

CHILTERN DISTRICT COUNCIL

MINUTES of the Meeting of the **RESOURCES OVERVIEW COMMITTEE** held on **4 OCTOBER 2016**

PRESENT: Councillor N M Rose - Chairman
" J E MacBean - Vice Chairman

Councillors: A K Bacon
J L Gladwin
M J Harrold
C M Jones
D M Varley
H M Wallace
C J Wertheim

APOLOGIES FOR ABSENCE were received from Councillors A J Garth, S P Berry, C J Ford, R J Jones, D W Phillips and M W Shaw

ALSO IN ATTENDANCE: Councillor M J Stannard

6 MINUTES

The Minutes of the meeting held on 21 June 2016 were agreed and signed by the Chairman.

7 DECLARATIONS OF INTEREST

During the discussion on item 8 (Medium Term Financial Strategy) Councillor D Varley declared a personal interest that related to Lords Mill Weir as she lived in close proximity to the site.

8 MEDIUM TERM FINANCIAL STRATEGY 2017 - 2021

The Committee's comments were sought on the Council's Medium Term Financial Strategy (MTFS). This was a financial statement that showed how the Council intended to fund its key objectives over the next 3 to 5 years and manage its financial risks over the medium term. The document would continue to be updated throughout the budget process, and would be considered by the Cabinet at a meeting on 1 November.

The Council is taking up the Government's offer to keep the grant funding and tariff levels the same as the last Financial Settlement data until 2020/21. This would provide some financial certainty as it was unlikely that Government

funding would improve over that period. Those Councils accepting the offer were required to produce efficiency plans and the joint Chiltern and South Bucks Plan was attached to the report for Members' consideration.

There was a discussion regarding the potential projects contained in the capital programme (Appendix A), in particular the estimated costs for Amersham Leisure Centre and Amersham Multi-Storey Car Park (AMSCP). Whilst accepting that there was a need for additional parking and a new leisure facility in Amersham, Members were unclear on how the estimated costs for those projects had been calculated.

Particular concern was expressed in relation to the anticipated cost of the AMSCP project, which was approximately £2.5M higher than previous estimates had stated, and that this would probably impact on the payback period. It was considered important to ensure that the estimated figures were accurate.

It was noted that no final decision had been made on those projects, and that they were included in the MTFS for financial planning purposes only. The MTFS in itself was not giving approval to these projects that would only be done by Cabinet following consideration of business cases. Whilst acknowledging that the business case for those projects would be the subject of separate reports, undergo full scrutiny and be subject to final approval from Members, the Committee felt that it was important to ensure that the MTFS contained realistic cost estimates for projects.

Councillor D Varley advised during the discussion that she had a personal interest because she lived in close proximity to Lords Mill Weir which was one of the other items contained in the capital programme.

During the discussion it was requested that when the Cabinet is considering the business case for the Amersham Pools Redevelopment that they are provided with the impact on the Council's balance sheet of the write off of the old asset and the write on of the new asset taking into account the basis of valuations required for accounting purposes.

In response to a question it was clarified that GLL managed the Council's leisure centres on its behalf. Amersham leisure centre was approaching the end of its operational life. The Council would therefore need to consider how it funded a replacement facility. It was advised that it was likely to be most cost effective for the Council to undertake borrowing and build its own facility due to the scale of the investment and the Council's access to cheaper borrowing from the Public Works Loans Board, than would be available to a private developer.

At the invitation of the Chairman, the Cabinet Member for Support Services advised that the leisure centres in Chalfont St Giles and Chesham had approximately 15 years operational life remaining taking into account what the Council was investing in those centres, and it could consider in the future further investment to extend their operational lives further. It was acknowledged that the Amersham leisure centre project was a large capital investment, but the initial business case demonstrated that this was an opportunity to reduce the Centre's running costs and generate additional revenue for the Council for up to 40 years.

Regarding AMSCP, the Cabinet Member for Support Services, confirmed that a need for additional parking had been demonstrated, that the initial business case demonstrated a return on investment, and agreed with Members that the costs of the project must be competitive. It was restated that Members were not currently being asked to agree spending on either project at the current time.

There was concern from the Committee that the forecast income from the New Homes Grant, shown in the MTFS, was optimistic in its assumptions about the number of new homes that will be generated from 2018/19 onwards. Members were also unclear on how the number of new homes had been calculated. In response it was advised that this was based on the number of new homes that were required over the next 20 years as indicated in the work to date on the Local Plan, and that these would be anticipated to start to come on stream after the Plan is approved. Members felt caution should be applied to any assumptions about housing growth.

Members noted that the Government had indicated that it would enable local authorities to retain all income from Non Domestic Rates (NDR) by 2019/20 however this would be offset against other changes which would mean that it was likely that the Council would in effect receive no net additional income. The figures in the MTFS also reflected the assumption that the Council would receive no additional income arising from the full retention of business rates by local authorities.

In response to a number of questions further clarifications were provided in relation to the additional pension deficit contribution, Chiltern crematorium surplus, and the tariff / top up adjustment referred to in the medium term financial forecast.

Following the discussion, the Chairman summarised that the Committee wished to express its particular concern over the estimated costs contained in the MTFS relating to the AMSCP and Amersham leisure centre projects, and also to be cautious with assumptions about growth in housing numbers.

RESOLVED –

That the report be noted and that the comments of the Resources Overview Committee be forwarded to the Cabinet at the meeting on 1 November 2016.

9 QUARTER 1 PERFORMANCE REPORTS 2016-17

The Committee received a report showing the Council's performance against priority performance indicators and quarterly corporate performance indicators for the first quarter of 2016/17.

Officers were asked to double check the figures relating to working days lost due to sickness absence. Members also requested further information on whether the number of staff leaving the Council voluntarily was a continuing issue. It was noted that the Personnel Committee received regular update reports on staffing matters and monitored this closely.

Members highlighted that the increase in the number of households living in temporary accommodation may impact the medium term financial strategy. A Member working group had been setup to look into identifying additional affordable housing in the district, and 40 different locations were currently being explored. Paradigm were also involved with this project.

The Committee requested an explanation at a future meeting as to why the target for processing minor planning applications within 8 weeks was not being met. The percentage of planning appeals allowed was also highlighted, and it was noted that this was being investigated. Members also requested further information on the net additional homes provided. It was felt that this should be measured regularly in line with other performance indicators.

Members highlighted that the number of household refuse collection containers missed per month had increased. It was noted that this was being monitored by the CDC & WDC Joint Waste Collection Committee.

RESOLVED –

That the report be noted and the information requested by the Committee be reported at a future meeting.

Note: Councillor H Wallace left the meeting at 7.40 pm.

10 ANNUAL SCRUTINY REVIEW

The Committee received a report providing an annual review of the Overview Committees' work. This was provided to the external auditors and sets out the work undertaken by both of the Council's Overview Committees.

RESOLVED –

That the report be noted.

The meeting ended at 7.45 pm