

**MINUTES of the meeting of General Overview & Scrutiny Committee held at The Council Chamber, Brockington, 35 Hafod Road, Hereford on Monday 10 December 2012 at 10.00 am**

**Present:** Councillor A Seldon (Chairman)  
Councillor EPJ Harvey (Vice Chairman)

Councillors: EMK Chave, BA Durkin, JW Hope MBE, TM James,  
Brig P Jones CBE, R Preece, GR Swinford and DB Wilcox

**In attendance:** Councillors: RB Hamilton, J Hardwick, MAF Hubbard, RI Matthews and  
AJW Powers

**Officers:** Mr A Ashcroft; Mr D Powell; Mr J Jones; Mr W Welsby; Mrs Y Coleman; Mr R  
Hemblade; Miss G Dean; Mr P James.

**8. APOLOGIES FOR ABSENCE**

There were no apologies.

**9. NAMED SUBSTITUTES (IF ANY)**

There were no substitutes.

**10. DECLARATIONS OF INTEREST**

No declarations of interests were made.

**11. MINUTES**

**RESOLVED:** That subject to amending the last paragraph of Minute 7 on page 6 to read 'accounting records of companies delivering' the Minutes of the meeting held 9 November 2012 be confirmed as a correct record and signed by the Chairman.

**12. SUGGESTIONS FROM MEMBERS OF THE PUBLIC ON ISSUES FOR FUTURE SCRUTINY**

No suggestions for areas of scrutiny were received.

**13. QUESTIONS FROM THE PUBLIC**

A question had been received from Mrs Wegg-Prosser who was concerned about the short comings, principally the lack of underlying evidence, and whether the Committee could be assured that the Community Infrastructure Levy (CIL) Review was not proceeding with undue haste and with a lack of evidence. The Chairman of the Review Group undertook to address the issues during consideration of the agenda item.

**14. BUDGET AND EMERGING OPTIONS 2013/14**

The Committee received a presentation on the budget and emerging options for 2013/14 and considered the report to Cabinet on 13 December.

The Chief Officer Finance and Commercial (COFC) gave a presentation and commented on the development of the medium term financial strategy; the overall approach being taken by central government and the implications of the Chancellors Autumn Statement. His principal points were:

- That government had lowered the threshold for a council tax referendum from 3.5% to 2%.
- The original assumption for 2013/14 was a council tax increase of 2.5% but this has been reduced to 1.9% following government's announcement in November. The financial planning assumption for 2014/15 and 2015/16 had now been reduced to zero council tax increase. This would be revised in line with any government indications concerning the referendum threshold level.
- The Government had again offered for 2013/14 a further grant to freeze council tax. This was equivalent to 1% for Herefordshire worth approximately £800K.
- He indicated the negative cumulative impact of accepting the council tax freeze grant.
- In the last two years the Council had made budget reductions of £21.1m
- Following changes to local government funding methodology comparison with individual funding lines was not now possible.
- Following the Autumn Statement £10.997m is the calculated government funding reduction over the next two years.
- A number of specific government grants had been moved into the general funding.
- The 2013/14 budget proposed a £2m top up to replace reserves or add to existing ones and a total of £5.18m of revenue pressures have been recognised e.g. adult safeguarding; children's safeguarding, corporate transformation etc.
- Nationally the adult social care funding system needed radical reform however any resolution had been delayed until the next comprehensive spending review expected early 2013.
- Anticipated savings from adult social care finding derived from the transformation programme had slipped.
- In September 2012 a £3m overspend had been predicted. This was now estimated to be an overspend of £5m. While recovery plans had been put in place to address the overspend he expressed doubts about whether the full overspend could be brought back into balance without the use of reserves.
- The Root and Branch review process had identified £5m of savings but a further £5m was being sought by accelerating the review process.

