

NORTH DEVON COUNCIL

Minutes of a meeting of Strategy and Resources Committee held at Barum Room - Brynsworthy Environment Centre on Monday, 3rd June, 2019 at 10.00 am

PRESENT: Members:

Councillor Worden (Chairman)

Councillors Lane, Leaver, Lofthouse, Patrinos, Pearson, Prowse, E. Spear, Wilkinson and Yabsley

Officers:

Head of Corporate and Community Services, Head of Resources, Head of Operational Services, Head of Place, Business Information Systems Manager and Customer and Corporate Services Manager

Also Present:

Councillors Biederman, D. Spear and Tucker

1. APOLOGIES FOR ABSENCE

There were no apologies received.

2. DECLARATIONS OF INTERESTS.

There were no declarations of interest received.

3. TO AGREE THE AGENDA BETWEEN PART 'A' AND PART 'B' (CONFIDENTIAL RESTRICTED INFORMATION).

The Chair advised that as it was the first meeting of the Committee, he requested that the Committee consider item 8 prior to item 5 on the agenda to enable the Head of Resources to outline the Council's financial position to the Committee.

RESOLVED that item 8 be considered prior to item 5 on the agenda.

4. PERFORMANCE AND FINANCIAL MANAGEMENT QUARTER 4 OF 2018/19

The Committee considered a report by the Head of Resources (circulated previously) regarding the Performance and Financial Management report for Quarter 4 of 2018/19.

The Head of Resources highlighted the following:

- The quarterly Performance and Financial management report was also presented to full Council for consideration. The report provided an update on

the financial performance of the Council against the approved revenue budget for the financial year. It also provided the opportunity for the Committee to challenge if key performance indicators were not being delivered within the agreed targets.

- This quarterly report was for the period up to 31st March 2019 and therefore in the context of the Council's current corporate priorities.
- The revenue budget for 2018/19 was approved at Council on 21 February 2018 at £12.220m and as at 31 December 2018, the Council reported a net deficit of £0.019m against the budget.
- The last quarter of the financial year had seen some favourable variances since the last reported position as a result of additional income through the one off pilot year for 100% Business Rate Retention scheme and additional savings achieved through the staffing budgets.
- As at 31 March 2019, the final outturn position was a budget surplus of £0.754m, which was an overall movement of £0.773m from the last forecast at quarter 3. The main reasons for the movement were detailed in Appendix A. £0.600m related to Business Rate income and this additional income would be placed into reserves as it was a one-off income. Additional £0.060m vacancy savings and £0.100m from service area underspends had been achieved.
- The original budget for 2018/19 included a forecast to achieve £0.200m worth of salary vacancy savings. The previous performance report at quarter 3 forecast the saving would be exceeded by £0.025m this year and the actual resulted in further employee savings of £0.083m over and above the original target.
- The implementation of the "Recycle more" project had been a challenge and resulted in some further additional costs this year together with a further decline in the sale price of recyclable materials, which had meant the original savings target for the year had not been achieved.
- There had also been a significant reduction in the level of the planning fee income of £0.138m due to a reduction in the larger applications received, which was in line with other Local Authorities experiencing the same pressure.
- The revenue budget surplus of £0.754m, once the contribution to the Collection Fund reserve of £0.236m had been made left a residual surplus of £0.518m. It was proposed that the surplus would be set aside and placed in the earmarked reserves as detailed in paragraph 4.1.12 of the report.
- Movement in Reserves and Balances detailed the movements to and from the earmarked reserves in 2018/19 as detailed in Appendix B of the report.
- The Strategic Contingency Reserve movements and commitments as detailed in Appendix C of the report.
- The 2018/19 Capital Programme as detailed in Appendix D of the report.
- The 2019/20 to 2021/22 Capital Programme as detailed in Appendix E of the report.
- Further investment of £0.122m had been identified for the period 2019/20 following three business cases submitted to the Project Appraisal Group for:
 - Property maintenance at the public house on the corner of Castle Street and the property at 16 Castle Street.
 - Retaining wall at Watersmeet car park at Lynton.
 - Retaining wall at Cross Street car park at Lynton.

