



Lewes District Council

Scrutiny Committee

Minutes of a meeting of the **Scrutiny Committee** held in the **Telscombe Room, Southover House, Southover Road, Lewes** on **Thursday 15 January 2015** at **10.00am**

Present:

Councillors S J Osborne (Chair), S J Gauntlett, J M Harrison-Hicks, C R O’Keeffe and J Stockdale

Officers Present:

R Allan, Performance Officer (Scrutiny)
J Harper, Head of Business Strategy and Performance
S Jump, Head of Finance
J Magness, Director of Finance

Minutes

39 Minutes

The Minutes of the meeting held on 13 November 2014 were approved as a correct record and signed by the Chair.

40 Apologies

Apologies for absence had been received from Councillors J V Harris, E E J Russell and I J White.

41 Disclosure of Interest

Councillors S J Gauntlett, J M Harrison-Hicks, C R O’Keeffe and J Stockdale declared their personal, non-prejudicial interest in Agenda Item 7 (2015/2016 Revenue Budgets and Capital Programme).

42 Urgent Item

The Chair advised that she had agreed, in accordance with Section 100B (4) (b) of the Local Government Act 1972, that the Forward Plan be considered as a matter of urgency in order that the Committee could take its decisions on the most up to date information.

43 Forward Plan

The Chair advised that at its previous meeting, members of the Committee had agreed that the Forward Plan of the Council should be considered at each meeting to enable the Committee to get involved with Cabinet decisions at an early stage in the process.

The Committee considered the Forward Plan, and requested clarification regarding the Property Report and the Environment Agency's proposal to end its management of water levels due to be considered at the meeting of the Cabinet on 12 February 2015. It further questioned the Strategy for Managing Industrial Estates due to be considered at the meeting of Cabinet on 19 March 2015.

In response to a Councillor's question, the Director of Finance advised that the Council may be able to share best practice with housing associations in regards to consultation with tenants about rent increases.

Resolved:

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| 43.1 | That the Head of Property and Facilities be requested to email all members of the Scrutiny Committee with further information on the Property Report, as detailed on the Forward Plan, in particular the levels of consultation; | HP |
| 43.2 | That the Environmental Health Manager be requested to email all members of the Scrutiny Committee with further information on the Environment Agency's proposal to end its management of water levels, as detailed on the Forward Plan, in particular the levels of consultation; | EHM |
| 43.3 | That the Head of Property and Facilities be requested to email all members of the Scrutiny Committee with further information on the Strategy for Managing Industrial Estates, as detailed on the Forward Plan, in particular the levels of consultation; and | HP |
| 43.4 | That the Head of Customer Service be requested to email all members of the Scrutiny Committee with suggestions on how the Council could advise housing associations to consult with tenants in regard to rent increases. | HCS (AC) |

44 Scrutiny Committee Work Programme 2014/15

The Chair suggested to Councillors that the Committee consider the recent LEAP Apprentice Scheme and its conclusions at its meeting on 5 March 2015.

Resolved:

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| 44.1 | That the Head of Regeneration and Investment be requested to attend the Scrutiny Committee on 5 March 2015 with a Report | HR&I |
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examining the LEAP Apprentice Scheme.

45 2015/2016 Revenue Budgets and Capital Programme

The Committee considered Report No 9/15 which explained the context in which the 2015/16 General Fund and Housing Revenue Account budgets and the Capital Programme had been prepared, so that the Committee could provide its comments to Cabinet as part of the budget setting process.

The Director of Finance introduced the Report to the Committee. He explained that this was a vital part of the budget setting process, and there had been significant changes in 2014/15 that this Report had recognised. He added that this Report was scheduled to be considered by Cabinet at its meeting on 12 February 2015, and may have a few small changes from the Report that had been presented at the Scrutiny Committee this morning, due to external factors.

The Head of Finance took the Committee through the Report. He advised that on 18 December 2014, the Government had released its Provisional Local Government Finance Settlement for 2015/16. The Settlement confirmed that local government could continue to see a reduction in their revenue spending power. He added that the Government believed all authorities should be freezing their council tax, and had provided additional funding equivalent to a 1% council tax increase to help councils achieve this freeze, and for authorities wishing to increase their council tax by 2% or more, a local referendum would be required. Town and Parish Councils continued to be exempt from the referendum requirement, although the Local Government Minister had welcomed views on whether the highest spending Town and Parish Councils should be subject to the same referendum principles as the rest of local government. The Director of Finance confirmed that the Council had responded to the Local Government Minister with its views on this matter.

