

## **FINANCE AND SERVICES SCRUTINY COMMITTEE**

**5 SEPTEMBER 2017**

**PRESENT:** Councillor M Rand (Chairman); Councillors J Chilver, B Everitt (Vice-Chairman), R Newcombe, M Smith, M Stamp, R Stuchbury and M Winn.

**IN ATTENDANCE:** Councillors S Bowles, H Mordue, Mrs S Renshell and Sir Beville Stanier.

**APOLOGIES:** Councillors J Bloom, S Lambert and E Sims.

### **1. MINUTES**

RESOLVED –

That the minutes of the meetings held on 4 April 2017 and 17 May 2017 be approved as correct records.

### **2. CORPORATE HEALTH AND SAFETY POLICY / STRATEGY**

The Scrutiny Committee received a report that would be submitted to Cabinet on 6 September 2017, advising Members of the work undertaken to update the Council's Corporate Health and Safety Policy. The revised policy and the accompanying Strategy / Action Plan were a budget and policy framework document and, as such, would be reported in due course to full Council for formal approval.

Members were informed that it was essential for the Council to have a comprehensive approach to health and safety and that this was properly embedded within the organisation. The existing documents had not been recently reviewed and the latest refresh took account of changes in legislation and the extensive transformational changes within the Council.

The policy (attached as Appendix A to the Cabinet report) would apply to all staff employed by the Council, either directly or indirectly and to any other person or organisation that used Council services or premises for any purpose. The existing Policy had not been comprehensively refreshed since 2014. The Policy would also apply to temporary staff, young workers, staff working from home and contractors working on Council business.

The principles of the Policy would apply to all Council work activities, regardless of who has supplied or provided them. The aims of the policy were:-

- Outline the requirements of Health and Safety Regulations.
- Outline Health and Safety Guidance and Approved Codes of Practice that applied to the Council.
- Inform Managers, Supervisors and Staff as to their roles and responsibilities in relation to health and safety.
- Demonstrate the Council's commitment to reducing accidents and incidents causing ill-health, as well as other environmental hazards and risks in the workplace.

- Set out clearly and unambiguously the organisation's arrangements for health and safety in accordance with the Health and Safety Executive's (HSE) Guidance – HSG65, Managing for Health and Safety.
- Set out the organisation's training requirements for health and safety.

The Policy identified the roles and responsibilities of Directors, Assistant Directors, Managers, Supervisors and Staff and reflected legislative changes that had occurred since it was last reviewed. It was anticipated that the policy would result in the following outcomes:-

- To ensure that there was a standardised approach to the Council's health and safety management system.
- To prevent foreseeable accidents or incidents so far as was reasonably practicable by undertaking suitable and sufficient risk assessments.
- To demonstrate how the Council complied with its statutory health and safety responsibilities against Legislation, Regulations, Approved Codes of Practice (ACOP's), best practice etc.
- The prevention of reoccurrence of adverse events so far as was reasonably practicable.

The Council had a Corporate Health and Safety Board (Executive) and in accordance with HSG65 – Managing for Health and Safety, the Board would review the policy and performance against the Policy annually.

The Strategy (attached as Appendix B to the Cabinet report) set out the Council's approach to managing a positive health and safety culture. It would put in place a defined and coordinated process for health and safety performance. The Strategy had last been reviewed in 2015.

A corporate health and safety action plan would be prepared to support the Strategy. It would be monitored by the Corporate Health and Safety Manager and the Corporate Health and Safety Board. The targets would be reviewed and updated annually by the Board.

The aims and objectives of the Strategy were to:-

- Ensure that there was a standardised approach to the Council's health and safety management system.
- Regularly measure and monitor the Council's health and safety performance.
- Use accident, incident and near miss software for the Council to record and consolidate accurate reports and data.
- Ensure that there was an appropriate level of health and safety risk control throughout the Council.
- Ensure that all Managers, Supervisors and Staff were engaged actively in the positive management of health and safety.

- Ensure that there was a standardised approach for Event Safety Planning and Resilience.

The following outcomes would be delivered:-

- Necessary key performance indicators would promote a positive health and safety culture within the Council.
- Appropriate means of cooperation and communication between Sectors and roles would be secured.
- The Council would automatically audit, monitor and review all health and safety policies, guidance notes, safe systems of work and risk assessments.
- Health and Safety Management would be embedded as an integral part of the management approach to achievement of objectives.
- Staff would be involved in health and safety performance within the Council.

