

Overview & Scrutiny Committee Review of Cabinet Agenda

Agenda

Date

Tuesday 11 December 2018

Members of the Overview & Scrutiny Committee

Mr D G Harrison
(Chairman)

Mr J J Emsell
(Vice Chairman)

Mr A D Adams
Mrs C H Bannock
Mr D Buck
Ms S J Catchpole
Mr G Everett
Mr R F Grady
Mr G K Nurden

Mr F O'Neill
Mr V Ray-Mortlock
Mr S Riley
Mr V B Tapp
Mrs K A Vincent
Mr D C Ward

Substitutes Conservative

Any Members not
appointed to the
Committee or to Cabinet

Substitute Liberal Democrat

Any Members not
appointed to the
Committee

Time

10.00 am

Place

Council Chamber
Thorpe Lodge
1 Yarmouth Road
Thorpe St Andrew
Norwich

Contact

James Overy tel (01603) 430540

Broadland District Council
Thorpe Lodge
1 Yarmouth Road
Thorpe St Andrew
Norwich NR7 0DU
E-mail: james.overy@broadland.gov.uk



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If any Member wishes to clarify details relating to any matter on the agenda they are requested to contact the relevant Head of Service.

The Openness of Local Government Bodies Regulations 2014

Under the above Regulations, any person may take photographs, film and audio-record the proceedings and report on all public meetings. If you do not wish to be filmed / recorded, please notify an officer prior to the start of the meeting. The Council has a protocol, a copy of which will be displayed outside of each meeting room and is available on request.

**The Chairman will ask if anyone wishes to
film / record this meeting**

A G E N D A

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|----------|---|------------------|
| 1 | To receive declarations of interest under Procedural Rule no 8 | |
| 2 | Apologies for absence | |
| 3 | <u>Minutes of meeting held on 13 November 2018</u> | 3 – 7 |
| 4 | Matters arising therefrom (if any) | |
| 5 | Chairman’s Announcements | |
| 6 | Public Speaking | |
| | <p>To consider representation from the members of the public who have expressed the wish to convey their views on items on this agenda.</p> <p>In accordance with the Constitution a period of 3 minutes is allowed per member of the public.</p> | |
| 7 | <u>Budget Questions</u> | 9 – 10 |
| | <p>The Committee’s questions for Cabinet on the Council Budget.</p> | |
| 8 | Cabinet Reports | To follow |
| | <p>To consider the Cabinet reports in respect of the 18 December 2018 meeting.</p> | |

P C Kirby
Chief Executive

Minutes of a meeting of the **Overview & Scrutiny Committee – Review of Cabinet Agenda** held at Thorpe Lodge, 1 Yarmouth Road, Thorpe St Andrew, Norwich on **Tuesday 13 November 2018** at **10.00 am** when there were present:

Mr D G Harrison – Chairman

Mr A D Adams
Mrs C H Bannock
Ms S J Catchpole
Mr J J Emsell

Mr G Everett
Mr G K Nurden
Mr F O'Neill
Mr V B Tapp

Mrs K A Vincent
Mr D C Ward

Mr Woodbridge also attended the meeting for its duration.

Also in attendance were the Head of Democratic Services and Monitoring Officer, Head of Finance and Revenue Services, Interim Head of Housing and Environmental Services, Corporate Finance Manager, Capital Accountant, Environmental Protection Manager (Special Projects), Projects and Training Officer, Local Taxation Manager and the Committee Officer (JO).

71 APOLOGIES FOR ABSENCE

Apologies for absence were received from Ms Catchpole, Mr Grady and Mr Riley.

72 MINUTES

The Minutes of the meeting held on 6 November 2018 were confirmed and signed by the Chairman as a correct record, save for the following amendment:

Minute no: 63 – Declaration of Interest under Procedural Rule No 8

Mr Nurden and Mr Tapp had been incorrectly recorded as Members of the Norfolk Rivers Internal Drainage Board. Both Members in fact sat on the Broads Internal Drainage Board. Mr Nurden was also a Member of the Waveney Lower Yare and Lothingland Internal Drainage Board.

Minute No: 68 – Budget Questions

The budget questions for Cabinet were agreed along with the following additional question:

What has/what will the Council raise in capital receipts through sale of assets in 2018/19? In addition, what are the projected capital receipts for each year of the Medium Term Financial Plan?

