

HARBOROUGH DISTRICT COUNCIL

MINUTES OF THE MEETING OF THE RESOURCE AND PERFORMANCE SCRUTINY PANEL

Held in the Council Chamber, The Symington Building,

Adam and Eve Street, Market Harborough

22<sup>nd</sup> January 2015

Commencing at 6.30p.m.

Present:

Councillor Mrs. Ackerley, Chairman.

Councillors (panellists): Beesley-Reynolds (ex officio), Bowles, Evans, Galton, Graves, Knowles, Spendlove-Mason and Wood.

Councillors (guests): Beaty, Birch, Dr Bremner, Brodrick, Mrs Burrell, Dann, Elliott, Hallam, King, Liquorish, Pain, Rook and Mrs Simpson

Officers: K. Cowell, A. M. Hawkins, B. Jolly, N. Proudfoot, S. Riley, V. Wenham and G. Keeping

APOLOGIES FOR ABSENCE AND NOTIFICATIONS OF SUBSTITUTION

An apology for absence was received from:

Panellists: Councillor Johnson

Guests: Councillors Bannister, Dunton, Mrs Page and Mrs Robinson

MINUTES

RESOLVED that: the Minutes of the Meeting of the Resource and Performance Scrutiny Panel held on 6<sup>th</sup> November 2014 be taken as read and signed by the Chairman as a true record.

MATTERS ARISING FROM MINUTES

Empty Properties Strategy (page 4): in response to a question, the Corporate Director – Community Services agreed to check that Councillors had been provided with a list of empty properties.

DECLARATIONS OF MEMBERS' INTERESTS

None reported by Panel Members. Cllr Pain reminded the meeting that he was Lead Member for Waste at Leicestershire County Council, but stated that he had received advice from the Monitoring officer and, since he was attending the meeting as a guest, he would not on this occasion leave the room if this matter came up during discussion.

CORPORATE PLAN AND CORPORATE DELIVERY PLAN

B. Jolly, Corporate Director – Resources, presented the Panel with draft versions of the Council's Corporate Plan, Corporate Delivery Plan and Strategic Performance Dashboard for the 2015-16 period. Following this meeting, the documents were due to be considered by the Executive on 9<sup>th</sup> February 2015.

The Panel NOTED that:

- (i) the Corporate Plan and Corporate Delivery Plan outline the Council's vision, priorities, Critical Outcomes and the Key Activities to deliver them. Both documents are underpinned by the Council's vision, which is: 'Working with communities in a vibrant, safe and prosperous district.'
- (ii) the Council will retain its four existing priorities during 2015/16, with some slight amendments to the wording. Both the Corporate Plan and the Corporate Delivery Plan are structured around the delivery of these four priorities:
  - Working with communities to develop places in which to live and be happy.
  - Provide public services which are effective and deliver value for money.
  - Encourage a vibrant and sustainable business community intent on prosperity, employment and learning opportunities.
  - Support the vulnerable in the communities where they live.
- (iii) the Corporate Plan 2015/16 is the overarching public document which sets out the Council's vision for the district, its ambitions and priorities and how it will work with its partners and the community to ensure that living in, working in, and visiting the district is the best possible experience. It is based on information about the area and customer feedback and identifies how the Council will achieve its long-term vision. This plan has been developed out of the previous two-year plan (2013/15) as part of the Business Planning process to ensure that it remains up to date.
- (iv) the Corporate Delivery Plan 2015/16 is the Council's annual high-level plan that sets out how it will deliver its vision and priorities through Critical Outcomes and Key Activities during the forthcoming financial year. There should be a clear 'golden thread' that links these two documents.
- (v) the Corporate Delivery Plan identifies high level Expected Outcomes of the Key Activities, which will add depth to what the Critical Outcomes will mean for our communities. It also contains the headline Performance Indicators and Risks connected to these Key Activities.
- (vi) the number of Key Activities proposed in the 2015/16 Corporate Delivery Plan is currently around 51, 17 fewer than in the current 2014/15 Corporate Delivery Plan.
- (vii) the Corporate Delivery Plan is a dynamic document and the development of the Key Activities, performance indicators and risks is an iterative process. For this reason, elements of the Corporate Delivery Plan will continue to be developed, and may change as a result of further review and target challenge sessions. In particular the targets and expected outcomes remain work in progress, prior to the Executive meeting on the 22nd February. During the 2015/16 financial year, any proposed changes to the content of the Corporate Delivery Plan, including revisions to targets, will be reported back to the relevant portfolio holder and the Executive as appropriate. Reporting mechanisms for the Corporate Delivery Plan will remain the same during 2015/16. The Strategic Performance Dashboard will continue to be produced on a monthly basis, and monthly scrutiny of performance will take place through the internal Performance Improvement Board. Performance Reports will be submitted to the Executive on a quarterly basis and to the Scrutiny Commission bi-annually.

