



Rutland County Council

Catmose Oakham Rutland LE15 6HP

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Minutes of a meeting of the **RESOURCES SCRUTINY PANEL** held in the Council Chamber, Catmose, Oakham, at 7.00 pm Thursday, 29 September 2011.

PRESENT: Mr B W Roper - Chairman (in the Chair)
Mr M E Baines
Mr W J Cross
Mr G Plews
Mr D C Hollis
Mr J M Lammie
Mr J R Munton
Mr D L Richardson
Miss G Waller
Mr A S Walters

In attendance: Mr T C King Portfolio Holder for Finance and Asset Management
Mr M Pocock Portfolio Holder for Resources
Mr R J Gale

Officers present: Mrs H V Briggs Chief Executive
Mrs S Dring Head of Business Support - Resources
Mrs D Mogg Strategic Director for Resources
Miss L Tyers Democratic Services

Apologies: Mr N M Wainwright

369. RECORD OF MEETING

The records of the Corporate Services Scrutiny Panel held on 28 July 2011 and the special meeting of the Corporate Services Scrutiny Panel held on 11 August 2011 had been previously circulated.

Members raised a number of concerns with the records including:

- the time it had taken for them to be circulated
- they were abbreviated as they did not show the questions that had been asked to elicit the responses given
- the public needed to be able to see the debate and therefore comprehensive minutes were needed.

In response Mrs Mogg accepted that it had taken too long to circulate the records and officers were working to resolve those issues. The records were not designed to be a complete record of the meeting and should show the key points made, the records were in the style agreed by Council.

The Chairman undertook to raise this issue at the Scrutiny Commission.

AGREED, by a majority (six votes for and one abstention)

To confirm the Records of the meetings held on 28 July and 11 August 2011, subject to the comments made being considered.

370. DECLARATIONS OF INTEREST

No declarations of interest were made in respect of the items on the agenda for this meeting.

371. PETITIONS, DEPUTATIONS AND QUESTIONS

No petitions, deputations or questions had been received from members of the public.

372. QUESTIONS WITH NOTICE FROM MEMBERS

No questions had been received from members.

373. NOTICES OF MOTION FROM MEMBERS

No Notices of Motion had been received from members.

374. CONSIDERATION OF ANY MATTER REFERRED TO THE PANEL FOR A DECISION IN RELATION TO A CALL IN OF A DECISION

No matter was referred to the Panel for a decision in relation to call in of a decision in accordance with Procedure Rule 206.

SCRUTINY

375. Q1 PERFORMANCE MANAGEMENT 2011/12

Report No. 121/2011 from the Chief Executive was received. Mrs Mogg explained that this was a new format for the report and it would be brought to the Committee each quarter. There were no performance indicators which were specific to Resources.

The following points were noted during the discussion:

- i) The days lost to sickness had improved significantly and congratulations should be given to staff for the improvement. However, was long term sickness affecting the performance? Mrs Mogg advised that there were currently seven long term absences but the trend was significantly down.
- ii) There was concern that the Scrutiny Panels were still seeing the performance data quite late, for example the Children's Panel would not see the quarter two performance until January when the Cabinet would have seen it in November. The Chairman undertook to raise this at the Scrutiny Commission.
- iii) Discussions would be held with officers to look at developing a set of local indicators which reflected the locality better.
- iv) It would be helpful to indicate the relevant Scrutiny Panel on the report as not all of the indicators were relevant to this Panel. Mrs Briggs advised that officers were already mapping the indicators which would explain how they fitted together. They would also be able to flag up which indicators were relevant to which Panel.

AGREED

To note Report 121/2011.

Councillor Baines arrived and apologised for his late arrival.

376. Q1 FINANCIAL MANAGEMENT REPORT 2010/11

Report No. 127/2011 from the Strategic Director for Resources was received. The report showed how the Council was performing against its revenue and capital budgets and reported a forecast year end outturn position as at 30 June 2011. A £181,000 underspend was forecast for the end of the year. Work on realigning the budget to the One Council structure had now been completed and the revised Net Cost of Services had changed from £29.306m to £29.623m. A revised version of the virements made was tabled.