CABINET REPORTS

73 CAPITAL STRATEGY

The report presented a revised Capital Strategy, which had been amended to reflect the current financial environment and take account of procedural changes. It was likely that in future the Capital Strategy would be included as part of the 2019/20 budget setting process.

Future versions of the Capital Strategy would also reflect collaboration with South Norfolk Council.

RECOMMENDED TO CABINET

Option (1, 2, 3 and 4)

- (1) to support the amendments to the Capital Strategy;
- (2) to support the plan to review the current Capital Programme as part of the budget setting process;
- (3) to agree that major revisions to the Capital Strategy be brought back to Cabinet, but minor amendments be agreed by the Head of Finance and Revenue Services in conjunction with the Portfolio Holder for Finance;
- (4) to consider the equalities impacts.

74 TREASURY MANAGEMENT REPORT TO 30 SEPTEMBER 2018

The report summarised treasury management activity during the first half of 2018/19 and included an update on the Prudential Indicators.

The main aim of the investment strategy was to minimise the risk of loss of principal. The Council's investments were, therefore, with counterparties that offered higher security, at the expense of yield.

The Council's investments as at 30 September 2018 were the following:

Counterparty	£million	Interest Rates
Investec	10.33	Return varies, dependent on the performance of the underlying fund
Payden & Rygel	3.13	
Public Sector Deposit Fund	1.00	
Certificates of Deposit	1.00	0.81%
Banks	12.00	0.72% to 0.975%
Instant access deposits with banks (interest bearing accounts)	7.79	0.40% to 0.65%
Total	35.25	

The Payden Global investment was in an AAA rated Sterling Reserve Fund. From 1 April to 24 May 2018 the Investec Asset Management funds were invested with an 80:20 split over the Short Dated Bonds Fund and the Target Return Fund. Due to poor performance of the Short Dated Fund Investec closed the fund and from 25 May 2018 the 20 percent previously invested in the Short Dated Fund was transferred into Investec's Diversified Income Fund.

During the first six months of 2018/19, the in-house team arranged 21 fixed term deposits which included five certificates of deposit purchased through the clearing house King & Shaxson.

The total sum invested by the in-house team as fixed term deposits ranged from a minimum of £15.63m to a maximum of £29.86m during the six month period, with an average investment of £20.83m per day.

The Prudential Indicators set for 2018/19 had not been breached as at 30 September and that none have reached a level that indicated any cause for concern.

In response to a query, it was made clear that the Council offered an investment facility to parish and town councils, but had no say in how much they wished to invest or how they should spend their reserves.

A Member noted that S106 money could only be spent on certain projects and therefore some parishes might have invested their reserves, whilst they awaited an appropriate project.

RECOMMENDED TO CABINET

Option (1)

to note the report on activity undertaken in the first half of 2018/19 in respect of treasury management activities.

75 COUNCIL TAX REDUCTION SCHEME 2018/20

The report proposed that Cabinet recommended to Council adopting a revised Council Tax Reduction Scheme.

The Council was required by law to design, operate and review annually a discount scheme which helped people on low income to meet their Council Tax charge.

The proposed scheme was unchanged from last year, save for one administrative change, which would allow the formal notification received from the Department of Work and Pensions to be treated as a valid claim for Council Tax Reduction. This would reduce paperwork and maximise claims for Council Tax Reduction when people were applying for Universal Credit.

Officers from across Norfolk were working on a streamlined county wide Council Tax Reduction Scheme, which should be ready for 2020/21.

Members were informed that as Universal Credit has only been in place for one month, in the majority of the Broadland area there was insufficient data available to draw conclusions on how it was affecting residents.

The meeting was advised that, as Universal Credit was reviewed on a monthly basis, Council Tax Reduction claims also required reviewing, which increased the administration resource for the scheme.

Members were advised that the Council had a duty to offer Universal Credit claimants support and debt advice until April 2019. The responsibility would then be transferred to Citizens Advice, who were being funded by the Department of Work and Pensions to provide support from that time.

RECOMMENDED TO CABINET

Options (1, 2 and 3)

- (1) to note the work that will be undertaken to review the impact of Universal Credit on the Council Tax Reduction Scheme; and

- (2) to approve the amendment outlined in the report and **RECOMMEND TO COUNCIL** that the Scheme for 2019/20 is updated accordingly;
and
- (3) to approve any other amendments that Cabinet considers appropriate.

