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KIRKLEES COUNCIL
OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE

Monday 7th November 2016

Present: Councillor Julie Stewart-Turner (Chair)
Councillor Cahal Burke
Councillor Gulfam Asif
Councillor Ken Sims

In attendance: Debbie Hogg - Assistant Director, Financial Management
Paul Kemp - Assistant Director - Investment and regeneration
Councillor Graham Turner, Cabinet Member
Joe Tingel - Physical Resources and Procurement Officer
Duggs Carre – Comoodle Programme Leader

43 Membership of Committee

All members of the Committee were present.

44 Minutes of Previous Meeting

The Management Committee considered the Minutes of the meeting held on 17 October 2016.

RESOLVED -

The Minutes of the meeting of the Committee held on 17 October 2016 were agreed as a correct record.

45 Interests

No interests were declared.

46 Admission of the Public

All agenda items were considered in public session.

47 Overview of Progress in Delivering the Medium Term Finance Plan

The Assistant Director, Financial Management, Risk, IT and Performance attended the Committee meeting to provide an Overview of the progress made in delivering the Council's Medium Term Financial Plan. The presentation also highlighted future financial forecast issues.

In introduction Debbie Hogg set out Council funding and expenditure budgets for 2017 to 2021. The projections indicated a Medium Term Financial Plan (MTFP) budget gap by 2020-2021 of £65m. It was noted that there had been significant movement within the budget projections since February 2016.

Ms Hogg explained to the committee the different funding sources and current changes which included the core Revenue Support Grant reducing from £33m to £13m and the probability that it would disappear completely at the end of the reduction period. Within Kirklees the recovery rate for Council Tax was very good with initial projections of £157m now increasing to £172m.

Ms Hogg confirmed that cost pressures continued within adults, children and waste services. There were some areas of financial funding that could mitigate some of the funding pressures, for example the Better Care Fund.

The Management Committee explored how the impact of the Local Plan on the development of new housing had been factored into Council Tax projections. Ms Hogg acknowledged that the Local Plan was a consideration but had fallen outside of this budget planning window. It was anticipated that for approximately every 1000 properties built there would be an additional £1m of Council Tax levered into council budgets.

The Committee continued to discuss the New Homes Bonus and noted a current forecast of £43m reducing to £25m by 2017/18. This would require consideration by Councillors as part of the next budget round. The Committee continued to consider the reserves position for 2016/17 and noted that at 31 March 2016 the reserves total stood at £93.3m and by 31 March 2017 this was forecast to have reduced to £57.2m. When looking at the commitments rolled forward it was estimated that the remaining reserves available to support the MTFP from 2017-21 were £29.3m.

Ms Hogg continued to outline budget timetables and noted that Cabinet was receiving quarterly monitoring reports. An update had been presented to Full Council and the online budget engagement tool had been launched in preparation for budget discussions in February 2017. It was anticipated that following the Governments autumn statement on 23 November 2016 details of the financial settlement would be available in early December. An all-party presentation would be held week commencing 5 December, with final budget decisions being taken at Council on 15 February 2017.

There followed a discussion on the implication of 100% retention of business rates in Kirklees compared to more affluent areas elsewhere in the country. Debbie Hogg said consideration was being given to a mechanism that recognised the very uneven distribution of resources and sought to address the position. However, there was no final decision regarding this. Kirklees currently received approximately £50m in business rates.

There was a discussion regarding Parish Councils and whether they might move to a four year financial plan. It was recognised that whilst this maybe a beneficial approach, Parish Council's were independent of the Local Authority and as such made their own arrangements regarding budget management. Ms Hogg indicated that there was a proposal to relook at capping a Parish Council's income however none of the Parish Council's within Kirklees was large enough to be affected by this possible outcome.

The Committee discussed the opportunities for income generation to try to address some of the funding gaps. Ms Hogg said there was a piece of work being led by Joanne Bartholomew, Assistant Director of Place Directorate, to look at maximising funding and trading opportunities. However, there were likely to be limited opportunities and it was important that trading services were not an undue drain on Council Tax. The major focus for services going forward had to be about controlling costs.

There followed a brief discussion on the financial implications in respect of the Housing Revenue Account and anticipated reductions of £11m during the life of the MTFP. Kirklees Neighbourhood Housing was facing the challenge of also having to look closely at their costs in order to achieve savings. The transfer of Building Services to KNH was intended to improve efficiencies and achieve budget reductions.

RESOLVED -

1. That Debbie Hogg, Assistant Director of Financial Management be thanked for attending the Committee meeting
2. That the presentation on the Medium Term Financial Plan and future challenges be noted.

48 Asset Management Update

Cllr Graham Turner, Cabinet Portfolio holder, Paul Kemp, Assistant Director Investment and Regeneration and Joe Tingle Physical Resources and Procurement Officer attended the Management Committee meeting to provide an update on current asset management work.

It was noted that the last update to the Management Committee on 4 January 2016 and since that time the Cabinet Committee Assets had been established with delegation of some decision making functions. In addition, a Cabinet Liaison Group

Overview and Scrutiny Management Committee - 7 November 2016

– Assets, had been established to provide the opportunity for a wider group of Councillors to be informed on the development of policy and proposals regarding assets, prior to them being submitted to Cabinet or Cabinet Committee Assets.

The Committee discussed the work of the Assets Liaison Group including membership and what had been considered to date. It was noted that the group had met on the 17 November 2016 and had agreed the decision making flowchart. The liaison group was to give further consideration to the involvement of ward members and recognised the need for local knowledge to be included in decision making processes. It was agreed that a copy of the flowchart/decision making tree would be forwarded to the Management Committee members.

