

## **OVERVIEW AND SCRUTINY COMMITTEE**

Minutes of the proceedings at a meeting of the Overview and Scrutiny Committee held in the District Council Chamber, South Lakeland House, Kendal, on Friday, 12 July 2019, at 10.30 a.m.

Present

Councillors

Vicky Hughes (Chairman)  
Helen Chaffey (Vice-Chairman)

Pat Bell  
Brian Cooper  
Eamonn Hennessy

Hazel Hodgson  
Anne Hutton  
Janette Jenkinson

Susanne Long  
Doug Rathbone

Apologies for absence were received from Councillors Ian Mitchell and Mark Wilson.

Officers

Linda Fisher	Legal, Governance and Democracy Interim Lead Specialist
Adam Moffatt	Case Management Officer
Claire Read	Finance Specialist
Helen Smith	Finance Lead Specialist (Section 151 Officer)
Josie Smith	Legal, Governance and Democracy Specialist
David Sykes	Director of Strategy, Innovation and Resources

Also in attendance were Councillors Archibald (Leader and Promoting South Lakeland Portfolio Holder), Robin Ashcroft (Economy, Culture and Leisure Portfolio Holder) and Andrew Jarvis (Finance and Resources Portfolio Holder).

### **O&S/1 MINUTES**

RESOLVED – That the Chairman be authorised to sign, as a correct record, the minutes of the meeting of the Committee held on 26 April 2019.

### **O&S/2 DECLARATIONS OF INTEREST**

RESOLVED – That it be noted that no declarations of interest were raised.

### **O&S/3 DECLARATION OF THE PARTY WHIP**

RESOLVED – That it be noted that no declarations of the party whip were raised.

### **O&S/4 LOCAL GOVERNMENT ACT 1972 - EXCLUDED ITEMS**

RESOLVED – That it be noted that there are no excluded items on the Agenda.

### **O&S/5 TERMS OF REFERENCE**

RESOLVED – That the Terms of Reference of the Overview and Scrutiny Committee be noted.

**O&S/6 PUBLIC PARTICIPATION**

RESOLVED – That it be noted that no questions, representations, deputations or petitions have been received in respect of this meeting.

**O&S/7 WORK PROGRAMME AND FORWARD PLAN**

The Legal, Governance and Democracy Interim Lead Specialist introduced the Overview and Scrutiny Committee's Work Programme for 2019/20.

After a question was raised and answered on the Economic Growth Strategy, the Director of Strategy, Innovation and Resources informed the Committee that work was underway on the Locality Working task and finish group and that further meetings and external partnerships would be utilised to finalise the group's report, which was to be presented to the Overview and Scrutiny Committee in January 2020.

The Legal, Governance and Democracy Interim Lead Specialist further drew attention to the Forward Plan published on 18 June 2019.

RESOLVED – That the following be noted:-

- (1) the Overview and Scrutiny Committee's Work Programme for 2019/20; and
- (2) the Forward Plan published on 18 June 2019.

**O&S/8 NORTHERN RAIL SERVICES**

The former Vice-Chairman of the Committee, Councillor Doug Rathbone, provided a verbal update with regard to Northern Rail services.

Councillor Rathbone informed the Committee that Northern Rail had undertaken to invest £1m into marketing across the summer and autumn months, including discounted rates for both child and adult fares. He then highlighted a £5m investment into replacing trains on both the Lakes and Furness line to Manchester Airport, which was a direct result of the Committee's work. Councillor Rathbone concluded by reminding Members that it would take more than discounted rates and new trains to rebuild customer confidence in Northern Rail and that it was necessary for the Overview and Scrutiny Committee to continue its efforts in order to ensure that Northern Rail remained committed to improving the service across the district.

In responding to questions from the Committee, Councillor Rathbone highlighted that the Director of Northern Rail had reaffirmed his commitment to be accountable for any further issues. Furthermore, he agreed to enquire about the potential for an increased capacity for bicycles on the Lakes Line.

