

COUNCIL MEETING – 11 APRIL 2017

REPORT OF THE RESOURCES COMMITTEE

15 March 2017

Present: Councillors Griffiths (Chairman), Partridge-Underwood (Vice-Chairman), Carr, Emerson, Francis, Graves, Gough, Hallam, Henley, G Lawman, Morrall, Scarborough, Simmons and Ward.

Also present: Mrs L Elliott, (Interim Managing Director), Mrs B Gamble, (Interim Director, Miss J Thomas, (Interim Director), Mr S Aley, (Solicitor, District Law), Mrs S Knowles, (Principal Finance Manager) and Mrs C A Mundy, (Democratic Services Officer).

(Councillor Maguire attended as an observer.)

1. APOLOGIES

RESOLVED to note that an apology was received from Councillor L Lawman.

2. DECLARATIONS OF INTEREST

RESOLVED to note that in accordance with the Localism Act 2011, the council's code of conduct and the council's constitution, the following declaration was made:

Councillor	Min no.	Report title	Reason
Scarborough	8	Prudential Indicators and Treasury Management Strategy 2017-18	DPI – wide is financial services consultant to various building societies.

3. CONFIRMATION OF THE MINUTES OF THE RESOURCES COMMITTEE MEETING HELD ON 1 FEBRUARY 2017

RESOLVED that the minutes of the Resources Committee held on 1 February 2017, be confirmed and signed.

4. FINANCIAL MONIOTRING AND POSITION STATEMENT FOR 2016-17

The annexed circulated report of the Section 151 Officer was received in relation to the monitoring position for revenue expenditure.

The revenue monitoring position to 31 January 2017 was appended to the report and was the third in-year report for 2016-17.

As reported to committee in December the monitoring position indicated that an additional £45k of reserves would be required to fund the 2016-17 budget, bringing the total use of general reserves to £664k. This had been updated and the forecasted increase was now £158k, giving a revised figure of £822k representing an overall increase of £203k.

The report detailed the budgeted use of general reserves and budget savings and the budget pressures. The most significant change in the forecast outturn related to the Castle Theatre with a £200k overspend which was detailed in the report.

Members asked if income from assets, such as fees and charges, could be included in the funding streams chart in future. Officers confirmed that they would look at adding this in the future.

Clarity was sought on whether the crematorium was detailed within the report. The Section 151 Officer confirmed that whilst figures were included in the medium term financial plan they did not form part of this report.

RESOLVED that the position on the revenue monitoring and the reasons for the variances reported be noted.

5. CAPITAL PROGRAMME MONITORING

The annexed circulated report of the Section 151 Officer was received in relation to the capital programme monitoring information to 31 January 2017.

This report was the third in year report for 2016-17 and detailed the current position for approved schemes with comments being provided by the responsible officer. Some re-profiling had taken place and further re-profiling would be required towards the financial year end.

The report detailed the schemes, the current position along with external factors delaying completion thereof.

Appended to the report was the capital outturn report to 31 January 2017, the current capital reserves, a request for urgent action in relation to the enhancement of the Embankment Splash Park and a request for urgent action to carry out works to the newly built waste transfer station.

Members expressed their concern that it was nearly the end of the financial year and that a number of schemes looked unlikely to be completed and that approximately £1m of capital monies would not be spent. Members, whilst understanding that staffing constraints and external factors could delay projects, asked for a review of the projects list.

The Principal Finance Manager explained the re-profiling that had been done and the necessity of some items remaining on the list such as compulsory purchase orders.

The chairman confirmed that a review of the projects list would be undertaken and this would be rationalised for the next report to committee in June.

Members requested an update on the ICT Strategy and the Section 151 Officer confirmed that she would provide a members briefing note

RESOLVED to:

- (i) note the projected outturn and anticipated variances as at 31 January 2017;
- (ii) note the external funding as detailed in appendix two to the report;
- (iii) approve the scheme re-profiling in the capital programme, as detailed in the report;
- (iv) note the urgent action requests, approved under delegated powers.

6. CAPITAL STRATEGY FOR THE MEDIUM TERM

The annexed circulated report of the Section 151 Officer was received in relation to the capital strategy for the medium term, together with a list of all agreed capital schemes for the coming years.

Appended to the report was the revised Capital Strategy for the medium term (March 2017), the Capital programme 2017-18 onwards, as agreed in February 2017 and the Community Capital Schemes prioritisation.

A full review of the process and governance of the capital programme had been undertaken and improvements put in place, including consultation with members on the draft programme, at a capital workshop. Further improvements on reporting and monitoring with a narrative being provided for schemes to explain the current position would also be made.

A further addition to the capital programme was the inclusion of community capital schemes.

Members welcomed the community scheme and asked if officers would be able to assist community groups with the process.

The Section 151 Officer clarified that there would be some officer involvement and help given.

R1 RECOMMEND that:

- (i) the capital strategy, as appended to the report, be approved;
- (ii) the method of prioritising the Community Capital Schemes, as detailed in appendix three, to the report be approved.

7. RESERVES POLICY

The annexed circulated report of the Section 151 Officer was received in relation to the current position on both revenue reserves and capital reserves

and also to review the reserves policy used for the governance of these balances.

