

Minutes of a Joint Meeting of the Overview & Scrutiny Committee and the Audit & Governance Committee held at Riverside, Lowestoft on **Thursday, 8 February 2018 at 6.05 pm**

Overview & Scrutiny Committee Members Present:

Councillors S Allen (Chairman), E Back, S Barker, G Elliott, T Gandy, L Gooch and J Murray

Audit & Governance Committee Members Present:

Councillors S Woods (Chairman), M Barnard, P Byatt, M Cherry, L Coulam and A Green

Cabinet Members in attendance:

Councillor B Provan – Cabinet Member for Resources

Councillor M Rudd – Cabinet Member for Community Health & Safety

Other Members in attendance:

Councillor Y Cherry – Public Gallery

Officers present:

H Javadi (Chief Finance Officer), A Photi (Democratic Services Officer), N Rickard (Head of Communities, Strategic Management) and L Rogers (Finance Manager)

1 APOLOGIES FOR ABSENCE / SUBSTITUTES

Apologies were received from Councillors T Goldson, K Grant, P Light, K Robinson, K Springall and N Webb from the Overview & Scrutiny Committee.

Apologies were received from Councillors E Back as he was sitting as a Member of the Overview & Scrutiny Committee, I Graham, K Robinson and L Smith from the Audit & Governance Committee.

Councillor M Cherry substituted for Councillor I Graham on the Audit & Governance Committee.

2 ANNOUNCEMENTS FROM THE CHAIRMAN, RESPONSES OF THE CABINET TO ANY REPORT OF THE COMMITTEE OR REPORTS OF ANY DISCUSSIONS WITH THE CABINET

There were no announcements on this occasion.

3 DECLARATIONS OF INTEREST

Councillors P Byatt and A Green declared a Local Non Pecuniary Interest as Lowestoft Town Council Councillors in Agenda item 6 as the report made reference to Lowestoft Town Council Finances.

4 MINUTES

RESOLVED

- a) That the Minutes of the Extraordinary Meeting of the Overview & Scrutiny Committee held on 27 November 2017 be approved as a correct record and signed by the Chairman.

- b) That the public Minutes of the Overview & Scrutiny meeting held on 7 December 2017 be approved as a correct record and signed by the Chairman.
- c) That the public Minutes of the Overview & Scrutiny meeting held on 4 January 2018 be approved as a correct record and signed by the Chairman.

5 MEMBER BRIEFING ON POVERTY, DEPRIVATION, DISADVANTAGE, BARRIERS TO SOCIAL MOBILITY AND HIDDEN NEEDS IN SUFFOLK

The Head of Communities, Strategic Management gave a presentation to Members which provided an update to the report considered by the Overview & Scrutiny Committee in November 2016.

The 2016 presentation drew upon the following documents: 'A Strategy to Address Poverty in Suffolk 2015-2010', the 2016 Hidden Needs Report, the 2016 Social Mobility Index, the Groups at Risk of Disadvantage Needs Assessment and the Joint Strategic Needs Assessment report on Communities that live in Rural Deprivation, as well as the results of the 2015 Rural Services Survey.

The presentation updated Members on the work undertaken during the fifteen months that had elapsed since the November 2016 report, including work to identify and respond to need in specific 'hot spot' areas, the reconfiguring of the Communities Team to enable a more targeted approach to hidden needs and practical examples of project activity to tackle the needs identified.

In addition to more detailed work undertaken in East Suffolk on the Hidden Needs mapping, the presentation provided an overview of two new data sources; the 'Suffolk in 20 years' reports produced on behalf of the Suffolk System by Suffolk County Council and the 'State of the Nation 2017: Social Mobility in Great Britain' report.

Members Questions

- **Had the information been taken from Census data and was it possible to have a breakdown of the data within the Waveney district.** The Head of Communities explained that some of the information had been provided from Census data (other sources included Experian) and that it was possible to extract Waveney specific details from some of the source data. The Waveney maps highlighted the data within the three East Suffolk Communities Team (ESCT) areas; 1) Lowestoft (including Oulton Broad, Carlton Colville and Pakefield, 2) Beccles & Bungay and 3) Halesworth, Southwold and Kessingland.

She explained that the Council were currently lobbying for additional funding to improve social mobility in Waveney.

Members were advised that it was possible to provide further data and detailed maps for the whole of Waveney and the three specific areas would be shared outside of the meeting via Democratic Services. Members were reminded that the maps contained static data and therefore did not include information on or reflect the many ongoing positive projects and developments in communities.