RESOLVED – That

- (1) the verbal update on Northern Rail services be received; and
- (2) agreement be given for Councillor Doug Rathbone to continue his efforts in liaising with Northern Rail to ensure continued improvement in the service provided by Northern Rail.

**O&S/9 REVENUE AND CAPITAL OUTTURN 2018/19**

The Finance and Resources Portfolio Holder presented the Revenue and Capital Outturn 2018/19 report which set out the Council's financial performance for 2018/19 and the impact on reserves. In concluding his report, the Portfolio Holder expressed his view that despite the complicated situation surrounding the budgets, the hard work of the Finance Team in highlighting the upcoming challenges would allow the Management Team to take corrective action.

In answering questions raised by the Committee, the Finance and Resources Portfolio Holder informed the Committee that the downturn in income from Planning Enforcement was mainly attributed to a decrease in the number and nature of planning applications and not to ongoing staffing issues. Furthermore, with regards to Ulverston Town Hall, he highlighted that the act of transfer had been late in the last financial year and, combined with a late change in the related grant conditions, had meant that the spending would be carried over into the current financial year. In addition, the Portfolio Holder answered a question on Ulverston Leisure Centre and highlighted to Members that Cabinet Members had been encouraged to look for external sources of funding for the leisure centre. The Chairman took the opportunity to request that an update on the Building Control deficit be brought to the next Overview and Scrutiny Committee Meeting.

The Director of Strategy, Innovation and Resources confirmed Councillor Jarvis' response to a question on Ulverston Town Hall and added that all agreements are in place between South Lakeland District Council and South Lakes Housing.

Continuing his responses to Members' questions, the Finance and Resources Portfolio Holder informed the Committee that the overspend in kerbside recycling was mainly attributed to incorrect assumptions being made on staffing, alongside lower income from the sale of recycling materials than expected and not due to an underlying inefficiency.

The Finance Lead Specialist (Section 151 Officer) responded to a question on the Development Control deficit and highlighted that this had been down to fewer planning applications and fewer enforcement cases in the last financial year.

In responding to a question on the Department for Works and Pensions (DWP) write off the Finance and Resources Portfolio Holder informed Members that this had been down to the implementation of new software, which had highlighted debts that had become unrecoverable due to a rule change made by the DWP. The Finance Lead Specialist (Section 151 Officer) added to the Portfolio Holder's response by informing the Committee that during the lifetime of a housing benefit claim, issues could come to light and, as a result of the change in circumstances, it was now inappropriate to reclaim the money from the resident as it had been an error on the DWP's part. She advised the Committee that work was in progress to understand the issue in order to assure that it would not happen again. She undertook to include an update on the explanation of the DWP issue in the Quarter One Financial Monitoring Report which would be presented at the next Overview and Scrutiny Committee meeting.

**RESOLVED – That**

- (1) the outturn figures be noted; and
- (2) the comments made by the Overview and Scrutiny Committee be taken forward as appropriate for consideration by Cabinet.

**O&S/10 2018 - 2019 ANNUAL TREASURY MANAGEMENT REPORT**

The Treasury Management Annual Report 2018/19 was presented by the Finance and Resources Portfolio Holder. He informed the Committee that the level of external debt had not changed during 2018/19 and that despite the strong cash position of the Council, the current premium level of 93% meant that it was not recommended to make a further repayment of debt. Furthermore, he highlighted the significant fluctuation in the Council's cash flow and attributed it partly to the timing of collection of both Council Tax and Non-Domestic Rates. The Portfolio Holder emphasised the need for a dynamic management of the investment portfolio which would ensure that the strong financial position of the Council benefits the residents of South Lakeland. He concluded his report by highlighting that SLDC's investments had out-performed benchmark rates and that the increase in interest rates earlier in the year meant that earnings from interest had been higher than expected.

RESOLVED – That Council be recommended to approve the 2018/19 Treasury Management Annual Report.