- Overall variations of £14.710m were proposed to the 2019/20 to 2021/22 Capital Programme as detailed in paragraph 4.4.9 of the report. 50% of the overall Capital Programme was funded externally.
- Treasury Management, Debt Management and General Debtors as detailed in paragraphs 4.5, 4.6 and 4.7 of the report.
- Non-financial information was contained within paragraphs 5 to 9 in the report. Appendix F detailed the key performance indicators and Service Plan Action updates.

The Committee received a presentation by the Head of Resources regarding the Financial Context of the Council for 2019/20 and highlighted the following:

- Local Government Finance funding reforms.
- Government settlement change in funding by class of Authority and cumulative change between 2015/16 and 2019/20.
- Revenue Budget 2019/20 and how it was funded.
- Medium Term Financial Strategy 2019-23 and the financial assumptions that had been made. The budget gaps from 2020/21 to 2022/23. The outcomes of the review of the CCTV service would be presented to the Committee at its next meeting.
- Capital Programme as detailed in Appendix E of the report and larger projects within the programme. A report regarding the Watersports Centre would be presented to a future meeting of the Committee.
- Capital funding borrowing costs and the impact of the business cases approved on 25 February 2019. Borrowing costs were for a fixed rate period and it had been assumed that interest rates would increase.
- 10 Year Capital Strategy for 2020-2029.
- Understanding of the Council's financial position to enable the Committee to make informed decisions on the Council services and key decisions required to be taken by the Committee for items already included within the Medium Term Financial Strategy. Additional work needed to be carried out to achieve further savings or additional income to bridge the future year budget gaps and ensure financial security for the Council.

In response to questions, the Committee were advised of the following:

- The additional costs incurred for the Waste and Recycling service were detailed in Appendix A of the report.
- A level of growth for Business Rates had been forecast and included within the budget, however the additional income received from the Business Rates Retention 100% pilot year was a one-off payment and therefore had been placed into earmarked reserves.
- Additional costs incurred by the Waste and Recycling service were due to a number of areas outside of the Council's control such as the reduction in income from the sale of recyclable materials, increase in fuel price, job evaluation process that had been carried out for drivers and loaders which had resulted in an increase in pay. Although the job evaluation process had placed pressure on the budget, it had assisted with the retention of staff and the reduction in use of agency staff.

- There were approximately 40,000 potential garden waste properties in the Council area. 21,000 had not taken up the garden waste service. However, North Devon Council had a high take up rate of 45% in comparison with other Local Authorities.
- When staff vacancies occurred, the Head of Service presented a business case to the Senior Management Team for consideration. The vacancy savings occurred during the period of time between the post becoming vacant to it being filled. If a position needed to be filled urgently, then approval could be sought from Senior Management Team prior to the next meeting. There were some positions within the Council which were proving difficult to recruit into. The job evaluation process ensured that the remuneration for positions were consistent.
- The current tenant for the public house on Castle Street was up to date with rent. Officers were in discussions with the tenant regarding the future tenancy agreement.
- In relation to the business case for property maintenance at the public house on the corner of Castle Street and the property at 16 Castle Street, £0.025m was for the repair of the roof of 16 Castle Street and £0.065m was for maintenance to be undertaken at the public house.
- The Council was still in the process of completing the acquisition of the sub lease of plot 1 at Seven Brethren. Within the Capital Programme for 2019/20, £0.400m had been allocated for the acquisition of the sub lease and £0.100m for commissioning works if required for the sub division into units if a tenant was not secured for the whole plot.
- The Capital Programme included investments for ICT to ensure that the Council was protected against cyber attacks, procurement of equipment and software that was fit for purpose and made staff more efficient and improved the service provided to customers.
- An update report would be brought by the Head of Environmental Health and Housing to a future meeting of the Committee regarding the provision of temporary accommodation project.
- Funding within the Capital Programme for “Coastal Protection and Shoreline Management Plan” had been rolled over to 2019/20. This funding had been rolled over for a number of years. An action plan had been produced within the past 12 months. The funding had been allocated for any further works required to be commissioned. If required, a business case would then be prepared and considered. A copy of the action plan would be sent to Councillor D. Spear.
- Staff from the Waste and Recycling service were required to be trained prior to the new Waste Transfer station becoming operational. The food waste was transported to an anaerobic digester plant at Holsworthy and the garden waste transported to an in-vessel composter at Deepmoor. Information on the end destinations for recyclable materials collected was published on the Council’s website.
- All service areas had been requested to review future spend and investment required over the next 10 years. A 10 year plan for asset maintenance was now in place.
- Consideration would be given to how the Council could publicise what happens to recyclable materials collected.