During the course of debate the following principal points were noted:

- Concern was expressed about how the level of overspend could have increased so much, particularly in the short timescale.
- While the £1.2m used to drive corporate transformation was starting to deliver savings these were not materialising as quickly as anticipated.
- Concern was expressed that 'agency spend' should not be increased to pay for additional staff to sort out the problems caused by the financial pressures.
- The 2011/12 revenue account would use the underspends across the Council to offset the overspend in adult social care. The Committee expressed concern that this was penalising and damaging other service areas.
- Following continued overspends to the adult social care budget the level of budget management was questioned. In response the COFC reported that budgets were regularly monitored. The funding of delegated care packages was now administered via a central panel. The Committee expressed concern that the level and timeliness of care should not be compromised.
- The Committee questioned the rationale for the recommendation to Cabinet on 13 December that a council tax increase of 1.9% be assumed when the provisional

Local Government Settlement announcement would not be made until 19 December. The COFC responded that the report to Cabinet set out the current financial planning assumptions as the Council needed to have some assumptions about council tax levels for budget planning, however, the decision concerning the level of council tax increase would be a matter for the political process.

- Responding to concerns about how any change to the national credit rating may affect capital borrowing interest rates the COFC reported that borrowing was actively managed and undertaken via the Public Works Loan Board. A degree of Council borrowing had been delayed with expenditure being supported from cash balances.
- Discussions were on-going with Hoople regarding £540k of savings in 2013/14.

**RESOLVED: that the General Overview and Scrutiny Committee recommend that in considering the report to Cabinet on 13 December, Cabinet should not commit to a Council Tax increase of 1.9% until the announcement of the local government settlement on 19 December 2012 has been fully assessed.**

At this point the Committee adjourned for 10 minutes and resumed at 11.30am.

#### **15. TASK & FINISH GROUP REPORT - COMMUNITY INFRASTRUCTURE LEVY (CIL) REVIEW**

The Committee considered the findings arising from the Scrutiny Task & Finish Group – Community Infrastructure Levy (CIL).

The Chairman of the Task & Finish Review Group presented the report setting out the findings and recommendations of the Group and briefly highlighted the key points from the review.

During the course of debate the following principal points were noted:

- Referring to the earlier public question the Chairman of the Review commented that the Group had received an outline report from the Three Dragons Consultants into their initial assessment of the evidence base. The consultants had subsequently been asked by the Council to undertake further work and the results of that work would not be available until later in the month. The Group had produced this report to meet the timetable for informing the imminent Cabinet decision.
- It was clarified that CIL would be in addition to Section 106 agreements.
- Consultation with the development industry had been undertaken by the Three Dragons consultants. Further consultation and work-shops would be undertaken.
- Responding to whether CIL will depress the development market the Committee were informed that development viability evidence would be used to support the level of CIL fee as different areas of the county had different economic viability.
- How the phasing of the CIL fee payment was set was also a key element to determining the economic viability of a development.
- The findings of the Group would inform the recommendation to Cabinet on the likely direction of travel.
- It was suggested that 'locality areas' didn't neatly match Councillor ward boundaries and therefore confusion could arise if Councillors had to discuss potential planning applications with the public or parish councils.
- The Local Development Framework (LDF), to which the CIL contributed, was still to timetable (2014).
- The payment of CIL fees was not negotiable.

- Not all the county was covered by local or neighbourhood plans, however, where plans had been agreed they would contain more detail than in the Core Strategy.
- An Infrastructure Delivery Plan (IDP) would need to be published annually.
- The Task & Finish Group had been conscious of the need not to adversely affect the viability of affordable housing projects.

The Cabinet Member (Environment Housing & Planning) thanked the Group for their report into a complex area of work. He appreciated that a pragmatic approach was needed as any CIL scheme needed to be approved as part of the LDF. He reported that he had attended one of the developer consultation workshop sessions and had found it to be well attended and engendered a good level of debate.

**RESOLVED: that**

- a) subject to the deletion of the word ‘City’ from references to ‘Hereford City Locality’ the Committee agreed the findings and recommendations contained in the report of the Task & Finish Group – Community Infrastructure Levy (CIL) and forward the report to the Executive for consideration; and**
- b) The Executive’s response to the Review including an action plan be reported to the first available meeting of the Committee after the Executive has approved its response.**

**16. UPDATE TO THE OVERVIEW & SCRUTINY TASK & FINISH GROUP REPORT ON FEES & CHARGING**

The Committee received an update on progress against the executive action plan following the Task & Finish Review report into fees and charging.

The Chief Officer Finance and Commercial presented the report and took the Committee through the Executive Action Plan indicating the latest position against each of the Task & Finish recommendations.

The Committee questioned the lack of detail in paragraphs 13 to 16 of the covering report concerning financial, legal and risk implications.

Noting that benchmarking against other organisations was proving difficult the Committee urged that this aspect be pursued. It was also noted that a review of the charging process formed part of the Root & Branch process.

