

Extraordinary Council – 11 February 2020

Minutes of the meeting of **Council** held on **11 February 2020** when there were present:-

Chairman: Cllr R R Dray
Vice-Chairman: Cllr T G Cutmore

Cllr Mrs D L Belton	Cllr J E Newport
Cllr C C Cannell	Cllr Mrs C A Pavelin
Cllr M R Carter	Cllr Mrs C E Roe
Cllr D S Efde	Cllr Mrs L Shaw
Cllr A H Eves	Cllr P J Shaw
Cllr Mrs J R Gooding	Cllr S P Smith
Cllr B T Hazlewood	Cllr D J Sperring
Cllr N J Hookway	Cllr C M Stanley
Cllr Mrs D Hoy	Cllr M J Steptoe
Cllr M Hoy	Cllr I H Ward
Cllr K H Hudson	Cllr M J Webb
Cllr G J Ioannou	Cllr Mrs C A Weston
Cllr M J Lucas-Gill	Cllr M G Wilkinson
Cllr Mrs C M Mason	Cllr A L Williams
Cllr Mrs J E McPherson	Cllr S A Wilson
Cllr D Merrick	Cllr S E Wootton

APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs J C Burton, Mrs L A Butcher, Mrs T L Carter, Mrs J R Lumley and R Milne.

OFFICERS PRESENT

S Scrutton	- Managing Director
A Hutchings	- Strategic Director
M Harwood-White	- Assistant Director, Assets & Commercial
M Hotten	- Assistant Director, Place & Environment
A Law	- Assistant Director, Legal & Democratic
N Lucas	- Assistant Director, Resources
L Moss	- Assistant Director, People & Communities
S Worthington	- Democratic Services Officer

Prior to commencement of the meeting Members of the Council stood in silence in memory of former Chairman of the Council G Fox who had recently passed away.

20 MINUTES

The Minutes of the meeting held on 17 December 2019 were approved as a correct record and signed by the Chairman.

21 MEDIUM TERM FINANCIAL STRATEGY 2020/21 – 2024/25

Council considered the report of the Assistant Director, Resources setting out

the proposed Medium Term Financial Strategy (MTFS) for the period 2020/21 to 2024/25, including the 2020/21 Budget and Council Tax level.

In moving the recommendations set out on pages 4.25 and 4.26 of the report, the Leader of the Council commended the hard work of officers in preparing the budget. He made reference to the proposed modest rise in Council Tax of £4.95 per annum, or 10p per week for a Band D property in order to bridge the residual 2020/21 budget gap. He drew attention to an error on page 4.25 of the report and clarified that recommendation 11 should include the sum of £50,000, rather than £50,00. He further advised that further details of the Leader's Initiatives Fund Reserve would be provided to Members in due course. He also emphasised that funding may also be required for the work arising from the working groups on carbon neutral 2030, CCTV and car parking and if so this would come back to Council for approval.

The Portfolio Holder for Finance in seconding the Motion, also thanked the Finance Team and the Assistant Directors for their hard work on the MTFS. He emphasised that this was a balanced budget which provided for the continued collection of bins, among the highest recycling levels in the country, housing support that's facilitated low levels of homelessness, grant allocations scheme helping those in need, ongoing play space refurbishment scheme across the District, no increase in car parking charges. It was proposed to hold 10% in reserves. There were other funds in earmarked reserves to cover longer term financial planning for larger projects, items subject to fluctuation, and the Council's transformation.

He further emphasised that the Council was fully aware of the financial challenges it faced. In 2015/16 the revenue support grant paid to the Council was £1.2 million; today that figure was zero. The projected funding figures on page 4.8 of the report provided a useful background for future planning. The budget sought to address feedback from residents during the budget community engagement and points raised during the recent Peer Report. Section 9 addressed capital funds and made reference to the work of the Council's various working groups.

The Assistant Director, Resources confirmed that the proposed budget would allow the Council to deliver against its business plan priorities. The Local Government Funding Settlement had been rolled forward for another year pending publication of the Comprehensive Spending Review and the outcome of business rates review and the fair funding consultations, which were expected later in the year. There remains an anticipated reduction in funding for the Council in future years, which, coupled with an increase in demand for services and inflationary pressures, gives rise to a projected gap in the medium term of around £1.2million by 2024/25. The overall pressures on the budget for the next financial year total just under £750,000 of which the Council has identified just over £250,000 of efficiency savings and income to offset that. After funding changes this has resulted in a gap of around £156,000 which it is proposed should be met by an increase in Council Tax of 2.15%. The proposed capital programme for the next financial year includes

provision for routine expenditure on the Council's core maintenance programme as well as a second year of investment in playgrounds, as agreed in last year's budget. The programme also reflects the indicative costs of the asset delivery programme set out in the outline business case agreed by Council in February 2019. These costs will be subject to review when the final business case is presented to Council in March 2020.