**O&S/11 MEDIUM TERM FINANCIAL PLAN 2020/21 TO 2024/25**

The draft Medium Term Financial Plan, incorporating the Financial Strategy and the Budget Strategy (referred to collectively as the MTFP) was presented by the Finance and Resources Portfolio Holder. The Plan would ensure that the Council has a sound basis for allocating resources and effective financial management over the medium term.

The Finance Portfolio Holder highlighted the numbers in the MTFP were the same as those approved by Council in February 2019. The reason behind this was the uncertainty over Council funding in the future. Due to the Government's intentions to have a three-year Comprehensive Spending Review following a Brexit agreement being reached, there was a great deal of uncertainty over the future of Local Government funding. The Portfolio Holder added that the Council continued to assume that the planned 'Fairer Funding' would be implemented and that, as part of this, the pooling arrangement for non-domestic rates would be expected to end along with New Homes Bonus at the end of the financial year. The Portfolio Holder informed the Committee that further assumptions were being made over a reduction in the retained business rates and government grants from nearly £4m this year to £1.3m by 2023/24. He pointed out that the report also asked Cabinet to give the Chief Executive and the Section 151 Officer, in consultation with the Finance and Resources Portfolio Holder, delegation to decide on membership of any Cumbria Business Rate Pool due to the small window of opportunity to apply to become part of a pool, which delegation would mitigate. In concluding his report the Portfolio Holder asserted that the Council remained in a strong position, despite the high level of uncertainty. Furthermore, he informed the Committee that the Customer Connect Programme would make a substantial contribution to reducing the deficit over the next five years.

In answering a question raised surrounding the impact Brexit would have on the Council's spending review, the Finance and Resources Portfolio Holder informed the Committee that, in the short term, there would be a huge impact on Local Government and, in the long term the economy would be made smaller. Furthermore, he added that the spending plans of the candidates for Prime Minister did not focus on Local Government, which may be an indicator for the future of Local Government funding.

Councillor Doug Rathbone wished to thank the Finance and Resources Portfolio Holder and Officers for the report. He added that there was much uncertainty and that other than

planning for a multitude of possible outcomes, there was not much that the Council could do to prepare for the uncertainty. Councillor Rathbone felt that flexing the Council's strong financial position, alongside strongly asserting our position on pooling and income management should enable to Council to maintain its financial stability.

The Finance and Resources Portfolio Holder reaffirmed Councillor Rathbone's statement by informing the Committee that flexibility on pooling would allow South Lakeland District Council to react well to any potential situation and secure funding for the residents.

RESOLVED – That

- (1) the Draft Medium Term Financial Plan be noted; and
- (2) the comments made by the Overview and Scrutiny Committee be taken forward as appropriate for consideration by Cabinet.

## **O&S/12 ANNUAL PROCUREMENT UPDATE 2018/19**

The Finance and Resources Portfolio Holder presented a report which provided an update on progress across the procurement function and against the Sustainable Procurement and Commissioning Strategy 2016-2019.

An updated Procurement Schedule for 2019/20 was attached at Appendix 2 to the report which included some additional procurement exercises not included in the version approved in February 2019.

The Finance and Resources Portfolio Holder wished to congratulate Officers for their hard work in what he believed was an important but less visible function within the Council.

RESOLVED – That the following be noted:-

- (1) the progress across the procurement function over the past 12 months; and
- (2) the updated Procurement Schedule at set out at Appendix 2 to the report.

## **O&S/13 CUMBRIA HEALTH SCRUTINY COMMITTEE UPDATE**

The Interim Lead Specialist, Legal, Governance and Democracy provided a brief update, on behalf of Councillor Mark Wilson, who sat on the Cumbria Health Scrutiny Committee as a County Councillor. The written report produced by Councillor Wilson had been circulated at the start of the meeting. The Cumbria Health Scrutiny Committee would continue to scrutinise matters relating to planning, provision and the operation of health services to ensure that decisions reflect local needs, as well as holding health service bodies to account publicly.

RESOLVED – That the update be noted.

The meeting ended at 11.54 a.m.