

MID DEVON DISTRICT COUNCIL

MINUTES of a **MEETING** of the **SCRUTINY COMMITTEE** held on 25 January 2016
at 2.00 pm

Present

Councillors

F J Rosamond (Chairman)
Mrs H Bainbridge, Mrs J B Binks,
Mrs C P Daw, Mrs G Doe, Mrs S Griggs,
T G Hughes, D J Knowles, Mrs J Roach and
T W Snow

Apologies

Councillor(s)

Mrs A R Berry, R M Deed and N A Way

Also Present

Officer(s):

Andrew Jarrett (Head of Finance), Nick Sanderson (Head
of Housing and Property Services) and Julia Stuckey
(Member Services Officer)

110 **APOLOGIES AND SUBSTITUTE MEMBERS**

Apologies were received from Cllr R M Deed, who was substituted by Cllr D K Knowles, Cllr Mrs R Berry and Cllr N A Way.

111 **PUBLIC QUESTION TIME**

There were no members of the public present.

112 **MEMBER FORUM**

There were no issues raised under this item.

113 **MINUTES OF THE PREVIOUS MEETING**

The minutes of the last meeting were approved as a correct record and **SIGNED** by the Chairman.

114 **DECISIONS OF THE CABINET**

The Committee **NOTED** that none of the decisions made by the Cabinet at its last meeting had been called in.

Discussion took place regarding Car Parking Charges which had been called in at the previous meeting by Cllr Mrs J Roach. The Councillor informed the Committee that she understood that the matter could not be called-in again but that she still did not consider that the economic effect of the increased charges on the local economy had been taken into consideration. She suggested that the Town Centre Manager

and Economic Development Officer should have been asked to investigate this further.

The Head of Finance explained that detailed work had been undertaken as part of the process, that the proposed charging was consistent across the main towns and that prices were competitive with other areas. He informed the Committee that they would be able to monitor the effects of the revised charges by reviewing financial updates that Members would receive, but that prices were not the only impact on vendors and that, for example, weather, fuel costs and road works could all affect income.

It was **RESOLVED** that the Committee receive a six monthly update regarding Car Parking Charges and that the report include input from the Town Centre Manager and Economic Development Manager regarding the impact on the towns, as well as financial information.

(Proposed by the Chairman)

115 **CHAIRMAN'S ANNOUNCEMENTS (00:22:05)**

The Chairman reminded the Committee that a Special Meeting had been put in place for 11 March 2016 at which Mr Mel Stride MP and Mr John Finn of the Clinical Commissioning Group would be in attendance. The Chairman requested that questions be submitted to the clerk in advance of the meeting.

116 **BUDGET 2016-17 (00:24:12)**

The Committee had before it a report * from the Head of Finance for it to consider options available in order for the Council to set a balanced budget for 2016/17 and agree a future strategy for further budget reductions for 2017/18 onwards.

The Officer explained that in December 2015 the Council received formal confirmation of its Formula Grant Settlement. The provisional formula grant award for 2016/17 amounted to £3.04m. This was unlikely to change significantly and was approximately £130k lower than what had first been estimated. This had increased the draft 2016/17 General Fund budget deficit but other savings proposals had helped to reduce it to circa £405k.

The Head of Finance explained that the formula grant announcement gave provisional figures for the three years up to 2019/20: As predicted the Revenue Support Grant, which currently stood at £1.7m, would completely disappear by 2019/20. The current and provisional future formula grant amounts were:

	15/16	16/17	17/18	18/19	19/20
	£m	£m	£m	£m	£m
Revenue Support Grant	1.7	1.02	0.5	0.18	0.00
Business Rates	2.0	2.02	2.06	2.13	2.19
Total Formula Grant	3.7	3.04	2.56	2.31	2.19

Using the provisional Business Rate Retention and Revenue Support Grant figures in the Medium Term Financial Plan showed that by 2019/20 the authority would need to find approximately £1.1m of savings, close to the amount previously forecast. At this

point there were no details on the proposed changes allowing Councils' to retain more of the business rate income.

Since the budget had first been discussed at the Policy Development Groups and at Cabinet meetings the Finance team and service managers had revisited budgets to strive to deliver more savings or increase income levels.

This process had improved the General Fund budget by circa £422k and now left a budget gap of £405k.

The Officer informed the Group that to date this authority had used the New Homes Bonus Grant to fund economic development projects, help fund the capital programme and to fund certain "one off" revenue projects. It was a possibility that some of these funds could be used to off-set the budget gap but that it should be noted that there was uncertainty regarding the future of the New Homes Bonus and that it could not be guaranteed for future years.

Discussion took place regarding:

- Reserves and how much it was appropriate to hold. The Head of Finance informed the Committee that he considered 25% of net expenditure to be an appropriate level.
- Priorities within the draft Corporate Plan;
- Town and Parish Councils being able to add to their precept and therefore their ability to make contributions to services;
- Public consultation and the priorities that the Citizens Panel had highlighted as important to them;
- Income generation from solar investments and Market Walk;
- Devolution and how the cost of this would be met;
- A Council Tax increase of 1.99% was included in the proposed budget;
- Policy Development Groups and whether there was a need for a further Group to cover the economy.
- The proposed Locality Budget which would allow each Member £500 to spend within their ward.

It was **RECOMMENDED** to the Cabinet that:

- a) If the New Homes Bonus was used to balance the budget for 2016/17, that this happen for one year only, and that continued income generation be sought to balance future budgets.

(Proposed by the Chairman)

- b) That the proposed £21K Locality Budget be invested in schemes to generate long term income for the authority and that the suggested £500 not be issued to individual Members.

(Proposed by Cllr Mrs J Roach and seconded by the Chairman)

- c) That this Council investigate whether there is a need to have the current number of Councillors or whether this number could be reduced.

(Proposed by Cllr T W Snow and seconded by Cllr Mrs J B Binks)

- d) That this Council investigate the Committee structure as a whole, with regard to adding an additional Policy Development Group, to ensure that Committees best served the Authority with regard to the Corporate Plan.

(Proposed by Cllr Mrs J Roach and seconded by Councillor T W Snow)

Note: - Report previously circulated and attached to Minutes.

117 **MEMBERSHIP OF THE JOINT EAST AND MID DEVON CRIME AND DISORDER SCRUTINY PANEL 2015-16**

As Councillor Mrs N Woollatt and Councillor B A Moore were no longer Members of Scrutiny Committee there was a need to agree replacements for membership of the joint East and Mid Devon Crime and Disorder Scrutiny Panel 2015-16. It was **AGREED** that Mrs J Roach would join Cllr T G Hughes and F J Rosamond with Councillor T W Snow as the substitute Member.

118 **ENVIRONMENT AGENCY**

At the request of Cllr N Woollatt the Committee had before it a report * from the Environment Agency regarding an incident of contamination of a Mid Devon river. A newspaper article referring to the incident was also attached to the report.

Discussion took place regarding the contents of the report. The author of the newspaper article had made reference to the Environment Agency claiming that there had been 'no evidence of fish kill'.

It was **RESOLVED** that a letter be sent to the Environment Agency asking how they concluded that there had been no fish kill.

Note: - Report * previously circulated and attached to Minutes.

119 **IDENTIFICATION OF ITEMS FOR FUTURE MEETING**

Website
Safeguarding
Planning Policy and Procedures Review

(The meeting ended at 3.55 pm)

CHAIRMAN