Members commented as follows:-

- (i) Reference was made to stress in the workplace and its impact on mental health. It was indicated that due regard would be paid to all policies when taking operational actions. The intention here was to streamline the processes and add clarity. Any references to disability, equalities and mental health would blur the overall position and these matters were more appropriately dealt with within the Equalities Strategy. There was no obligation under the Health and safety at Work Act (HSAWA) for mental first aid. However the Council was a responsible employer and there would be a clear statement of how it would respond to mental health issues in the Council's HR policies. Due regard would be given to equalities issues when undertaking risk assessments.
- (ii) Some clarification was sought around the section concerning working at height. The Policy contained the statutory definition.
- (iii) Reference was made to the need for consistency in the manner in which the delegations proposed.
- (iv) Reference was made to the need to ensure that the Council's CCTV policies were properly reflected within the revised Health and Safety Policy, and in particular the need to preserve CCTV evidence within the context of violence towards staff.
- (v) There was a need to clarify the terminology used to describe the responsibilities of the Health and Safety Board and the Health and Safety Committee.
- (vi) It was felt that perhaps the policy should include high level key performance indicators.

- (vii) As a general point it was hoped that any grammatical/typing errors would be removed before final publication.

However, the Committee was very supportive of the Policy and Strategy and in the circumstances it was,

RESOLVED –

That Cabinet be advised that although supportive of the revisions, it be asked to take account of the views expressed by Members at (i) – (vii) above in considering the recommendations to be submitted to Council in relation to the adoption of the revised Corporate Health and Safety Policy / Strategy and the accompanying Action Plan for its implementation.

### **3. HOUSING BENEFITS - RISK BASED VERIFICATION POLICY**

The Housing Benefit and Council Tax Reduction schemes (“Housing Benefit”) were cornerstones of the Welfare State. Nationally, nearly £25 billion was paid out in total per annum. At November 2011, the total number of people claiming Housing Benefit was 4.94 million, with 5.87 million claiming Council Tax Reduction.

In the early 1990’s the Department for Work and Pensions (DWP) had introduced a “verification framework policy” for administering Housing and Council Tax Benefit claims. This was a voluntary policy that strongly recommended that local Councils should obtain a substantial amount of documentary evidence, carry out numerous pre-payment checks and visits before making any payment.

The verification framework proved to be both costly and caused significant delays in processing. It had to be applied to all claims and there had been little scope for local discretion. Although it had been abandoned in 2006 by DWP, most Council’s including AVDC had continued to use at least some of the guidelines set out in the framework.

In 2011, the DWP had allowed a limited number of Councils to pilot a different type of scheme to try to reduce fraud and error; based on Risk Based Verification (RBV) principles. This concentrated on the risk profile of each claimant which then allowed resources to be targeted at the higher risk groups where most of the fraud and error occurred. It was an approach used by many public services as well as businesses in the commercial world; from finance to the chemical industry, the police and immigration authorities. The pilots had been a success and the DWP had confirmed that all Councils could now adopt this approach (Housing Benefit and Council Tax Benefit Circular HB/CTB S11/2011 attached at Appendix C).

It was intended that RBV would apply to new Housing Benefit claims, Council Tax Reduction and Changes in Circumstances. However, once implemented it could be used for reviews and overpayments.

The Benefits Service had conducted a Fundamental Service Review over the last year. The implementation of Risk Based Verification was a recommendation from that process. This was to reduce the burden on customers to provide excessive evidence, and reduce the cost of administering claims by reducing the correspondence with customers in chasing evidence, and the scanning of that evidence. It was intended that RBV would be implemented for new claims by the Council from 1 October 2017. It was believed that this process would provide an improved service for customers and contribute to a significant reduction in costs.

Detailed information on the background (AVDC had to adhere to Housing Benefits legislation), the risk based verification methodology and how AVDC intended to apply it were included in a report to be considered by Cabinet on 6 September which had been appended to the Committee report.

The Cabinet report contained information on how the policy would be recorded and monitored. Training would be provided for all officers using Risk Based Verification to ensure the agreed processes, procedures and guidelines were adhered to. Discussions would take place with all internal and external stakeholders including Investigation staff, Housing staff, Social landlords and the Voluntary sector so that they were fully aware of the change.