Joe Tingle continued to explain the report to members, including the progress made to achieve office accommodation savings in line with the move to new ways of working. The report outlined capital investment which included in 2016/17; Huddersfield Town Hall roofing works, Oakwell Hall boiler, dry rot and electrical works, Byram Arcade roofing works, Dewsbury Town Hall refurbishment, emergency lighting.

The Management Committee noted that the MTFP had a requirement to supply £29.5m of capital receipts over a five year period. To date the Council had disposed of 56 assets in 2015/16 generating a receipt of £5.9m.

In 2016/17, 2 disposals had taken place generating £945,000. A number of other disposals are at the negotiation stage or subject to other approvals before anticipated completion before the end of the financial year.

Cllr Stewart-Turner raised concerns about the potential for disposals to impact on other strategies, for example, current early intervention and prevention work within Children's Services. Cllr Turner confirmed that disposals were complex and there was the potential for conflict but officers and Cabinet were working through it to ensure that the best decisions were made. It was important that assets were not underutilised and represented value for money. Officers were progressing disposals that were straightforward and not contentious.

Mr Kemp advised the Committee that there were a second round of ward meetings planned to discuss with ward members the options for assets within their wards. There was a list of draft disposals for 27 sites over the next 18 months. The Cabinet member indicated that it would be helpful if ward Councillors came to officers where they were aware of opportunities within communities to transfer assets or where they had important information to inform decisions.

Committee members discussed the opportunities to use licences to enable community groups to develop arrangements to take responsibility for assets. Mr Kemp indicated this was a possibility however, for community groups to secure external funding sources they were likely to require security of tenure. However, licences were possible if they were part of moving proposals forward. The Council would always look for a longer term solution.

Mr Tingle indicated that there was a need to produce a Strategic Asset Management Plan to ensure the council made the most of its assets and that the approach was complementary to New Council, early intervention and prevention and economic resilience. A number of complementary policies would also be refreshed including the Estate Management Policy and the Asset Transfer Policy.

The Management Committee welcomed the update but expressed concerns about the continuing difficulties recruiting staff and progressing the volume of work. Mr Kemp indicated that they were working with chartered surveyors and some external providers. This left internal resources to be focussed on those projects which were of higher priority to the community and councillors and required more complex discussions. Councillors recognised that this was an area where there was potential to invest to save and welcomed the exploration of other options to inject pace. The Management Committee asked for the list of properties to be progressed over the next 18 months.

RESOLVED -

1. That Paul Kemp, Assistant Director Investment and Regeneration, Joe Tingle, Procurement Officer and Cllr Graham Turner, Portfolio Holder be thanked for attending the Committee meeting
2. That the update on Asset Management issues be noted.
3. That a copy of the asset decision making tree and the list of assets to be progressed over the next 18 months be circulated to the Committee.

49 Effectiveness of Comoodle (including community assets) and Feedback From Users and Their Experiences

The Management Committee received a presentation from Duggs Carre Comoodle Programme Leader on the progress of the Comoodle project to date.

In introduction, Mr Carre refreshed Management Committee's understanding of the background to the Comoodle project which had been a winner of the Bloomberg Philanthropies Mayor's Challenge 2014. A total of £1m had been awarded over the 3 years 2015-2017 to fund innovative ideas that could improve lives across the globe. The Kirklees idea was to build a platform and test new ways of working to ensure Local Government and the public sector could better support community projects by sharing resources that they control. This fitted with the Council's aim of enabling individuals and communities to do more for themselves and each other whilst focusing other resources on things that only the council can do.

The Comoodle project was overseen by a project board and an operational team which included a Project Leader, Project Manager and a Project Officer. Recent feedback to the Project Board had indicated that Comoodle was delivering in line with its delivery plan but recognised that it was entering a new phase of the project. In the first 8 months approximately 140 trades had taken place with a lot of equipment loaned for sports and events as well as council vehicles. As at

September 2016 894 people had signed up to the Camoodle.com blog. A platform was being developed by a provider called Youme and it was hoped that this would be completed by the end of the year.

The 2017 Delivery Plan focussed on marketing and engagement and the need to 'have a lot more on the shelves' so that when people accessed the Comoodle platform they could see what was available. The Management Committee recognised that it was important that Comoodle was not seen as another council service and required a limited amount of Council staffing resources once established.

There was a discussion on how the business community might become involved. Mr Carre indicated that there were still a limited number of members offering resources. There were some businesses, such as Cummings, who were supportive of helping local communities.

There followed a discussion on the risk of sharing resources and how this might be preventing some community groups from offering to loan things within their possession. Mr Carre indicated that liability insurance had been a concern of many community groups. The Council had been working with Eastwoods to develop a new product that would be available relatively cheaply to cover public liability issues. The intention was that the platform would also include guidance and advice to help community groups manage asset sharing. The officers were also looking at the options for community groups charging for people to borrow things, for example generators. Cllr Turner emphasised that this was a very new and innovative project and faced a lot of initial challenges however officers were working to try to tackle these and identify solutions. The Management Committee thanked Mr Carre for his presentation and welcomed the progress that had been made to date.

RESOLVED –

That Duggs Carre be thanked for his informative presentation on the progress of the Camoodle project and next steps.

50 Date of Next Meeting/ OSMC Work Programme

The Management Committee considered arrangements for its next meeting including the agenda issues to be discussed. It was agreed that the next meeting would be held on Monday 28 November 2016 at 9.30am at the Town Hall, Huddersfield. The Management Committee continued to discuss forward agenda plan. Cllr Stewart-Turner reported on recent discussions with John Heneghan Head of Policy and Strategy. There would be a number of Policy issues to be scheduled for the forward work programme.

RESOLVED -

1. That the next meeting of the Committee be held on the 28 November 2016 at 9.30am.

2. That the forward agenda plan be noted.
3. That following discussions with John Heneghan a number of policy issues be integrated into the forward work programme.