- **Was the data considered reliable and accurate as the highlighted areas of need corresponded almost exactly with the ESCT area boundaries? Members also commented on how surprising some of the data was as it highlighted issues in areas which they were not aware of.** The Head of Communities explained that the data had been provided by

Suffolk County Council (SCC). The remarkable similarity between the data and the ESCT area boundaries had been noted but the Head of Communities would double check with SCC to ensure that that the data on two specific maps was accurate.

- **Had the presentation been offered to all Councillors to attend as a Member Briefing session?** The Chairman advised that all Councillors had been notified of the presentation and invited to attend.

A Member commented on the importance of addressing the socio-economic issues with regards to school children, in particular with a large amount of them not being prepared to start school and concerning levels of attendance. In light of the available data, it was essential that this issue was addressed.

The Head of Communities advised that there were a number of projects and initiatives going on which were not reflected in the data; therefore it did not take into account any recent changes or improvements due to the time lag.

There being no further questions, the Chairman thanked the Head of Communities for a very interesting and informative presentation. The slides would be shared with all Councillors following the meeting and the Committee looked forward to receiving the more detailed mapped analysis on Waveney.

6 DRAFT GENERAL FUND BUDGET 2018/19

Note: The Audit & Governance Committee was invited to attend the meeting for the consideration, debate and voting on this item, as it was considered that the Committees had complementary functions.

The Cabinet Member for Resources advised Members that the Draft Medium Term Financial Strategy (MTFS) considered by Cabinet on 6 December 2017 and by the Joint Overview & Scrutiny and Audit & Governance Committee on 7 December 2017, provided a baseline forecast of income and expenditure and looked at the overall financial climate. It provided a framework within which the Council's overall spending plans would be developed.

The Government had announced proposals for Councils to retain all locally raised business rates by the end of the decade, and to end the distribution of core grant from central Government. The proposals had been subject to delay as a result of the General Election and the Local Government Finance Bill not being included in the legislative programme for this Parliament. However, the government continued to be committed to this change, and was continuing to develop key aspects of the new system.

The Government issued an invitation to local authorities in England to pilot 100% Business Rates Retention in 2018/19 and to pioneer new pooling and tier-split models. In total, 23 pilot bids were submitted, and in the provisional Settlement issued on 19 December 2017, ten new successful pilots were announced, including Suffolk, which would be launched in April 2018. Benefits of the pilot were yet to be finalised. The implication for Suffolk was currently under review and would be finalised shortly. However, the Suffolk bid was likely to be fully allocated to inclusive growth initiatives. Implications of the pilot had not been included in the MTFS presented in the report.

Overall, the current period and the long-term local government financial picture continued to be characterised by an increased shift towards locally-generated resources, with an

accompanying transfer of both risk and opportunity. The Draft General Fund Budget report set out the assumptions made in identifying resources for the MTFS period.

The Council had signed up to a four year Local Government Finance Settlement for the period 2016/17 – 2019/20, covering the elements of Revenue Support Grant, Transitional Grant, and Rural Services Delivery Grant. To take advantage of the offer, each authority needed to submit an Efficiency Plan. Although an updated Efficiency Plan did not need to be submitted to the Department for Communities and Local Government in respect of the four year Local Government Finance Settlement, it was an overarching document sitting between the East Suffolk Business Plan and the MTFS, and the report sought approval of an updated Efficiency Plan.

During the timescale of the updated MTFS presented in the report, the Council was progressing the potential creation of a new single Council for East Suffolk. At the current stage, the MTFS had been prepared on the basis that Waveney would continue to be a separate Council over the medium term period, and no savings associated directly with the establishment of a single Council had been included.

The report gave an opportunity for the Overview & Scrutiny Committee and the Audit & Governance Committee to submit any comments to the Cabinet on the proposed 2018/19 Budget.

The Chief Finance Officer (CFO) gave a presentation on the Council's Draft General Fund Budget 2018/19 which gave an overview of the Council's challenges, opportunities, local government finance, key assumptions and gaps in the budget, the Council's Capital Programme and Resources & Capital Investments.

Questions from Members

- **How accurate was the budget considering that the implications of the 100% Business Rates Retention 2018/19 pilot had not been included in the MTFS?** The CFO explained that in setting the budget for 2018/19, pilot data could not be relied upon. Any added benefit gleaned from the pilot would be additional.
- **A Member asked for clarification on Key Budget Movements with regards to the Community Governance Arrangements figures.** The CFO explained that the period covering 2017/18 was based on early cost estimates of the services transferred to Lowestoft Town Council. £200k worth of pressures had been added back to the Waveney District Council budget.
- **Lowestoft Rising had featured as a stand alone area in previous budgets however it had been included under Joint Arrangements in the current report. Where was the funding for Lowestoft Rising reflected in the budget?** The CFO advised Members that the Council's contribution to Lowestoft Rising was unchanged. Funding was held on behalf of Lowestoft Rising which sat outside of the Council's budget. Lowestoft Rising had its own financial framework with an independent financial management system. The only financial relationship between the Council and Lowestoft Rising was the contribution that the Council made. The CFO suggested that Lowestoft Rising be invited to a future meeting to give a presentation on their function and services.
- **Members asked for clarification on the options available for Class C council tax discounts on empty and unfurnished properties and whether it was necessary to give the one week**