She further advised that the report also sets out the 2020/21 treasury management strategy referred by the Review Committee setting out the parameters and indicators under which the capital programme work will be undertaken and the Council's cash balances managed. The Council continues to maintain a general fund balance of around £1 million or 10% of its net revenue budget, which is held to provide a contingency for any unexpected or emergency costs that may arise. In addition, the new Leader's Initiatives Fund of £50,000 will give some flexibility to respond to any emerging issues during the year. The Council's total level of reserves remains at the lower level of comparable local authorities and is not considered to be excessive. This is particularly the case given the level of financial uncertainty the Council is expecting to face over the medium term. There is a proposed drawdown of £1.2million in relation to the pension reserve following the triennial re-valuation and this will be funded by monies specifically put aside for this purpose. It is proposed that the final year of New Homes Bonus funding of just under £500,000 be used to create a new reserve to pump prime the expected transformation projects arising from the Connect programme over the next few years.

In conclusion, the Assistant Director made reference to specific corrections to the report: recommendation 11 set out on page 4.25 of the report should refer to £50,000 as there was a missing zero within the recommendation; on page 4.66 of appendix 1 the budget for voluntary sector grants under the corporate policy and partnerships line had been erroneously shown as zero. This should be £25,000 as it was in 2019/20 and would be reinstated by a drawdown in reserves for 2020/21.

In response to a Member concern relating to the proposed capital expenditure of £1,382,238 on the Freight House works and a question as to whether this was in addition to monies already spent on consultants, what this was for and why it was nearly five times the expenditure of the next highest amount the Council proposed to set aside budget for, officers emphasised that the options for the asset delivery programme had gone through a due diligence and governance process at the Investment Board which did identify the preferred option via the outline business case. The monies built into the capital programme were the best estimates for year 1 of the capital spend required in line with the outline business case; however, these are subject to review when the final business case is agreed. This was separate to the revenue costs and consultancy work in terms of bringing the project to fruition.

The Portfolio Holder for Finance advised, in response to a Member question relating to the Leader's Initiatives Fund Reserve, that the funding for this

reserve for next year was provided from current year underspend so was not new funding but rather money that had been previously raised. It would not be funded through Council Tax for the coming year. During the course of the year various initiatives arise, budgets get close to being fully spent, and there are needs that are unforeseen. The Leader's Initiatives Fund Reserve provided funding for initiatives, emerging needs or budgets that have been spent during the course of the year. In response to a supplementary question as to why such monies were not put aside for work that would arise out of the various working groups, the Portfolio Holder stated that the report clearly made reference to the fact that future reports from the working groups would be looked at. He emphasised that it would not be appropriate to make financial provision at this stage when the working groups had yet to report to Council.

Responding to a further question as to whether there would be money available for future working group recommendations, e.g., for CCTV, the Portfolio Holder said that the report addressed this issue in paragraph 9.6 on page 4.17.

The Leader of the Green Group observed that the MTFs was sparse on detail beyond next year's budget; it should be possible to forecast five years in advance with details of how to bridge identified budget gaps. He further observed that the proposed budget of £9.792m for 2020/21 was an increase on the current year budget of £9.293m and commented that he could not see where the reported £50,000 underspend on this year's budget came from, given that the table on page 4.13 of the report showed total expenditure of £9.924m for 2019/20. He observed that the proposed Band D increase in Council Tax was the highest amount Council Tax could be increased while reserves were being increased but not for the benefit of services for Council Tax payers. In conclusion he stressed that it was not appropriate to ask Members to approve a Leader's reserve without details of how this would be spent.

The Leader of the Rochford District Residents Group emphasised that the level of residents' engagement for the budget consultation was very low and could not therefore be seen to be representative or meaningful. She therefore moved an amendment to the motion, seconded by Cllr Mrs D Hoy that a cross party working group be set up to explore ways of achieving higher, more meaningful public engagement in the budget process in future years.

Speaking against the amendment, a Member observed that some years back there had been roadshows relating to new government housing targets and the Council had also spent money on delivering leaflets on the same issue to all residential properties in the district; however, the feedback from residents was similarly low. The Leader also commented that there had already been a higher response rate from residents to the CCTV survey; they appeared therefore to be more engaged by CCTV than the Council's finances.

