
**MINUTES OF THE MEETING OF THE RESOURCES AND SERVICES OVERVIEW
AND SCRUTINY COMMITTEE,
HELD ON MONDAY, 16TH NOVEMBER, 2020 AT 7.30 PM**

Present:	Councillors M Stephenson (Chairman), Scott (Vice-Chairman), Allen, Barry, Bray, Codling, Griffiths, Harris and Morrison.
Also Present:	Councillors C Guglielmi and Amos
In Attendance:	Ian Davidson (Chief Executive), Paul Price (deputy Chief Executive & Corporate Director (Place and Economy)) Richard Barrett (Assistant Director (Finance and IT) & Section 151 Officer), Keith Simmons (Head of Democratic Services and Elections), Michael Carran (Assistant Director (Economic Growth and Leisure)) Keith Durran (Democratic Services Officer), Emma Haward (Leadership Support Assistant) and Karen Hardes (IT Training Officer)

90. APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

There were no absences or substitutions.

91. MINUTES OF THE LAST MEETING

The Minutes of the last meeting of the Committee held on Monday 21 September 2020 were approved as a correct record and were then signed by the Chairman.

92. DECLARATIONS OF INTEREST

Councillor Bray declared an interest for the public record in regards to Housing as he was a Council tenant.

Councillors Stephenson, Allen, Scott and Barry all declared an interest for the public record in regards to Business Grants as they were all involved in organisations that had received them.

93. QUESTIONS ON NOTICE PURSUANT TO COUNCIL PROCEDURE RULE 38

On this occasion no Councillor had submitted notice of a question.

94. REPORT OF THE DEPUTY LEADER, (PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE) - A.1 - UPDATE ON THE PROGRESS OF THE OFFICE TRANSFORMATION.

It was reported to the Committee that in December 2016 Cabinet had approved a proposal to make major changes to the Council's office services and accommodation. In September 2017 the Chief Executive (Ian Davidson) had subsequently signed off a detailed business case for a package of measures aimed at four main areas of modernisation:

1. Customer Services
2. Information Technology

3. Working methods and staff wellbeing
4. Office buildings.

The report focussed on the progress of works to office buildings. Complimentary reports would be made in relation to IT, customer service and human resources initiatives within the programme.

Progress on office facilities is as follows:

Clay Hall	Freehold disposal	Fully complete
Westleigh House	Demolition and creation of car park	Fully Complete
Barnes House	Additional floor and link	Fully Complete
Pier Avenue Offices	Refurbishment	Fully Complete
Northbourne Rd Depot	Additional part floor	Fully Complete
Town Hall	Refurbishment/remodelling	Around 50% Complete
Alexandra Gardens	Repair storage building	Not commenced
Mill Lane Depot	Convert former business units	Not commenced
Weeley site	Freehold disposal	Negotiations ongoing

The Committee was then asked to consider passing the following resolution:

“That under Section 100A(4) of the Local Government 1972, the press and public be excluded from the meeting during consideration of an element of agenda item number 5 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, as amended, of the Act”.

The Chairman read out the following statement for the benefit of the press and public:

“It is unusual to discuss items to an Overview and Scrutiny Committee without the press and public being able to sit in and observe. However, there are rare occasions when we deal with a restricted number of items, when it is necessary to exclude the press and public. Councillors will be looking at those items here. For instance, what the council be expected to receive in payment for a plot of land it owns. We want the council to get the best price and we do not want to jeopardise this by discussing the price in public so that the best offers that are potentially provided aren’t raised up or down.

Once we have discussed these points we will readmit the press and public for the remainder of the meeting. For this meeting, this means the live stream will be temporarily paused until we reconvene in public.

Thank you for your understanding”.

It was then moved by Councillor Bray, seconded by Councillor Scott and:-

RESOLVED that under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of part of Agenda Item 5 on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A, as amended, of the Act.

Following the discussions in private referred to above the press and public were re-admitted to the meeting.

Following further discussions of the report it was **RESOLVED** that the contents of the report be noted.

95. REPORT OF THE DEPUTY LEADER, (PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE) - A.2 - TRANSFORMATION AGENDA OF THE COUNCIL - STAFFING

The Chairman informed the Committee that he had deferred consideration of this item until a special meeting of the Resource and Services Overview and Scrutiny Committee to be held on the 3rd December 2020.

96. REPORT OF CHAIRMAN (RESOURCE AND SERVICES OVERVIEW AND SCRUTINY COMMITTEE) - A.3 - REVIEW OF RESERVES AND PROVISIONS

The Chairman gave an oral update in relation to the Review of Reserves and Provisions.

