaple on Thursday 16th November 2017 at 2.00 p.m.

PRESENT: Members

Councillor Greenslade (in the Chair)

Councillors Chesters, Ley (present for minutes 75 to 81), Mathews, Moore, Patrinos, Webber, White (present for minutes 71 to 76) and Worden.

Officers:

Head of Corporate and Community Services (KM), Head of Resources (JT), Head of Operational Services (RM), Contracts Delivery Manager (MK) and Corporate and Community Services Officer (KJ).

71 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bonds, Meadlarkin and Roome.

72 MINUTES

RESOLVED that the minutes of the meeting held on 19th October 2017 (circulated previously) be approved as a correct record and signed by the Chairman.

73 CHAIRMAN'S UPDATE

The Chairman updated the Committee following a request from the Vice Chair who had been informed that the branch of Lloyds Chemist, by the Tesco store located on Rose Lane, Barnstaple, would be closing in January 2018. He expressed concerns as the chemist provided services for approximately 3000 residents in the surrounding area.

The Committee discussed the possibility that Tesco would be looking to establish an in-store pharmacy and that the company had been closing stores across the country and was not just the local store.

RESOLVED that the Committee would write to Lloyds Chemist for confirmation of their plans for the store at Rose Lane, Barnstaple.

74 DECLARATIONS OF INTEREST

There were no declarations of interest announced.

75 PERFORMANCE AND FINANCIAL MANAGEMENT REPORT QUARTER 2 OF 2017/18

The Committee considered the Performance and Financial Management Report – Quarter 2 2017/18 by the Leader and Executive Team and the extract of the Executive held on 6/11/2017 (circulated previously).

The Head of Resources highlighted the following:

- The Quarter 1 report had previously indicated an expected surplus of £0.014m however the forecast was now a net deficit of £0.099m against the budget.
- The "Recycle More" service changes were introduced on 5th June 2017. The take up of the Green Waste scheme had exceeded expectations and had generated additional income.
- Recycling levels had increased. For the first 6 months the recycling consultants forecasted a 170 tonne increase on the base tonnage level. An extra 282 tonnes was actually collected in the period from April 2017 to September 2017. This was a 65% variance on the consultant's predictions. Additional resources were required by the Waste and Recycling service over the summer.
- Food waste was estimated to deliver approximately 55 tonnes per week (average) however the actual figure was approximately 58 tonnes.
- The routes were now being remodelled in-house using support and training from "Webapsx", the software supplier to the Council. The resulting streamlining and reduction in the number of rounds would help to reduce costs.

In response to a question from the Committee, the Head of Resources confirmed that changes to specific routes, and collection dates, could not yet be known, but were possible. The routes would be evaluated over the next couple of months. It was expected that the data would be made available to the crews in January 2018 and would be developed so that the crews were involved and happy with them prior to any changes being implemented. Any resulting changes would commence in April 2018.

In response to questions from the Committee, the Head of Operational Services confirmed that the trial continued to perform well, with increased recycling and decreased residual waste levels. He advised that not only were the results improved in the trial areas but that in other areas across the authority that increased recycling had been achieved. He advised the Committee that monthly results of the new service were available and that he hoped to bring the quarterly report to a future Committee. Although all the results of the trial would not be available before the remodelling of the rounds he stated some adjustments would be made as and when required to prevent

any unnecessary / inefficient additional collections being made in the meantime. The impact of the effect of the monthly (autumn/winter) collections of green waste and changes to demand would be considered in the remodelling. He acknowledged that it was deemed that the change to monthly collections was implemented too early. He confirmed that 125 feedback responses had been received by the customer services team and that those, along with the results of the customer surveys from those in the trial areas, would be collated and available for consideration in March 2018.

Following a question about the financial savings expected, the Head of Resources confirmed that for the periods where there were fewer green waste collections, the staff would be redeployed to other areas within the service. This would reduce the requirement for agency staff to be employed during those times, therefore reducing costs. It was estimated that this would result in some savings. He explained that in-house remodelling would assist in future-proofing the service by creating provision to cover increase demands on the service as additional homes were built.