RESOLVED:

- (a) That the actions being taken to ensure that performance was at the desired level be noted;
- (b) That the contributions to/from earmarked reserves be approved as detailed in paragraph 4.2 of the report;
- (c) That the movements on the Strategic Contingency Reserve as detailed in paragraph 4.3 of the report be noted;
- (d) That funds be released for the capital schemes listed as detailed in paragraph 4.4.14 of the report;
- (e) That the sections dealing with Treasury Management (paragraph 4.5) and Debt Management (paragraphs 4.6 and 4.7) be noted

RECOMMENDED:

- (f) That the variations to the Capital Programme 2019/20 to 2021/22 in paragraph 4.4.9 of the report be approved.

5. CORPORATE PLAN

The Head of Corporate and Community Services tabled draft corporate priorities for consideration by the Committee. He advised the Committee that the Council was required to produce a Corporate Plan which set out the vision and corporate priorities for the forthcoming year and longer term. It was important that the plan was in place as a priority. He outlined the draft corporate priorities and the plans which would underpin each priority as detailed on the tabled paper. A delivery plan would be produced containing specific actions for each priority, which would be continuously reviewed. A report regarding the Council's response to the Climate Change Emergency declaration would be considered at the next meeting of the Committee. It was recommended that a cross party working group be appointed to formulate the Corporate Plan and that consultation with the public and all Councillors would be undertaken as part of the process. It was proposed that the timetable for the adoption of the Corporate Plan would be as follows:

18th July 2019 – Policy Development Committee
5th August 2019 – Strategy and Resources Committee
25th September 2019 – Council to adopt the Corporate Plan

The Committee considered that the priority “developing visions for the main towns of North Devon” under the heading of “North Devon Future” should also include reference to the “communities of North Devon”.

RESOLVED that a cross party working group be appointed to formulate the Corporate Plan and that membership include the Group Leaders and up to two additional Councillors from each Group.

6. WASTE AND RECYCLING SERVICE UPDATE

The Committee received a presentation by the Head of Operational Services regarding the Waste and Recycling Services. He highlighted the following:

- Waste and Recycling team formed part of the wider Operational Services Team.
- 141 staff within the Waste and Recycling team worked within recycling, refuse collection, garden waste collection, commercial waste, commercial waste recycling and street cleansing and public toilets.
- Current service projects which included: unlimited recycling and 3 weekly residual collections trial, heavy weight recycling sack trial and the replacement of the process hall equipment.
- It was anticipated that an options report would be presented to the Committee for consideration at its next meeting regarding the roll out of the 3 weekly residual collections trial. Arrangements would be put in place for families that produce more waste due to the use of fully absorbent hygiene products.

The Head of Corporate and Community Services advised that an update would be received shortly regarding the future provision of the dog bin service.

The Head of Resources advised that public conveniences would be reviewed as part of the wider corporate review of all Council assets. The Council was currently in discussion with Berrynabor Parish Council regarding the future management of public conveniences in Berrynabor.

The Head of Operational Services advised that new netting had been purchased for all open vehicles to prevent recyclable materials coming off of vehicles.

7. JOINT LOCAL PLAN WORKING GROUP: APPOINTMENT OF 4 MEMBERS.

The Committee considered the appointment of four Members to the Joint Local Plan Working Group.

The Committee noted that the terms of reference of the Group (circulated previously) stated that the membership for North Devon Council will include "Lead Members for Planning, Regeneration and the Environment" and that a meeting of the Group had been scheduled to take place in July 2019. As no Lead Members had been appointed currently, it was considered that any appointments made should be on a temporary basis.

RESOLVED that Councillors Leaver, Prowse, D. Spear and Yabsley be appointed to the Joint Local Plan Working Group on a temporary basis and that the appointments be re-considered if appropriate after the appointment of Lead Members.

Chairman

The meeting ended at 12.35 pm

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