Appended to the report was the current level of revenue reserves as at 31 March 2016 and predicted year end reserves for 31 March 2017 along with the Financial Reserves and Balances Policy.

The report detailed the setting of general reserves with regard to the formation of the Medium Term Financial Strategy (MTFS) and the annual budget, taking into account the strategic, operational and financial risks facing the authority, requiring the council to build and maintain general reserves sufficient to cover the key financial risks that it faces. The report detailed the implications of holding these reserves and the prudent financial management required to review all reserves periodically.

R2 RECOMMENDED that:

- (i) the current reserves position be noted;
- (ii) the Reserves Policy, as appended to the report, be approved.

8. PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY 2017-18

(Councillor Scarborough left the room during the discussion on this item.)

The annexed circulated report of the Section 151 Officer was received in relation to the council's treasury management process.

Appended to the report was the Treasury Management Strategy statement including the Minimum Revenue Provision Policy Statement and Annual Investment Strategy.

The report detailed the revised CIPFA Treasury Management Code of Practice 2011, the CIPFA Prudential Code, the balanced budget requirement, the Treasury Management Strategy for 2017-18, the Treasury Limits for 2017-18 to 2019-20, the Prudential and Treasury Indicators for 2017-18 to 2019-20, the current treasury position, the borrowing requirement, prospect for Interest Rates, Borrowing Strategy, Policy on Borrowing in advance, Annual Investment Strategy, Creditworthiness policy, the policy on use of external service providers and the scheme of delegation.

R3 RECOMMENDED that approval be given to:

- (i) the Treasury Management Statement;
- (ii) the Prudential and Treasury Indicators;
- (iii) the Annual Investment Strategy.

9. THE EFFICIENCY PLAN AND KEY PROJECTS UPDATE

The annexed circulated report of the Interim Directors was received in relation to the continued use of the efficiency strategy in 2017/18 and to update members on the key projects currently underway, and those proposed for the coming months.

In March 2016 Resources Committee had approved an efficiency strategy which had enabled the council to take advantage of a four year funding agreement and the flexible use of capital receipts. It was proposed that this strategy be used again in 2017/18 and that other key projects would be reviewed to enhance the use of the council's assets and provide revenue efficiencies in the future.

Appended to the report was the Efficiency Strategy, as agreed in March 2016, and refreshed for 2017.

The report detailed the progress made on the following projects:

- IT strategic review
- Revenues and Benefits customer self-service changes and structural review;
- Restructuring of staff resources to ensure efficiency and enhanced customer experience;
- Asset maximisation and land deals for homes;
- Conversion of Croyland Hall and Abbey to residential units;
- Refurbishment of the Tithe Barn buildings;
- Development of land at the corner of Doddington Road;
- Town Centre development;
- Crematorium update;
- The Castle update.

Other key projects, such as the Waendel Centre, Redwell Leisure Centre and 3G pitch, options for the use of flexible receipts and a four year settlement were also detailed within the report.

Members were pleased to see that concepts for the use of the Tithe Barn as a leisure facility were being looked into with costings being sought.

The Interim Managing Director made reference to Redwell Leisure Centre and the Waendel Centre and the contract with Places for People who were keen to make significant improvements particularly to Redwell in the future.

Verbal updates were also given in relation to Lea Way shops, Milner Road and Nest Farm Road.

RESOLVED that:

- (i) approval be given to continue to implement the Efficiency Plan for 2016/17 in 2017/18;

- (ii) the progress to date on efficiencies achieved and major projects be noted.

R4 RECOMMENDED that approval be given to the new key projects as outlined in the report along with agreement, in principle, to their funding from capital resources.

10. IMPROVING AND MONITORING PLANNING PERFORMANCE

The annexed circulated report of the Interim Director was received in relation to the changes to the way the government monitor performance in determining planning applications and to suggest how performance can be improved, and to align the council's performance indicators with the revised targets.

The report detailed the proposed changes to footnote 1 of the scheme of delegation to the Interim Director (Head of Planning and Local Development), which specifies the conditions or qualifications to which delegation 6.25 of the constitution is subject. Performance indicators also needed to be changed in line with the revised government targets which were now more challenging.

Appended to the report was the revised footnote to 6.25 of the constitution along with the revised performance indicators.

Members asked for details of current performance levels and the Interim Director updated the committee with the percentage figures. She reminded members that planning officers had spent considerable time dealing with a number of appeals and that there had been pressure due to the lack of a five year housing supply which the council now had. Work was ongoing to find suitable employees to fill vacant roles within the planning department and two agency planning officers and an enforcement officer had recently joined the team. A restructure of the development management area would be taking place over the next few months with a view to attracting suitable planning officers.

Members agreed that it was essential that there was adequate resourcing of the planning team to ensure that planning targets were met.

R5 RECOMMENDED that the revisions as detailed in appendices A and B be adopted.

11. THE HIND HOTEL

The annexed circulated report of the Interim Director was received in relation to the decision made by the development committee at its meeting on 13 March 2017 to take the appropriate enforcement action and serve notice on the property owners, and all interested parties, in relation to the repair work that was required on the Hind Hotel.

RESOLVED that capital reserves, not exceeding £100,000, be allocated toward the cost of an urgent works notice on the Hind Hotel.

Chairman

The meeting closed at 8.25pm