In support of the amendment, the Leader of the Green Group said that it

would be useful to have a working group look at ways of making the budget survey more interesting to residents, to explore the use of social media, etc to increase engagement in the survey.

Another Member observed that twice as many people turned up for a public engagement session on the Local Plan in Great Wakering than have responded to the budget survey. It would therefore be worthwhile for Members to explore different methods of public engagement via a working group.

Another Member made the point that there had been errors with the survey when it was first published, with answers not matching the corresponding question and a picture of Council's business plan rather than text, which meant that people weren't able to take part in the survey on devices. This could give residents the perception that the survey was a token one.

The amendment to the motion was lost on a show of hands.

The Leader advised that he would discuss the issue of improving public engagement in the budget process with officers and Portfolio Holders and would report back to Members on this issue.

The Leader of the Liberal Democrat Group stated that he had taken the opportunity of asking questions of officers relating to the balancing of the budget. He drew particular attention to items of expenditure at a time when the Council should be making savings including staff attendance bonus, officer time not factored in for the operation and maintenance of the Old House and Rayleigh Windmill. He also observed that funds should have been allocated in advance for the work of the CCTV and carbon neutral 2030 working groups and then returned in the future if not needed. The lack of provision makes it appear as though there is no intention to carry out any works suggested by these working groups. He further emphasised that the capital programme should seek to provide transparency around the Council's future spending plans. However, there was a lack of transparency in respect of the Council's asset strategy with meetings of the Investment Board regularly cancelled, leading to Members not having an oversight of how the asset strategy is developing. It is understood that there will not be an opportunity of oversight of the asset strategy until March. He commended the investment in the district's play spaces over three years although he stressed the importance of not overlooking the needs of young people.

The Portfolio Holder for Enterprise refuted any claims that cancelled Investment Board meetings had been as a result of any changes in respect of the timetable for the asset strategy. He paid tribute to the hard work of officers and Members on delivering the asset strategy within the previously agreed timetable. He further emphasised that it was agreed at a meeting of the Investment Board in December that there should be a bidding process; this had duly been undertaken and a report would accordingly go to Council in March.

In response to a question as to how a sum had been included in the budget in respect of the asset strategy although this had not been approved by the Investment Board, the Portfolio Holder for Enterprise emphasised that the outline business case for the asset strategy had been presented to Members at the Investment Board and the Council. He further advised that there was a phasing issue in that the rate at which money might be spent on the asset strategy programme may not always tie in with the receipt of income from the sale of assets.

In response to a Member assertion that the figures set out in the outline business case were, however, 'guesstimates', the Portfolio Holder for Enterprise emphasised that the figures were informed ones on the basis of best estimates given by experienced consultants for costings and prices achieved on the sales of assets. The final figures would come back to Council in March at the end of the bidding process.

Resolved

- (1) That the net revenue budget requirement be set at £10.359million for 2020/21 as per paragraph 7.19.
(For: 25; Against: 8; Abstain: 1)
- (2) That it be noted that the funding position set out in this report is based on the Draft Local Government Settlement and is therefore subject to change in the Final Settlement expected during February 2020 and that delegation be granted to the Assistant Director, Resources to make any final adjustments required to the funding budgets, post publication of the final settlement.
(For: 27; Abstain: 6)
- (3) That the Capital Programme for 2020/21 set out at section 9 of the report and the proposed methods of financing the capital expenditure be approved.
(For: 25; Against: 8; Abstain: 1. Note: Cllrs M Hoy and J E Newport wished it to be recorded that they voted against the above decision.)
- (4) That the Assistant Director, Resources be authorised to adjust capital project budgets in 2020/21 after the 2019/20 accounts are closed and the amounts of slippage and budget carry forward required are confirmed.
(For: 25; Against: 1; Abstain: 8)
- (5) That it be noted that the proposed Council Tax requirement for the Council's own purposes (excluding Parish and Town Councils and Precepts) for 2020/21 is £7.511million as per paragraph 7.19.
(For: 29; Against: 2; Abstain: 2)

Extraordinary Council – 11 February 2020

- (6) That the 2020/21 Band D equivalent tax base for the purpose of determining the Council Tax charge be agreed as 31,927.8 properties.
(For: 34)

On a requisition pursuant to Council Procedure Rule 17.4 a recorded vote was taken on the motion that an increase in Rochford District Council Tax of 2.15% for 2020/21 be approved, as follows:-