discount. The CFO explained that the financial analysis showed that the cost of sending out communications for the one week period was high. Increasing the period of discount from one week to two weeks before applying the full charge would give landlords more opportunity to respond to correspondence. A short time period in-between tenants leaving and new tenants moving in was expected, and that a one week charge was so minimal that it was not feasible considering the resources involved. Suffolk Coastal had been operating a two week 100% discount period over the last two years; therefore this change would align both Councils policies in advance of the new Council being created.

- **Would the money from the Business Rates Pilot 2018/19 Suffolk bid be fully allocated and where would it be going?** The CFO advised that the Suffolk bid ensured that money was allocated and would be received. Any benefits from the existing pooling arrangements would also be received.

With regards to the inclusive growth element of the pilot, the County Council had accepted to not receive a share, and that the money would be invested in East Suffolk locations. It had been agreed during the process that £10.5million would be invested into Suffolk as a whole and £3million would be allocated to East Suffolk to invest into schemes chosen by East Suffolk authorities.

- **How would the allocation of the Business Rates retention funding be scrutinised?** The CFO advised that initial approvals would be made by Full Council. From there on it would be within the delegated authority of the District and Borough Councils to decide.
- **Which service areas were most likely to be affected by the Brexit outcome?** The CFO advised that the areas which would have a greater exposure to the implications of the Brexit outcome would include those with trade links such as the port of Felixstowe and Sizewell power station.
- **How had the East Suffolk Digital Strategy Project progressed so far?** The CFO explained that progress had been made to a number of services which relied on technology to make processes more efficient, reliable and easily accessible to service users. This was managed by other service areas and that the Head of Operations and Head of Customer Services would be able to provide more information.
- **In reference to the General Fund (Revenue) - review the appropriateness of service delivery between the Council, Parishes and other partners; was there a schedule in place to review the Council's partnerships?** The CFO advised that conversations with the Lowestoft Town Council and other service providers remained ongoing and that the detail of which was available from the relevant service area.
- **A Member asked for clarification on the Rent Guarantee Reserve and if it had been utilised in the current year.** The CFO advised that the figure had been reduced from previous years as the demand on this reserve was low. The relevant service area would be able to provide further details.
- **Given the announcement earlier in the day that the Secretary of State for Communities and Local Government had agreed to the creation of a single East Suffolk Council, how would this affect the budgets beyond May 2019?** The CFO explained that individual authorities were responsible for their own budget setting and needed to formulate a medium term financial plan. This ensured financial sustainability and resilience for the coming years beyond 2019. The new Council would be in a robust financial planning

position by combining the two together, therefore putting East Suffolk in a strong financial position.

A Member commented that income generation was key in moving forward as a new authority.

- **A Member asked who was responsible for the cleaning and maintenance of public conveniences in Waveney.** The CFO advised that some of the services previously delivered by Waveney Norse on behalf of Waveney District Council were now provided on behalf of Lowestoft Town Council (LTC). A Member advised that as a Lowestoft Town Councillor, he was able to confirm that public conveniences in Lowestoft had not as yet been transferred to LTC and were therefore still owned by Waveney District Council. Waveney Norse was responsible for maintaining them.

The Chairman advised that specific queries relating to public conveniences were outside the scope of the meeting. Any queries or complaints needed to be addressed with the appropriate service area or with Waveney Norse directly depending on the nature. Contact details would be provided to the Member outside of the meeting via Democratic Services.

- **A Member asked for clarification on why elements of the budget were based around assumptions.** The CFO explained that intelligent and informed assumptions were a key element in formulating realistic budgets.
- **An amount of £212k had been set aside for redundancies under “Unavoidable Growth/Pressures”. Were redundancies expected?** The CFO advised that there had been no compulsory redundancies. A portion had been set aside for any eventualities of redundancy however the budget itself had made no assumptions.
- **Would the Council be taking back any responsibility for CCTV costs in Lowestoft?** The CFO explained that there were no plans for the Council to take back this responsibility. CCTV in Lowestoft was for the benefit of LTC, and as such had been transferred. An element would be factored into the budget should there be any change to the arrangements.
- **A Member asked for further detail on the budget set aside for Holy Trinity Church Wall, provision for additional budget.** The CFO advised that the information was available from the relevant service area.
- **With regards to the Council Tax charges, was 100% the most that could be charged for second homes?** The CFO confirmed that 100% was the maximum that could be charged for Council Tax on second homes.