The Committee heard the Chairman had held a meeting with Councillor C Guglielmi (Portfolio Holder for Corporate Finance and Governance) to discuss the Council's reserves, provisions and one off carry forwards, though at the time of that meeting the list was still pending. The Chairman also told the Committee that the Council's External Auditors had asked questions about the value of money for holding in reserves and provisions, as well as one off carry forwards, with defined delivery utilisation of those sums.

The Chairman informed the Committee that there would be another meeting with the Portfolio Holder, to be scheduled before the Budget meeting in January, where this list would be discussed, and that this list would be forwarded to the Committee on the 17th of November 2020.

It was **RESOLVED** that the Committee noted the contents of the update.

97. REPORT OF THE DEPUTY LEADER, (PORTFOLIO HOLDER FOR CORPORATE FINANCE AND GOVERNANCE) - A.4 - FINANCIAL PERFORMANCE REPORT - IN YEAR PERFORMANCE AGAINST THE BUDGET AT END OF THE SECOND QUARTER 2020/21 AND LONG TERM FINANCIAL FORECAST UPDATE.

The Committee considered a report, given to Cabinet on the 13th of November 2020 (minute 87 referred), in relation to an overview of the Council's financial position against the budget as at the end of September 2020 and to present an updated long term forecast.

The report was split over two distinct sections as follows:

- 1) *The Council's in-year financial position against the budget at the end of September 2020*

2) An updated long term financial forecast

In respect of the in-year financial position at the end of September 2020:

- That report was the first detailed financial performance report for 2020/21 but built on the report presented to Cabinet in May, which provided a timely assessment of the impact of COVID 19 on the Council's financial position.
- Although that report continued to be in the same format as previous regular finance reports, the issues raised in the report back in May were either revisited specifically or formed part of the overall review at the end of the second quarter.
- The position to the end of September 2020, was set out in more detail within the appendices, and showed that overall the General Fund Revenue Account was underspent against the profiled budget by **£6.858m (£4.137m** of which related to the timing of expenditure from COVID funding received from the Government). It was acknowledged that other expenditure or income trends may still have emerged with the position also largely having reflected the timing of other general expenditure and/or income budgets. However any significant issues that arose had been highlighted and comments provided as necessary.
- In respect of other areas of the budget such as the Housing Revenue Account, capital programme, collection performance and treasury activity, apart from additional details set out later on in the report, there were no major issues that had been identified to date.
- Any emerging issues would be monitored and updates provided in future reports which would include their consideration was part of updating the long term financial forecast.
- Some necessary changes to the 2020/21 budget had been identified which were set out in **Appendix H**, with an associated recommendation also included within the report. The same appendix also set out the necessary changes to the budget that reflected the impact of COVID 19, the costs of which had to date been met by the general financial support provided by the Government.
- The net impact of the budget adjustments would be moved to or from the Forecast Risk Fund. At the end of the second quarter, it had been possible to make a small contribution to the fund of **£41k**, which supported the requirement set out in the long term forecast of identifying in-year savings of **£500k** each year.
- A half year treasury management review had been carried out with a summary set out later in the report along with an associated recommendation to temporarily increase the aggregate limit of funds that could be placed overnight with the Council's bankers for the period that the offices would be closed over the Christmas break.
- It was proposed to continue to be a member of the Essex Business Rates Pool if it remained advantageous to do so and if the opportunity was still made available by the Government in 2021/22.

- The recommendations in the Portfolio Holder's report to Cabinet also responded to the phased reintroduction of membership fees and charges across the various leisure facilities that coincided with the phased reopening up of facilities over the remainder of the year.

In respect of the updated long term financial forecast:

- The forecast had been reviewed and updated at the end of September 2020 and reflected an early assessment of the impact of COVID 19. The updated forecast was set out in **Appendix I**.
- The savings target for 2021/22 had been removed from the forecast with work resuming on that line of the budget as part of the medium / longer term recovery in response to COVID 19.
- Work remained on-going in consultation with the various Services across the Council to identify unavoidable cost pressures, which would be assessed for inclusion or otherwise in the detailed budget report that would be presented to Cabinet in December.
- Overall the revised forecast could still provide an effective method of managing financial risk but the annual deficit or surplus position for each year of the forecast had been amended. However, the medium to long term impact from the COVID 19 crisis remained unclear and it was therefore important to highlight that the money set aside in the Forecast Risk fund should not be seen as overly cautious as sensitivity testing indicated that the fund could be deleted within as little as 3 years if a number of factors arose during the same period.
- A detailed review of risks associated with the long term forecast was subject to on-going review and was separately reported within **Appendix J**.
- As mentioned during the development of the longer term approach to the budget over recent years, it was important to continue to deliver against this plan as it continued to provide a credible alternative to the more traditional short term approach, which would require significant savings to be identified in 2021/22.
- In terms of delivering against the forecast for 2021/22 and beyond, work remained on-going across the various strands set out in **Appendix I**.