Members sought clarification on a number of general issues, including the assessment criteria, the numbers of claimants and the possible future use of new technology in determining applications, after which it was,  
RESOLVED –

That Cabinet be advised that this Committee was fully supportive of the introduction of the proposed process using Risk Based Verification for verifying Housing Benefit and Council Tax Reduction claims.

#### **4. TREASURY MANAGEMENT 2016-17 YEAR END AND 2017-18 MID YEAR REVIEW**

The Authority's Treasury Management Policy required an annual report to be brought to Council after each year end and a mid year report for the current year. This report set out the performance of the Treasury Management section for the 2016/17 financial year and provided an update for the 2017-18 financial year. The Policy and performance reports were also reported to this Committee prior to Council.

The Committee received a report, similar to that which would be considered by Cabinet on 6 September, 2017, on the performance against the Treasury Management Action plan for 2016-17 and the mid year performance against the Treasury Management Action Plan for 2017-18.

The report included information:-

- on the objectives for the Treasury Management team for 2016-17, as laid out in the Action Plan agreed by Council in May 2016.
- on the in-house team performance.
- that the Council continued to operate two Money Market Funds to give the in-house team easy access to surplus funds.
- that no new borrowings had been taken out during the year.
- that the Council did not use Fund Managers to aid its investment decisions.
- on the mid year review against the 2017-18 Treasury Management Action Plan.
- on the £3m that the Council had invested with foreign banks (Handelbanken and Sumitomo Mitsui bank).

- that, although allowed for within the Strategy, the Council did not have any capital invested with property funds.

RESOLVED –

That Cabinet be advised that this Committee had no substantial comments on the report submitted and asked to express the Council's thanks to the in-house team for the efficient manner in which they had managed the Council's funds.

## **5. BUSINESS RATES - DISCRETIONARY RELIEF SCHEME 2017**

In the Spring Budget 2017 the Government had announced the establishment of a £300m discretionary fund over four years from 2017-18 to support those businesses that faced the steepest increases in their business rates bills as a result of the 2017 revaluation.

The Government expected each Council to design their own scheme based upon local requirements and staff at Aylesbury Vale had been working with their counterparts in the other districts within Bucks to formulate a common scheme which combined an element of local discretion.

The Committee received a report, similar to that which would be considered by Cabinet on 6 September, 2017, on the final draft of the Business Rates – Discretionary Relief Scheme 2017. Cabinet would be asked to consider and adopt the scheme at their meeting so that allocations could commence as soon as possible.

Members commented on a number of issues, including the number of businesses affected and the criteria that might be applied in cases of hardship. Otherwise the Committee was fully supportive of the scheme. Members were advised that the budget provided by the Government would allow for awards of 35% as opposed to the 30% referred to in the report. Members were also informed that 543 businesses were likely to attract discretionary relief.

RESOLVED –

That Cabinet be advised that this Committee endorsed the proposed scheme subject to the increase in the level of awards as indicated above.

## **6. COMMERCIAL PROPERTY INVESTMENT STRATEGY**

The Committee received a report that would be considered by Cabinet on 6 September, 2017, in relation to a proposed Commercial Property Investment Strategy, including on how it would be funded and implemented. The detail would be included in the Minutes of Cabinet.

The overall aim of the Strategy would be to acquire and build a commercial property portfolio that generated income for the Council using a strong, stable, financial model with an acceptable degree of risk. Commercial income generated from property acquisitions would be used to help fund the delivery and enhancement of services to the local community and support the delivery of the district's growth. It had been modelled on a ten year plan.

The Council had been working with consultants with extensive experience in this field and a representative of the company attended the meeting to give a presentation on the rationale and how the strategy might work and to answer technical questions. All Members of the Council had been extended an invitation to the Committee meeting to

listen to the presentation. This matter would in due course be considered by full Council.

The strategy proposed the Council establishing a property acquisition capital fund of £100m sourced from a loan from the Public Works Loan Board. An additional revenue sum of £100,000 was being requested to support the fees needed as part of the acquisition process e.g. agents, legal and stamp duty. These fees would be deducted from the purchase price to give a NET yield against the purchase price and recovered from the income over time. If approved, changes would be required to the Treasury Management Borrowing limits for 2017/18 and reference had been made to this in the report on Treasury Management Strategy appearing elsewhere on the Committee agenda.