**The Panel raised no questions or comments in relation to the drafts and RECOMMENDED that the report be forwarded to the Executive.**

### COUNCIL BUDGET 2015/16

Members considered draft Budget proposals for the 2015/16 year. S. Riley, Section 151 Officer, outlined the main aspects of the revenue and budget funding proposals for the 2015/16 year. The Chairman invited questions and comments from those present, to be presented to the Executive at its Meeting on 9th February 2015.

The following questions and comments were recorded:

Question/ Comment	Response
<p>The budget appears to rely on the New Homes Bonus and Business Rates more than in previous years. Is there a strategy to address the Council's apparent dependence on the New Homes Bonus?</p>	<p>The Council is currently in year 5 of a Government rolling six-year programme. All Councils are vulnerable in this respect, due to the nature of Government funding. It is envisaged that a review of the role of New Homes Bonus will take place in year 6 of the funding in light of the rolling programme and any changes in Government policy. The full use of the New Homes Bonus in 2015/16 is considered sustainable by the S151 Officer.</p>
<p>Is the Council in a position to influence and benefit from the Business Rates Pool, to which it has been the biggest contributor?</p>	<p>This funding is channelled through the LLEP, which is a separate entity. The Council will not always be the main contributor to the Pool and will be seeking to use it to attract match funding into the District, e.g. for 'grow-out' space for expanding local businesses.</p>
<p>Could more detail be provided on the indicative Capital Programme for the next four years?</p>	<p>Details are included in Appendix E to the report. Although the programme has been profiled across the next four years, flexibility is sought as to when the expenditure is incurred.</p>
<p>How confident can the Council be of the elements of the budget relating to Trade Waste, given the decrease in the value of waste for recycling?</p>	<p>The Council is concentrating on growing its customer-base. Given current rates, the budget target for 2015/16 should be achieved.</p>
<p>Shouldn't the costs associated with the non-achievement of the 2014/15 Grounds Maintenance savings target be passed on to the Council's contractor?</p>	<p>Over twenty-four new areas of land have been added to the contract since it was signed, without any increase in cost to the Council. This was taken into account in the decision not to pursue the non-achievement of the savings target.</p>
<p>When signed, the waste contract had an annual uplift based on fuel inflation. Have the changes in fuel prices been reflected in the current costs?</p>	<p>Officers agreed to investigate this and provide a detailed response to all Members.</p> <p><i>[ Post-meeting update: The indexation on the Environmental Services Contract is calculated using the following formula.</i></p> <p><i>'Index' Means a combination of the indices comprised in the "Baxter Index" which means the indices published by Her Majesty's Stationery Office in the Monthly Bulletin of Indices – Civil Engineering Formula Series 3 (June 1990) compiled by the Department of Business, Enterprise and Regulatory Reform (or any replacement thereof) as detailed in Clause 5.10 and the all-items Retail Prices Index (RPI) published by the Office of National Statistics in the following proportions:</i></p> <ul style="list-style-type: none"> <li><i>• Labour (including supervision) 50%</i></li> <li><i>• DERV fuel 10%</i></li> <li><i>• RPI 40%]</i></li> </ul>
<p>Several of the reserves listed in Appendix D to the report show no transfers in or out. Why are they included?</p>	<p>These reserves are not used to under-pin the budget, but are required to meet a variety of potential future year pressures – e.g. to cover redundancy payments brought about by structural</p>

	changes, to assist in the delivery of the Local Plan etc.
Is the budget sustainable, given the withdrawal of recycling credits?	The Council has a high recycling rate and will be affected by the withdrawal of recycling credits. Provision has been included within the budget and discussions are being undertaken with other Councils and our waste contractor in respect of future waste collection costs and income.
Savings from keeping two management posts unfilled will create a saving only in the first year. What steps would need to be taken if these posts were required in future years?	A growth bid would be required in future years if the posts needed to be reinstated.
Why are there still elements in the budget that relate to the refurbishment of the Market and The Symington Building?	Although the works were subject to value engineering at the time, the Symington Building lifts and roof were not part of the agreed refurbishment programme. Similarly, there is a need for planned maintenance in the Market Hall not within the value-engineered scope of the renovation. The Council has received lifecycle costings for The Symington Building to support the planned maintenance.
Is there a long term financial plan for income from Harborough Market?	Occupancy is currently ahead of the projections included in the agreed Lettings Strategy and additional income is being generated. The Council's Market Management contractors are actively seeking to further increase occupancy and will share a proportion of the additional income generated.
Why does the Cost Centre Analysis show expenditure against Lutterworth Sports Centre, but none against Harborough Leisure Centre?	Officers agreed to investigate this and provide a detailed response to all Members.  <i>[Post-meeting update: The Subsidy is currently provided in respect of Lutterworth Leisure Centre. No Subsidy is paid in respect of Harborough Leisure Centre]</i>
Why does the capital programme not show any provision for flood prevention?	The capital programme relates to new schemes. Any underspend from the current year will be carried forward and there are contingency funds and reserves that could be used if necessary.