In response to a Councillor's question, the Head of Finance confirmed that the Independent Remuneration Panel had concluded their review, and the Report would be presented to a future meeting of Full Council.

The Head of Finance drew the Committee's attention to Appendix B of the Report, which detailed the General Fund Service Summary. He explained the figures in the three columns and where potential changes had occurred,

In response to a Councillor's question, the Director of Finance advised that some modeling had taken place in preparation for the potential of deflation in future years, and more would take place. He added that some work had also taken place in regard to New Homes Bonus Money and whether this initiative had met its aims.

The Head of Finance explained that in November 2013, Cabinet had approved a schedule of payments to Town and Parish Councils for 2014/15, along with indicative grant amounts for 2015/16, assuming annual reductions of 15% in line with expected reduction in revenue Support Grant. He added that with Revenue Support Grant being expected to be withdrawn in 2019/20, maintaining grant payment to the Town and Parish Councils at a reducing rate of 15% annually would require an increase in the Council's savings target. A discussion followed, and Councillors questioned whether modelling for 2019/20 could be undertaken, which aimed for a 0% grant payment.

The Head of Finance explained that, due to the reduction in costs of the Ground Maintenance Contract, some of those savings would be passed to residents who would be affected by an increase in their council tax due to the introduction of special expenses. He added that Southover Grange in Lewes had a separate reserve budget as that had been received by a specific grant that had to be spent for that purpose. In response to a Councillor's question, the Director of Finance confirmed that Section 106 monies could not be used as part of council reserves.

In response to a Councillor's question, the Director of Finance took the Committee through the Council's plan for meeting the budgetary needs of the Council in light of upcoming staffing change, which included detailed handover information and risk management.

The Head of Finance took the Committee through the Capital Programme Outlook, as detailed in the table on page 10 of the Report. He explained that funding for the General Fund capital services continued to be tight, and that this could impact on how the Council allocated its reserves and the Working Balance.

The Committee considered the Housing Revenue Account Draft Budget 2015/16, as detailed on page 12 of the Report. The Head of Finance explained that this was in good financial health, and that appropriate consultation had taken place with tenants in regard to proposed rent increases.

(Note: Councillors S J Gauntlett, J M Harrison-Hicks, C R O'Keeffe and J Stockdale declared their personal, non-prejudicial interest in this item as they were members of Seaford, Peacehaven and Lewes Town Council respectively, therefore, were able to take part in the consideration, discussion and voting thereon)

Resolved:

- 45.1** That the Performance Officer (Scrutiny) be requested to email all members of the Scrutiny Committee with details of when the Independent Remuneration Panel's Report was being presented at Full Council;

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| 45.2 | That the Director of Finance be requested to append Lewes District Council's response to the Government regarding Town and Parish Councils and council tax referendum principles; | DF |
| 45.3 | That the Scrutiny Committee welcomed the work undertaken to consult with housing tenants in the recent housing rent increase; and | PO |
| 45.4 | That a vote of thanks be accorded to officers within the Finance Department for their excellent work regarding the savings target. | PO |

and it was further

Recommended:

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| 45.5 | That the proposal to freeze Council Tax in 2015/16 be supported; | PO |
| 45.6 | That the need to deliver the savings target as detailed in Report No 9/15 be supported; | PO |
| 45.7 | That Cabinet be requested to agree the level of the Council's Reserves and Balances, as detailed in Report No 9/15; | PO |
| 45.8 | That Cabinet be requested to agree the Capital Programme Outlook; | PO |
| 45.9 | That Cabinet be requested to agree the 2-15/16 Housing Revenue Account draft budget and proposed rent increase; | PO |
| 45.10 | That Cabinet be requested to consider future modelling of Revenue Support Grant for 2019/2020, aiming for a 0% grant payment; and | PO |
| 45.11 | That Cabinet be requested to ensure that sufficient budgets were in place to meet staffing changes in the Finance Department at the Council. | PO |

46 Date of Next Meeting

Resolved:

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| 46.1 | That the next scheduled meeting of the Scrutiny Committee to be held on Thursday 5 March 2015 at 10.00am in the Telscombe Room, Southover House, Southover Road, Lewes be noted. | All to note |
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The meeting ended at 11.58am

S J Osborne
Chair