After some discussion the Committee **RECOMMENDED TO CABINET:**

1. That Cabinet record the Committee's sincere appreciation for the sterling work of the revenues and benefits team and the Section 151 Officer in rapidly developing and deploying grant schemes for businesses to help maintain the economic fabric of the District in these difficult times for those businesses.
2. That consideration be given when reporting on the in year position on the budget to include reference to the comparable position from the previous year.

98. REPORT OF THE LEADER OF THE COUNCIL. - A.5 - BACK TO BUSINESS

The Committee considered a report, given to Cabinet on the 13th of November 2020 (minute 86 referred) in relation to Back to Business for Cabinet to adopt a Council wide plan to support the District's recovery from the ongoing Covid-19 pandemic and agree a number of short term actions in advance of a wider delivery plan being adopted. That report highlighted that:-

- Covid-19 had significantly changed the way we work and live our lives, as well as impacting on the national and local Tending economy. In its role as a community leader, the Council was committed to supporting the District's recovery towards a brighter future;
- This Back to Business process would be targeted at improvements to the environment/quality of life and support for residents, businesses and wider local economy to recover from the challenges of the Covid-19 pandemic. The plan would also focus on the Council and its services adapting to the challenges of the pandemic and long term planning for how services would operate moving forward.
- Following Greater Essex moving into Tier 2 'High Alert' level for Covid and the subsequent announcement of a national lockdown, this plan and impending delivery plan, is intended to complement the business support schemes provided through Government and Essex County Council. It would be a continually evolving agenda which would adapt to the challenges faced by businesses and residents alike;
- This Back to Business plan set out the Council's approach to supporting the District's recovery from Covid-19 and included a number of short term projects, in advance of a wider action plan being brought forward to Cabinet. This agenda and the subsequent actions and projects brought forward were underpinned by the Council's Corporate Plan;
- It is recognised that a successful recovery would only be achieved through a collective approach, both within the Council's range of portfolios and with local businesses, partners and stakeholders;
- To ensure the Council had sufficient resources to support the delivery of its range of Back to Business actions and projects, it was proposed that a dedicated resource would be provided to deliver this plan. This resource would be tasked with bringing forward a wider Back to Business delivery plan, with a number of deliverable projects and actions. This would reflect feedback from the Resources and Services Overview and Scrutiny Committee and the responses from Members following the associated All Member Briefing and subsequent requests from the Portfolio Holder for Corporate Finance and Governance.

After a short discussion it was **RESOLVED** that the Committee both notes that the development of a cost action plan is progressing and re-states the Committee's intention to work with Cabinet to secure delivery of that action plan.

**99. REFERENCE REPORT FROM THE NEGC LTD JOINT SCRUTINY PANEL - A.6 -
SCRUTINY OF NEGC LTD AND GOVERNANCE OF FUTURE COUNCIL
CONTROLLED COMPANIES**

It was reported to Members that the Resources and Services Overview and Scrutiny Committee and the Community Leadership Overview and Scrutiny Committee, at their respective meetings held on 29 July 2019 (Minute 15 referred) and 5 August 2019 had both approved that a joint scrutiny panel be established in order to scrutinise the work of the North Essex Garden Communities Limited (NEGC) and, in particular, its interim business plan and future business plans.

The membership of the Joint Scrutiny Panel had been delegated to the Chairmen of the two Overview and Scrutiny Committees to determine, subject to ratification by those two Overview and Scrutiny Committees. The following Members had been appointed to the Joint Scrutiny Panel:

Councillor M Stephenson (Chairman)
Councillor Bush
Councillor Griffiths
Councillor Steady
Councillor Turner

The Resource and Services Overview and Scrutiny Committee (OSC) had endorsed the above membership at its meeting on 14 October 2019 (Minute 28 referred). The Community Leadership OSC had also endorsed that Membership on 7 October 2019.

The Joint Scrutiny Panel had met three times as follows:

16 October 2019
12 February 2020
17 September 2020

The Committee heard that the Joint Scrutiny Panel had looked at the various responsibilities of the Council as community leader, shareholder of NEGC Ltd and having a Director of the Board of that Company. The inherent conflicts and the management of those conflict points were also mentioned.

The absolute importance of Part 1 of the Local Plan in the critical path for Garden Communities and NEGC Ltd (and any future delivery vehicle for the Communities) was referenced at the meetings. NEGC Ltd had been commissioned by the partner Councils (Braintree, Colchester, Essex and Tendring) to undertake work for those partner Councils to secure approval of Part 1 of their Local Plans.

While the process of adoption of the Local Plan was underway, the NEGC Ltd had developed interim business plans only. The Interim Business Plans for NEGC Ltd from 2018/19 and 2019/20 had been submitted to the Panel for its consideration.