For (25) Cllrs Mrs D L Belton; M R Carter; T G Cutmore; R R Dray; D S Efde; A H Eves; Mrs J R Gooding; B T Hazlewood; K H Hudson; G J Ioannou; M J Lucas-Gill; Mrs J E McPherson; D Merrick; Mrs C A Pavelin; Mrs C E Roe; Mrs L Shaw; P J Shaw; S P Smith; D J Sperring; M J Steptoe; I H Ward; M J Webb; Mrs C A Weston; A L Williams; S E Wootton

Against (7) Cllrs Mrs D Hoy; M Hoy; Mrs C M Mason; J E Newport; C M Stanley; M G Wilkinson; S A Wilson

Abstain (2) Cllrs C C Cannell; N J Hookway

The motion was declared carried and it was:

Resolved

- (7) That the increase in Rochford District Council Tax of 2.15% for 2020/21 be approved.

It was further:-

Resolved

- (8) That the schedule of fees and charges for 2020/21 set out in appendix 2 be approved.
(For: 25; Against: 0; Abstain: 7)
- (9) That the General Balance be set at £0.976million as at 1 April 2020.
(For: 25; Against: 0; Abstain: 9)
- (10) That a drawdown be approved from the pension reserve of £1.2million to fund the triennial pension deficit payment in one instalment in 2020/21.
(For: 34)
- (11) That the creation of a new Leader Discretionary Fund Reserve of £50,000 in 2020/21 be approved.
(For: 24; Against: 10. Note: Cllrs C C Cannell, A H Eves, N J Hookway, Mrs D Hoy, M Hoy, Mrs C M Mason, J E Newport, C M Stanley, M G Wilkinson and S A Wilson wished it to be recorded that they had voted

against the above decision.)

- (12) That the expected earmarked reserves position set out in section 14 be noted.
- (13) That the statement on the robustness of the estimates and reserves at section 14 be noted.
- (14) That the equality impact assessment as set out in section 12 of the report be noted.
- (15) That the capital and treasury management strategy for 2020/21, as set out in appendix 3, including the 2020/21 prudential indicators, be agreed.
(For: 24; Against: 2; Abstain: 8) (ADR)

22 ROCHFORD DISTRICT COUNCIL BUSINESS PLAN 2020 – 2023

Council considered the report of the Managing Director presenting the Council's Business Plan for approval.

In moving a motion to approve the business plan, which was seconded by the Deputy Leader, the Leader commended the business plan, which sets out the strategic direction of the Council and the services we deliver for our residents. The latest version had been refreshed following consultation with Members and officers and was included in the recent budget survey so that residents were also able to submit their views. The plan had accordingly been amended to make it clearer and simpler in the way it explains what the Council will do.

The Leader confirmed that the Council's priorities remain largely as before. However, the priority to be financially self sufficient has been adjusted to being financially sustainable to reflect the uncertainty around future funding arrangements. He emphasised that as this uncertainty became clearer, through the comprehensive spending review and government decisions around funding, the business plan would be reviewed in the same way as the MTFs to ensure that they remain relevant. The second page of the plan sets out what we want to achieve by 2023 and there will be more detailed business plans with SMART performance targets to support each item.

In response to a question as to when the business plan would be reviewed and with what frequency and when smart targets would be introduced, the Managing Director advised that this would be done on an annual basis and that targets would be introduced as parts of the plan made progress. Responding to concerns that there should be quarterly reviews undertaken with specific dates and targets, it was confirmed that this was being looked at by the Assistant Director, Resources as part of the performance monitoring that already takes place.

A Member emphasised the importance of working out in advance how the work should be measured prior to the start so that it was possible to see the linkages between how money is spent on behalf of residents and the services and improvements that can be seen. In response to a question as to whether the Council had baseline data for the business plan priorities to ensure that outcomes could be measured, the Managing Director advised that the Council had a number of historic key performance indicators and as part of ongoing work on performance reporting smarter indicators were being developed for the new financial year.

Another Member observed that the business plan should be a living document and that it should be updated regularly to take account, e.g., of the work undertaken by the carbon neutral 2030 working group.

There was debate around the wording of the first early intervention priority set out on page 5.7 as to whether the word 'feel' was appropriate. A motion was moved by Cllr M Hoy and seconded by Cllr N J Hookway that this be changed to 'have felt supported to live well' and this was approved by a show of hands.

Resolved

That the Council's business plan 2020-2023 be approved, subject to the minor amendment detailed above. (MD)

The meeting closed at 9.00 pm.

Chairman

Date

If you would like these minutes in large print, Braille or another language please contact 01702 318111.