Depending on the number of assets acquired, the in-house asset management capacity needed to manage the asset after acquisition would be reviewed. Each acquired asset would require an asset management plan and any additional capacity needed to deliver this, would be factored into the business case for acquisition and recovered from the income over time.

Strong governance was needed coupled with agile decision making to ensure that suitable opportunities which came to the market could be effectively bid for. It was proposed that a Commercial Property Investment Panel be established to consider the business cases put forward for acquisition (and disposal) for any property, with delegated authority being given to the Chief Executive in conjunction with the Director with responsibility for Finance and after consultation with the Panel.

The Strategy and performance against the objectives would be reviewed annually by this Scrutiny Committee, Cabinet and Council with a high level summary report included in the Quarterly Financial Digest. Town centre developments or other developments which had a stronger orientation towards regeneration/place making would not be included in the Strategy which was purely commercially driven.

The Council already owned a number of commercial assets and the intention was that, if approved, these assets and their performance would be measured against the Strategy and the objectives to inform decisions about their future.

The Cabinet report contained three confidential appendices (Appendix 1: specific supporting information used to shape and develop the Strategy; Appendix 2: the Strategy that had been developed with the support of Montagu Evans and Appendix 3: Investment Return information) and the Scrutiny Committee considered these as part of their deliberations.

Members asked questions on sought clarity around the following:-

- (i) The proposed governance arrangements and noted that these had been carefully drafted to ensure accountability and transparency.
- (ii) The rules around the use of New Homes Bonus (NHB) funds and noted that there was complete discretion on how these funds might be used.
- (iii) The scope of the property portfolio. Members were advised that every investment opportunity would be the subject of a detailed business case and risk assessment.
- (iv) Reference was made to recent media comment about investment proposals such as these. Members were however satisfied that AVDC's proposed policy

had been carefully formulated with a view both to protecting the Council's investments and optimising the income generated.

- (v) The need to protect the Council from significant fluctuations in returns and noted that consideration might need to be given to the creation of an equalization reserve similar to that created to smooth out interest rate fluctuations within the context of treasury management.
- (vi) Members noted that investments would not be limited to the Vale, although all local opportunities would be examined.
- (vii) Members commented on the relationship with Aylesbury Vale Estates (AVE), but were satisfied that this scheme would not be in "competition".
- (viii) It was noted that the governance arrangements had been formulated to ensure that the Council could react quickly to investment opportunities whilst maintaining the necessary checks and balances.

RESOLVED –

That Cabinet be advised that this Committee was supportive of the proposal.

## 7. WORK PROGRAMME

The Committee considered the work programme for the period up until December 2017.

The list of updated agenda items for meetings would be:-

- (i) **3 October 2017** – Quarterly Finance Digest
- (ii) **30 November 2017** – Leisure Centres Management contract, Connected Knowledge, Vale Commerce Business Plan, Draft Budget Proposals for 2018/19.
- (iii) **10 January 2018** – Budget scrutiny (if required)

Members appreciated that might be necessary to cancel the October meeting unless anything substantial emerged in the meantime. Accordingly it was,

RESOLVED –

That the work programme be noted.

## 8. EXCLUSION OF THE PUBLIC

RESOLVED –

That under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in the Paragraph indicated in Part 1 of Schedule 12A of the Act:-

Commercial Property Investment Strategy (Supporting Information and Strategy Document) (Paragraph 3)

The public interest in maintaining the exemption outweighed the public interest in disclosing the information because the documentation contained information relating to the financial or business affairs of organisations (including the authority holding that information) and disclosure of commercially sensitive information would prejudice negotiations for contracts and land disposals or transactions.

## **9. COMMERCIAL PROPERTY INVESTMENT STRATEGY**

As part of the discussions referred to above concerning the proposed Property Investment Strategy, consideration was given to three confidential appendices that had formed part of the Cabinet agenda, namely:-

- Appendix 1: specific supporting information used to shape and develop the Strategy.
- Appendix 2: the Strategy that had been developed with the support of Montagu Evans.
- Appendix 3: Investment Return information) and the Scrutiny Committee considered these as part of their deliberations.