There being no further questions, the Chairman thanked the Cabinet Member for Resources, the Chief Finance Officer and the Finance Manager for attending and responding to Members questions.

Following the questions and answers session, each Committee considered and voted separately on the recommendations and it was:

RESOLVED

The Overview & Scrutiny Committee and Audit & Governance Committee recommended that Cabinet and Full Council:

1. Approve the General Fund Budget as set out in the report and summarised in Appendix B6, and note the budget forecast for 2019/20 and beyond.
2. Approve the Reserves and Balances movements as presented in Appendix B7.
3. Approve the Efficiency Strategy attached in Appendix B8
4. Approve that the current Class C discount of 100% on empty and unfurnished properties be increased from one week to two weeks and then apply full charge.
5. Note the Council Tax Base of 36,193.92 for 2018/19.
6. Approve a Band D Council Tax for 2018/19 of £162.27.

THE MEETING ADJOURNED AT 7.45PM AND RECONVENED AT 7.48PM TO ALLOW THE MEMBERS OF THE AUDIT & GOVERNANCE COMMITTEE TO LEAVE THE MEETING

NB: The Cabinet Member for Resources, the Chief Finance Officer and the Finance Manager also left the meeting at this point in the proceedings.

7 CURRENT POSITION OF THE WORK PROGRAMME

The Overview & Scrutiny Chairman presented the report which reminded Members of the Committees work programme in order for it to be continually reviewed and recommended that the following additional items be added to the Work Programme.

St Peter's Court Fire Prevention

That the Committee add an annual review of St Peter's Court fire safety to its rolling programme and that updated Fire Risk Assessments and Action Plans be provided via an Information Bulletin as and when they occurred.

Anglian Water

The Chairman advised that she would draft a letter to Anglian Water containing the Committees questions regarding the company's capacity to deal with the greater demands on existing sewage systems, which would be reviewed by each Committee Member. The Chairman asked the Committee to review the Anglian Water Business Plan and forward any questions they wished to include in the correspondence before the Overview & Scrutiny meeting in March.

Waveney Youth Council

The Committee debated removing the annual Waveney Youth Council report from the rolling programme and replacing it with an annual Information Bulletin. Members felt that an Information Bulletin would not be sufficient in terms of direct contact with the Waveney Youth Council and that a Member Briefing would be more preferable.

Coastal Partnership East and the Lowestoft Flood Risk Management Project

The Chairman suggested that a working group be formed to progress the related action points.

N.B Councillor G Elliott left at this point in the proceedings.

The Committee agreed that Councillors S Allen, E Back and T Gandy would be on the working group.

The Chairman advised the Committee that she would consult with the Suffolk Coastal District Council Overview & Scrutiny Chairman regarding the possibility of a future joint meeting to include a presentation from Coastal Partnership East to discuss East Suffolk as a whole.

RESOLVED

1. That with regard's to St Peter's Court,
 - (a) an annual update on St Peter's Court Fire Safety & Prevention be included in the Work Programme and
 - (b) that Information Bulletins be provided to the Committee on updates to future Fire Risk Assessments and Action Plans for St Peter's Court.
2. That the Committee would write to Anglian Water regarding their capacity to deal with the greater demands on existing sewage systems.
3. That a Member Briefing on the Waveney Youth Council be provided in place of an annual report.
4. That the new development proposal and business case for the Jubilee beach huts be included in the Work Programme.
5. That the current position of the Overview & Scrutiny Committee's Work Programme, as set out in Appendix A to the report be noted.
6. That a sub-group of the Committee be formed to progress the scrutiny of Coastal Partnership East and the Lowestoft Flood Risk Management Project.

8 EXEMPT/CONFIDENTIAL ITEMS

RESOLVED

That under Section 100(A)(4) of the Local Government Act 1972 (as amended), the public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraphs 1-7 of Part 1 of Schedule 12A of the Act.

9 CONFIDENTIAL MINUTES

RESOLVED

- a) That the exempt Minutes of the Meeting of the Overview & Scrutiny Committee held on 7 December 2017 (part 2) be approved as a correct record and signed by the Chairman.
- b) That the exempt Minutes of the Meeting of the Overview & Scrutiny Committee held on 4 January 2018 (part 2) be approved as a correct record and signed by the Chairman.

The meeting was concluded at 8.15pm

Chairman