Recommendation 8, which suggested that services be classified to distinguish between those that are mandatory, discretionary and commercial, which had been completed. The Committee hoped this would prove beneficial to when considering the budget.

**RESOLVED: that progress against the Executive Action Plan be noted.**

**17. UPDATE TO THE OVERVIEW & SCRUTINY TASK & FINISH GROUP REPORT ON COUNCIL PROCUREMENT POLICY AND LOCAL BUSINESS AND LOCAL EMPLOYMENT**

The Committee received an update on progress against the executive action plan following the Task & Finish Review report into the Council procurement policy and local business and local employment.

The Head of Commercial Services presented the report and took the Committee through the Executive Action Plan indicating the latest position against each of the Task & Finish recommendations.

Noting that the recommendations from the Task & Finish Group had been accepted by the Executive the Committee noted with disappointment that little or no progress had been made against several of the actions.

The Chief Officer Finance and Commercial reported that a number of actions in the executive action plan were on hold pending the recruitment of additional Commercial Services resources which was proving difficult to attract applicants to. Without sufficient resources the actions could not be delivered.

The Head of Commercial Services commented that in his view the Proactis System (supplier portal; electronic tendering; contract management) may not be performing entirely as anticipated and that other potential solutions were being reviewed. The Chief Officer Finance and Commercial reported that in response to a number of concerns from potential suppliers that had used the system it was being reviewed or modified to ensure that Proactis performed to specification. The approach being taken was to ensure the system performed as required.

The Committee questioned when the failings in the Proactis system had come to light, whether this had been a failing in the procurement process and whether the Task & Finish Group had been made aware the issues. It was suggested that the Task & Finish Group be reformed to undertake a short review of these concerns.

The Committee noted that Proactis was being applied to tenders with a value above £10,000. The Committee questioned what proportion of the business came below this threshold.

**RESOLVED: that**

- 1. the report and progress against the Executive Action Plan be noted and;**
- 2. the Task & Finish Group be reformed to undertake a further short review of the concerns now arising.**

**18. UPDATE TO THE OVERVIEW & SCRUTINY TASK & FINISH GROUP REPORT ON TOURIST AND TEMPORARY EVENT SIGNAGE**

The Committee received an update on progress against the executive action plan following the Task & Finish Review report into tourist and temporary event signage and considered a number of draft documents supporting the revised policy.

The Parks, Countryside and Leisure Development Manager presented the report and took the Committee through the Executive Action Plan indicating the latest position against each of the Task & Finish recommendations and highlighted that arising from the review a draft Tourism and Temporary Event Signage Policy, together with three supporting guidance notes had been produced and were appended to the agenda report.

Councillor EMK Chave, a member of the Task & Finish Group, provided the Committee with a draft guidance note for advertisements and business signs.

The Committee noted the intention that local communities would be more involved in the decision making in respect of new permanent signage. However, concern was expressed regarding who would remove the signs as few parish councils are involved in the Parish Lengthsman Scheme.

The Committee requested sight of the final policy and it's supporting guidance notes.

**RESOLVED: that**

- 1. the report and progress against the action plan, including the draft policy and supporting guidance, be noted; and**

2. the final policy and it's supporting guidance notes be reported back to Committee in due course.

## 19. COMMITTEE WORK PROGRAMME

The Committee considered its work programme.

The Chairman reported that he and the Vice-Chairman were talking to Locality Lead Officers to establish whether there were any common trends of concern requiring investigation or areas of good practice to disseminate.

The Vice-Chairman would be taking the scrutiny lead on monitoring progress with the Local Development Framework.

It was suggested that a Task & Finish Group be formed to investigate whether the council's policy towards financially supporting the arts, namely The Courtyard and other arts/theatre establishments in the County, was still appropriate.

It was also suggested that the Committee or task and finish groups could look at a) the Council's Communications policy and b) whether measures were in place to monitor public service vision as appended to the report to 23 November Council entitled Council Corporate Plan 2013/15.

The Committee requested that an informal workshop be arranged to discuss issues for the work programme. The workshop should take into particular account the intentions of Cabinet via its Executive Rolling Programme; the Corporate Plan and evidence of public opinion/concern from the Quality of Life Survey.

The meeting ended at 1.15 pm

**CHAIRMAN**