76 FOOTWAY LIGHTING ON NEW DEVELOPMENTS

The report recommended that the Council no longer adopt any further lighting on new developments within the five parishes for which it was currently the Lighting Authority. This followed a decision by Norfolk County Council to no longer adopt residential lighting on new developments, unless there was a clear highway reason to adopt.

It was, therefore considered that footway lighting should be managed locally by the parish council or alternatively by the developer providing a management company to maintain the lighting.

It was confirmed that neither Broadland nor parish councils had any legal duty to adopt new lighting.

The Council was currently discussing with Norfolk County Council its intention to cease being a Lighting Authority and to agree to not take on any further lighting would assist with this process.

A Member noted the reputational and equalities risks of not providing footway lighting for the Council, but most of the Committee concurred that it was a local matter for the parish to resolve.

RECOMMENDED TO CABINET

Option (1)

to recommend to Council not to take on the management and maintenance of any new lighting in the five parishes in which it currently acts as the Lighting Authority.

The meeting closed at 10.52 am

OVERVIEW & SCRUTINY COMMITTEE

Tuesday 11 December 2018

Final Papers

Item	Details	Page No
7	<u>Budget Questions</u>	9 – 10

The Committee's questions for Cabinet on the Council Budget.

DEMOCRATIC SERVICES

Broadland District Council
Thorpe Lodge, 1 Yarmouth Road, Norwich, NR7 0DU
Tel: 01603 430428
Email: cst@broadland.gov.uk

BUDGET QUESTIONS FOR CABINET

1 MAXIMISE COUNCIL FUNDING

1.1 How was the Council seeking to utilise and maximise its assets?

The Council's assets are not extensive but work is ongoing about the viability of the assets we hold to maximise those or reduce cost and how this is best applied. A report will be coming to Cabinet on this in the New Year.

1.2 Was the Council considering investing to earn and generate income?

Any business cases which include invest to earn options will be brought forward at an appropriate time. The Business Plan is the key planning document of the Council and will drive forward policy. The Cabinet will be receiving a report on the new Business Plan in February 2019.

1.3 Was it proposed to increase fees and charges above inflation, as a means of maximising Council revenue?

The Council is strictly regulated when it comes to fees and charges and therefore should only seek to recover the cost of providing a service. At this stage the Council has not set up another vehicle for the purpose of trading.

1.4 What is the Cabinet doing to significantly increase the ongoing revenue income stream of this Council?

The Council has set up Broadland Growth Ltd and a corporate fraud service to generate income and make efficiencies. Other ideas coming forward will be subject to a business case for each project.

2 COLLABORATIVE WORKING

2.1 The feasibility study had indicative estimates of savings of £8.6m. How will savings be brought forward for consideration by Council to contribute to this figure?

The collaborative agreement was not predicated on generating savings. The £8.6 million was only an indicative figure based on what could potentially be achieved. It was arrived at based on evidence from other councils who had followed a similar path. It was never a target. Specific pieces of work on projects developing joint working, as we work through the route map, could identify future savings which, at that point, will be factored into future budgets.

2.2 **When will collaborative working start to be reflected in the Medium Term Financial Plan?**

There will be a line in the Medium Term Plan showing the indicative figures and any agreed changes will also be highlighted in the plan for 2019/20.

3 **FREE THINKING**

3.1 **Will budget pressures impact on the level of performance and services over the next financial year?**

There are no plans for a reduction in performance or services. The Council's financial position enables a business as usual approach.

3.2 **How much of the Medium Term Financial Plan do we have discretion over?**

The Medium Term Financial Plan is draft until agreed at Council in February therefore can be altered before then. The Cabinet agrees with Finance the priorities and any changes are reflected in reports which are submitted before the Council meeting.

3.3 **What has / what will the Council raise in capital receipts through sale of assets in 2018/19? In addition, what are the projected capital receipts for each year of the Medium Term Financial Plan?**

To date this year we are due to receive £10,000 for the sale of land at Wood Lane, Burgh. As for forthcoming years, any receipts will be very much dependent on the results of the piece of work being done to assess the viability of the potential sale.