It was reported to the Committee that the work of the Council's Monitoring Officer and Section 151 Officer with their colleagues in the other partner Councils in respect of

protecting the interests of this Council in relation to NEGC Ltd and the governance arrangements had been reflected upon.

The Panel had also looked briefly at possible future delivery vehicles for the Garden Communities.

Members were informed that across all meetings of the Joint Scrutiny Panel there was reference to best practice models for governance arrangements for Council controlled companies such as NEGC Ltd. In part that discussion was about what might be appropriate for the future development of governance around NEGC Ltd, but, also around future companies that the Council may have established or participated in where the Company was a Council controlled company.

At the Joint Scrutiny panel's last meeting, it noted the decision of the North Essex Garden Communities Ltd Board on 6th July 2020 to take all the necessary steps to wind up its three Local Delivery Vehicles. The three Councils concerned had also all approved that NEGC Ltd itself cease trading on 31 August 2020 and that the necessary winding up procedures for it be undertaken, subject to the Leader of the Council, in consultation with the Section 151 Officer and the Monitoring Officer, being satisfied around the final accounting processes.

The Committee was informed that the panel had been advised that NEGC Ltd had been solvent and that, after settling any outstanding liabilities, the remaining assets of the company would be apportioned to the shareholders entirely as it should have been.

On the basis that the NEGC Ltd was being wound up the Joint Scrutiny Panel had concluded its work based on the approved scope and terms of reference for the Panel.

Following discussions it was moved by Councillor Stephenson, seconded by Councillor Scott and **RESOLVED** that the Committee:

- (1) notes that the winding up of NEGC Ltd means that the rationale for establishing the Joint Scrutiny Panel, and the approved scope of the Panel, has also ended and requests that Cabinet notes that this Committee and the Community Leadership Overview and Scrutiny Committee will formally note that the Panel is being dissolved.
- (2) That this Committee notes the following recommendations from the Joint Scrutiny Panel and formally submits (a), (b) and (d) below to the Cabinet for its consideration:
 - (a) To record and applaud the hard work of officers in respect of the development of the Tendring-Colchester Borders Garden Community that resulted in the proposals for the Garden Community being accepted by the Local Plan Inspector in his enquiry into the draft Local Plan.
 - (b) To note that there is important work being undertaken on various work streams to secure an exemplar development through the Tendring-Colchester Borders Garden Community.

- (c) To establish a further Joint Scrutiny Panel at an appropriate time in the future to monitor, examine and review arrangements for delivery of the Tendring-Colchester Borders Garden Community (and particularly the commitments and financial expose of the Council to any external body established by the Council to lead on the development of that Garden Community).
- (d) To endorse the principle that where the Council establishes a company limited by shares (on its own or with other bodies) that it also establishes a Shareholder Group (either solely or with the other public bodies where the company established jointly) and that, the terms of reference similar to those set out at Appendix A to this report should form the terms of reference for that Shareholder Group, adjusted as necessary to the particular circumstances, business of the Company and consideration of such matters as:
 - (i) How any co-opted members are used and how they are defined in the terms of reference;
 - (ii) The Chairman of the relevant overview and scrutiny committee and the Chairman of the Audit Committee being appointed to the Shareholder Group as non-voting members; and
 - (iii) Ensuring that any “invitations to attend” issued to councillors or officers etc. must be provided to such persons at least five working days in advance of the meeting.

100. RECOMMENDATIONS MONITORING REPORT

The Committee had before it the current Recommendations Monitoring Report. The Committee was aware that this report outlined any recommendations it had made to the Cabinet, the Cabinet’s responses thereto and any relevant updates.

The Committee heard that the recommendations from the Reference Report from the NEGC Ltd Joint Scrutiny Panel on the 16 November 2020 (Minute 99 referred) would be heard at Cabinet on the 18th of December 2020 and so following that meeting their response would be reported back to the Committee.

101. SCRUTINY OF PROPOSED DECISIONS

The Committee heard that there were 4 items which all related to Housing and it was advised that these issues would be addressed at the Committee's meeting on the 1st of February 2020 as the focus of this meeting would be on Housing matters.

The proposed decisions in question related to:-

1. Future booking of a temporary accommodation hostel in Clacton
2. Recharge Policy for Council Tenants and Leaseholders
3. Decant Policy
4. Alterations and Improvements Policy for Council Tenants and Leaseholders

It was **RESOLVED** that the Committee noted the foregoing.

102. REVIEW OF THE WORK PROGRAMME

The Committee had before it the Work Programme 2019/20 that outlined the scrutiny to be undertaken by this Committee in the remainder of that Municipal Year.

After some deliberation it was **RESOLVED** that:

1. The Committee would hold a special meeting on the 3rd of December to look at the Transformation items in relation to IT, Customer Services and Staffing.

The meeting was declared closed at 10.15 pm

Chairman