The following points were noted during the discussion:

- i) The Collection Fund surplus had been transferred to the Invest to Save reserve but should the collection surplus be reduced as it should be off set against Council Tax collected due to additional houses which had come on line. Mrs Mogg explained that the estimate for the current year had been made in January/February and was based on the Council Tax Base, estimates of collection rates and discounts etc. The collection rate was extremely high at 98-99%.
- ii) Extended Schools provision had ceased as a result of the grant being withdrawn and this would be a saving of £151,600 annually. Mr Richardson asked whether this would actually be a saving as it was only the ending of a funding stream. Mrs Mogg advised that the savings were from the funding which was on top of the grant.
- iii) The New Homes Bonus was vital to the Medium Term Financial Plan but there was a lot of uncertainty around it. Mr King explained that the bonus was cumulative over a number of years and the Plan indicated what would happen if only 50% of the bonus came through. At the budget setting for the next year we would have a clearer view.
- iv) The Government was currently consulting on a proposal to allow local authorities to retain business rates from 2013/14. Mr King advised that government funding would find the proposal difficult and it actually looked like being funding frozen and labelled as NNDR. The opportunity for the Council was to see the local economy grow.
- v) What was the possible additional expenditure at RAF Cottesmore? Mr King advised that it was an unknown position as to whether there would be any other pressures. We may need to support the school whilst the army moved in.
- vi) Clarification was sought on what the contractual inflation dispute was and it was agreed to discuss this when in exempt session.
- vii) It was essential to know what the borrowing issues were before projects were started. Mr King advised that the projects were not yet at that stage and options appraisals would take place at the appropriate time.
- viii) Were there any details on how much had been spent on the Catmose swimming pool since the refurbishment? Mrs Mogg advised that she did not have the information on how much had been spent tonight but would be happy to circulate it outside of the meeting. Mr King confirmed that we had no operational costs but had to invest some capital.
- ix) Was there any likelihood of having a shared Chief Finance Officer in the future? Mrs Briggs advised that it could not be ruled out and there were a number of posts which could be looked at as shared posts.

- x) Why was the IT budget increasing when IT hardware prices were reducing? Mrs Mogg advised that this was due to software and not hardware costs. There were a number of issues around when the costs were paid.

AGREED

To note Report 127/2011.

377. TREASURY MANAGEMENT ANNUAL REPORT 2010/11

Report No. 135/2011 from the Strategic Director for Resources was received. The report provided the annual report on the Council's Treasury Management and Actual Prudential Indicators for 2010/11. The Council undertook capital expenditure on long term assets which may either be financed through the application of capital of revenue resources or through borrowing if insufficient financing was available.

The following points were noted during the discussion:

- i) The Council's Capital Financing Requirement had been less than had been estimated.
- ii) The Council's total long term debt had not changed as we had not been in a position to pay any back.
- iii) The net borrowing position as at 31 March 2011 was £3.228m. The authorised limit, the amount we could borrow up to was £32.100m. The operational boundary, the expected borrowing position of the Council was £26.000m.
- iv) Was there a plan to pay back some of the debt? Mr King advised that it was discussed but the Public Works Loan Board rate had increased by 1% which made it more difficult to pay back. It was not yet in our benefit to pay it back.
- v) When the Council became a unitary authority we were not debt free. Investment in schools was needed and the government gave authority for us to borrow. It was a choice of no investment or borrowing. It was a Cabinet decision not to increase the level of borrowing.
- vi) Following the collapse of the Icelandic banks had the criteria changed about where money was placed and were UK banks being used? The collapse of the Icelandic banks had not been an issue with the criteria; however we were taking a more cautious approach. Mr King advised that it cost to be safe as the rate we received were less. Some of the banks deemed as acceptable were not based in this country and a list of investments could be supplied to the Panel.
- vii) How was the authorised limit calculated? It was based on the maximum we could afford to borrow. There was flexibility in the limits and they were reviewed and approved by Council each year.

AGREED

To note Report 135/2011.

PROGRAMME OF MEETINGS AND TOPICS

378. SCRUTINY PROGRAMME 2011/12 & REVIEW OF FORWARD PLAN

The Forward Plan of Key decisions was noted.

The following items were relevant to this Scrutiny Panel:

- 2011/12 Treasury Management Mid-Year Report
- Q2 Financial Management Report 2011/12
- Council Tax Base

379. ANY OTHER URGENT BUSINESS

No other business had been previously noted to the person presiding.

380. EXCLUSION OF PUBLIC AND PRESS

AGREED

- (i) that the public and press be excluded from the meeting in accordance with the Access to Information provisions of Procedure Rule 239.
- (ii) that Mr Gale be allowed to remain during consideration of the following exempt items in accordance with the Access to Information provisions of Procedure Rule 239.

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Following detailed discussion regarding the Contractual Inflation Dispute and the Restructure of the Council, the public and press were re-admitted to the meeting.

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382. DATE AND PREVIEW OF NEXT MEETING

Thursday 24 November 2011 at 7pm

The Chairman reminded the Panel that there would be a scrutiny training evening on Monday 24 October 2011.

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The Chairman closed the meeting at 9.08pm

Chairman