The Head of Resources highlighted the following:

- Although as at 30th September it had been assumed there would be no change to the £1.22m growth factored in to the budget, additional income was now anticipated from Business Rates.
- The figure of £342 'Money held for Police Reserve' was a residual Community Safety Partnership balance from 2016/17.
- Appendix 4- Capital Programme – "Replace Existing ICT Desktop Solution"- a funding bid had been made towards the replacement of the existing 'WYSE' boxes. The replacement desktop system would enable more flexibility in future, increasing the ability to work remotely, from home or alternative locations.

In response to questions from the Committee the Head of Resources confirmed:

- A debt included in the '1-2 yrs' aged debts was from a sale of recycling materials to Aylesford Newspapers who have now gone into administration. The Council had been in regular contact with the administrators and a resolution was expected which hopefully would exceed any amount received had the debt been sold on to a third party.
- Some of the debts were on instalment plans, however overall the debts had reduced.
- There had been an increase on the level of outstanding Business Rates. It was noted that there had been an increase in insolvencies.
- Some of the larger businesses had now elected to pay over 12 instalments rather than 10 as previously. The timing of their payments would affect the aged debt analysis.
- Business rate collection rates had actually increased slightly.

- The Council had benefitted from the recent low cost of borrowing. However as most investments covered a 3-6 month period the rates of return could increase when these were reinvested.
- Appendix 4- Capital Programme – 'Barnstaple Bus Station PC'- Concerns were expressed over the state of disrepair of the surfacing in the area. The Head of Resources explained that although the Council were aware of the condition of the surface, and that capital has been set aside, any resurfacing works are currently on hold pending the installation of the new 'real time' signage due to be installed by Devon County Council / Stagecoach which also involved digging up and laying electrical cabling.

In response to questions from the Committee regarding the uncertainty following the UK's exit from the European Union, the Head of Resources confirmed that as the Business Rate Retention Scheme would be changing in future the Council was already protected to a certain extent. The Council currently retained approximately 10% of the funds collected plus a further percentage dependant on growth. He advised that there was currently a Government scheme in place at present which, in the event of a major financial disaster, would protect the Council to a safety net level of 92.5% of Business Rates. He confirmed that the Council worked closely with the Treasury Advisors, but that the future was an unknown.

When asked whether the Council received any compensation or grant towards the cost of updating the car parking machines following the introduction of the new coinage, the Head of Resources confirmed that the Council had not.

The Committee discussed the progress of the Local Plan which had recently been referred by the Inspector for further review. The Committee considered it was due to provision for housing.

RESOLVED that:

(a) details of the specific aged debts be circulated to the Committee.

(b) the Chief Planning Officer would be asked to provide an explanation as to why the key performance figures provided in the report for the Planning service were inconsistent.

(c) the report be noted.

76 TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY MID-YEAR REPORT 2017/18

The Committee considered the Treasury Management Strategy Statement and Annual Investment Strategy Mid-Year Report by the Chief Financial

Officer and the extract of the Executive held on 6/11/2017 (circulated previously).

The Head of Resources advised that this was one of three reports produced each year and the Council's main strategy was one of security, liquidity and then yield.

He highlighted the following:

- External borrowing was currently at £2m.
- The timing of funding and capital receipts being received in to the Council resulted in an increase on the Capital Financing Requirement to £5.454m. The figure at the end of the 2019/20 year would not be affected.
- As per the table on page 41, Capital expenditure had increased to £4.661m.
- The forecasted interest rates were shown on page 50. The forecasts for the Public Works Loan Board (PWLB) rates for the period up to March 2020 were detailed alongside the bank rates.
- There could be a need to borrow further within the next 18 months, during which the rates were expected to remain low.

RESOLVED that the report be noted.

77 FUTURE OF THE NORTH DEVON LEISURE CENTRE

The Contracts Delivery Manager presented the Committee with an update in relation to the future of the North Devon Leisure Centre.