**The Panel RECOMMENDED that the report be forwarded to the Executive with these Minutes attached, for information.**

The Chairman thanked members of the Executive for their attendance at the meeting.

**PERFORMANCE AND MANAGEMENT FRAMEWORK**

B. Jolly, Corporate Director – Resources, provided Members with an introduction to this report. The framework sets out the overall high-level approach that Harborough District Council will take to managing its performance. The aim of the framework is to provide a basis for consistency in the way

performance is managed and joined-up across the Council – a ‘one Council’ approach, which will encourage Members, Officers and Partners to work together to deliver activities.

The original Performance Management Framework was approved by the Executive on 14th January 2013 and implemented on 1st April 2013. A revised version of the document, attached to the report, was approved by the Executive on 10th February 2014.

The framework is subject to annual review, to ensure that it remains up to date and that performance processes are regularly scrutinised.

The document presented had been amended to make reference to the Council’s Risk and Opportunity Management Framework (approved by Council on 15th September 2014). No other changes were proposed to the Performance Management Framework, since it remains fit for purpose and accurately reflects the Council’s approach to performance management.

The Panel NOTED that only minor amendments had been made to this version of the Performance Management Framework.

The Chairman invited questions and comments from those present and the following was recorded:

Question/ Comment	Response
Might an off-the-shelf example have been used to reduce the Council’s costs in producing the Performance and Management Framework?	This was the case. Much of the Framework was based on existing best-practice and the Council had worked with its auditors in producing the document.

**The Panel RECOMMENDED that the Performance Management Framework be forwarded to the Executive, as set out in the Meeting papers, for approval and implementation.**

FINANCIAL PERFORMANCE QUARTER TWO

The Panel NOTED that:

- (i) The Council’s 2014/15 net budget requirement, as approved by Council in February 2014, is £10,473k. The Revised Budget includes carry-forwards from 2013/14 approved by the Executive on 1 September 2014.
- (ii) The report showed the revised Portfolio responsibilities. The original budget approved by Council on 24 February 2014 was based on the previous portfolio holder structure. As such there was not a direct comparison to the quarter 1 financial monitoring.
- (iii) An underspend of £105k (1.0%) of the approved budget was forecasted for the end of the year.
- (iv) Action plans for those areas identified as potentially having overspends are being drawn up to minimise the year end budget pressure in these areas.
- (v) The Council as part of its Medium Term Financial Planning undertook a series of portfolio holder challenges earlier in the year to identify in-year efficiencies and future year savings to respond to the reduction in Central Government funding expected in future years. This process has identified £332K of savings that can be ‘banked’ early in 2014/15.
- (vi) The early identification and banking of efficiencies identified in the portfolio holder challenge (alongside the identified budget pressures) is forecast to lead to a net underspend of £105k. Active monitoring of the budgets in remaining half year will be required to ensure that the year end spend is contained within the budget
- (vii) In 2013/14 the Council exceeded a number of its income targets in areas such as development control fees and land charges. To date, the income levels received in the first

## APPENDIX G

and second quarters of 2014/15 are not indicating that these income 'windfalls' will be achieved on a recurrent basis.

The Chairman invited questions and comments from those present and the following were recorded:

<b>Question/ Comment</b>	<b>Response</b>
The Quarter 2 report refers back to September 2014. When will the Quarter 3 report be available?	The Quarter 3 report will go to the Executive on 16 <sup>th</sup> March 2015 and to this Panel thereafter. The timetable for 2015/16 is currently being considered.
The capital budget for Private Sector Housing Schemes appears to have been underspent at the time of the report.	This element of the capital budget covers a range of schemes, including adaptation grants. There is a natural pattern to these types of grant, as they are linked to hospital discharges and they appear in budget reports towards the end of the financial year. The processing of grants is being monitored and is on target.  It was suggested that a report on hospital discharges be put forward to the Scrutiny Commission for consideration in its workplan.
Does the Sport & Recreation capital budget refer to particular schemes?	Yes - there are twelve S106 schemes.
Could further detail be provided on the ICT Transformation Programme?	The Programme is in year 3. The main file server and Microsoft exchange server are scheduled to be replaced. Some work has been delayed due to priority being given to investment in infrastructure and to the replacement of the Elections system.
Does the Council have the capability to provide adequate Project Planning input into major schemes?	Members of the Corporate Management Team and Service Managers have had project management and risk management training. External expertise is commissioned for larger projects, where needed.
The report appears to show a shortfall in income from Trade Waste. Is this a one-off loss of income?	There are a number of negative variances in the budget, but these are being reviewed. Analysis of the Trade Waste element shows that the customer base is buoyant and any loss of income is therefore considered to be a one-off.

The Panel RESOLVED to note the financial performance of the Council during the second quarter of the 2014/15 year.

### MATTERS OF SPECIAL URGENCY

None reported.

The Meeting ended at 8.51p.m.