He advised that:

- The Council would have to probably borrow funds to build the new centre, however it was hoped that it would generate income in future.
- The Council currently spends below the national average on leisure. The proposed project should hopefully result in no revenue pressure on the leisure budget.
- The project was due to be presented to the Planning Committee in December 2017 to apply for outline planning consent.
- Consultation had been completed which involved users and key stakeholders.
- A consultation process had also been completed with Sport England as a pre-requisite to any funding application with them. Results indicated that in North Devon the demand for swimming facilities was twice the national average. The information had been used to inform the tender documents.
- The minimum requirements issued in the tender pack included a 25m 8-lane pool, a 17m x 7m learner pool, spectator seating for the pool, a 125-station gym, a four-court sports hall, dance hall and fitness studios.
- The project went out to tender in September and operators that had met the criteria had been selected to go through to the next stage.

- The next batch of documentation was issued to those operators on the 14th November 2017 with an invitation for them to submit their outlined solutions. They had been given until December to ask for any additional information or ask any questions. After that their proposals must be submitted in January 2018.
- Following this the Council would decide which of the proposals would be put forward to the next stage of the process. The Council would then need to establish details including future responsibility for the building and how the service would be operated. The finer details regarding the build and contract would be set out at a later stage.
- Sport England have awarded £1.5m towards the project. The Council had also been looking at other funding opportunities and section 106 funding.
- The project was based on the concept that the return on a modern leisure centre can be very profitable.
- The build would be the responsibility of the operator although the Council would retain ownership of the building.

In response to questions from the Committee the Contracts Delivery Manager advised that:

- The architect who prepared the technical specification had been recommended by Sport England. The architect was also part of the Tender evaluation panel. Structural engineers and architects would inspect the build. We will ensure that any contract is drawn up to ensure the Council is protected.
- The Council did not envisage running the daily operation as It would not be as profitable or effective as leasing the centre.
- The fees for customers would remain affordable and it was not anticipated that any new charges would deter the public from using the facilities. The services would need to be competitively priced in order to get customers through the door. It would be priced accordingly for the market.
- If planning permission was not awarded it would be re-applied for.
- There were no plans to install a suspended pool, and the one in situ had remained in use for longer than it had ever been intended.
- If the winning contractor invested some of their own capital toward the build it was possible that a lower fee to the Council may be negotiated.
- The timescale involved, should no obstacles arise, would be for construction to commence in January 2019, with final completion on 4th May 2020.
- There were no provisions for indoor bowls or squash in the minimum criteria set out to the operators. This did not necessarily mean that they would not be catered for but that they were not essential. Sport England were satisfied that there was adequate provision for both these sports in the area. The criteria had been agreed based on demand. There was an indoor bowls centre in Westward Ho! which was under-utilised at present.

The Head of Resources confirmed that the timing of the project would be crucial. The Executive would need to consider the possible funding options. The project could be funded in full by external borrowing but there were other options as there were Revenue budget pressures which would need to be considered. The plans for the surrounding area (Seven Brethren) would need to be taken into account and any associated Capital receipts. The solution needed to be a viable option which would safeguard the Authority going forward and one that it can afford.

RESOLVED that:

(a) The Economic Growth Manager be invited to attend the Committee meeting on 18th January 2018 to provide an update in relation to the future of Seven Brethren Bank.

(b) an update on the Leisure Centre Project be presented at the Committee meeting in April 2018.

78 RMB CHIVENOR

The Chairman advised the Committee that there were no updates at present.

79 NATIONAL HEALTH SERVICE SUCCESS REGIME

The Chairman advised the Committee that a representative of the Devon, South Devon and Torbay Clinical Commissioning Group would be attending the full Council meeting on 22nd November 2017.

There were no further updates at present.

RESOLVED that the agenda item be renamed “NHS Update”.

80 EXEMPTION FROM CONTRACT PROCEDURE RULES

The Committee considered the Exemption from Contract Procedure Rules (Minute extract from minute 74 (Office Accommodation Enhancements) of the Executive of 6th November 2017) by the Corporate and Community Services Officer (circulated previously).

RESOLVED that the report be noted.

81 WORK PROGRAMME/FORWARD PLAN

The Committee considered the Work Programme / Forward Plan (circulated previously).

RESOLVED that:

(a) the item “Community Assistance Scheme” be added to the work programme for 22nd March 2018

(b) the work programme be noted.

Chairman
The meeting ended at 15.42 p.m.

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