OVERVIEW & SCRUTINY COMMITTEE

Minutes of the meeting of the Overview & Scrutiny Committee held on Wednesday, 9 February 2022 in the Council Chamber - Council Offices at 2.00 pm

Committee Members Present:	Mr N Dixon (Chairman)	Mr S Penfold (Vice-Chairman)
	Mr H Blathwayt	Mr P Heinrich
	Dr V Holliday	Mr N Housden
	Mrs E Spagnola	Mr A Varley
	Mr C Cushing	Mr A Brown
	Mr P Fisher	
Members also attending:	Ms V Gay (Observer)	Mr N Lloyd (Observer)
	Mr J Rest (Observer)	Mr E Seward (Observer)
	Mr T Adams (Observer)	
Officers in Attendance:	Democratic Services and Governance Officer - Scrutiny (DSGOS), Director for Communities (DFC) and Chief Technical Accountant (CTA)	

138 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Cllr L Withington.

139 SUBSTITUTES

None.

140 PUBLIC QUESTIONS & STATEMENTS

None received.

141 MINUTES

Minutes of the meeting held on 12th January 2022 were approved as a correct record and signed by the Chairman.

142 ITEMS OF URGENT BUSINESS

None received.

143 DECLARATIONS OF INTEREST

Cllr E Spagnola declared a non-pecuniary interest in relation to the Pier Pavilion report to note that her daughter was an employee of Openwide.

144 PETITIONS FROM MEMBERS OF THE PUBLIC

None received.

145 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER

None received.

146 RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS

The DSGOS informed Members that Cabinet had accepted the recommendation to increase the Council's parking charges in-line with CPI inflation, subject to some minor variations. He added that Cabinet had not accepted the recommendation to raise season ticket prices.

Cllr E Seward thanked the Committee for their involvement in reviewing the charges and noted that in order to help residents the decision had been taken to freeze season ticket prices. He added that whilst there was no perfect solution, it was more viable for daily parking charges to be increased.

147 WASTE CONTRACT: VERBAL UPDATE

The DFC introduced the item and reminded Members of the gap analysis presented previously, and reported that Serco had made reasonable progress on the 500 items outlined. He added that Serco had confirmed they could provide evidence of compliance with 200 of the requirements, whilst 92 were reportedly not being undertaken according to contract. It was noted that 34 tasks had been accepted as duplicates, 40 tasks required further clarification, and 27 tasks were not being completed but would be addressed as part of the transition to the new operating model. The DFC noted that the new operating model would be delivered sequentially across each District, with changes expected to be implemented in North Norfolk by June. He added that there were 32 elements of the contract that had been partly implemented and a further 59 elements that would be fully implemented once the new operating model was in place. It was reported that overall, reasonable progress was being made, and a plan for full implementation could be expected at the April meeting.

Questions and Discussion

i. The DFC noted that some undelivered items referred to could relate to minor issues, such as not having the contracted number of tools available, and it was important to remember that key services continued to be delivered.

ii. The Chairman asked whether the DFC was satisfied as the responsible officer that enough progress had been made following the original briefing. The DFC replied that he was comforted to see the progress made, though he expected more traction to be gained in the months ahead. He added that it was also important to note that implementing the new operating model was essential to deliver the contract as promised, whilst also ensuring that added value elements were delivered.

iii. Cllr S Penfold noted that Serco officers had informed the Committee that they were operating the contract on a deficit, and asked whether they had begun to invoice the Council. The DFC replied that invoices were now being received for the fixed services, though variable monthly bills for additional services such as garden waste collections were still being cross-referenced for accuracy.

iv. Cllr N Housden noted that the level of staff resource required to monitor the

contract had been significantly higher than expected, and asked whether the cost of this had been taken into account and whether the contract still provided value for money. The DFC replied that in his role as supervising officer during the early NNDC contract mobilisation, it had been expected that resource requirements would be higher during this period, and could be expected to reduce once the supervisory role was passed onto the next authority. He added that the value for money of the contract was not in doubt, as the joint procurement exercise had still delivered as expected, and officer time invested in administering this arrangement had contributed to achieving this value for money.

RESOLVED

To note the update.

148 FEES AND CHARGES 2022-23

Cllr E Seward – Portfolio Holder for Finance and Assets introduced the report and informed Members that it was an annual requirement to set the fees and charges for a range of services provided by the Council. He added that some charges relating to electoral registrars, enforcement and some housing services were statutory and were therefore not set by the Council. It was noted that some charges could be set with delegated authority by officers and the Portfolio Holder, such as trade waste collections to avoid alerting commercial competitors to the Council's future pricing. He added that garden bin collections were currently charged annually at £48.50, which generated in excess of £1m income from approximately 22k customers, though this number continued to increase. It was noted that many garden waste bins were reaching the end of their expected life, and whilst the cost of replacement would be met by the bin charges, these costs had risen by 10% twice in recent months.

Questions and Discussion

i. It was noted that there had been press enquiries regarding an increase in the administrative charge for remaining on the waiting list for the Council's beach huts and chalets from £25 to £45. Cllr E Seward explained that this increase was necessary as £25 no longer covered the Council's costs to administer the waiting list.

ii. Cllr S Penfold referred to the replacement of garden waste bins, and asked whether there was a plan in place for environmentally friendly disposal of the old bins. Cllr N Lloyd replied that he was unsure whether they would be recyclable, but would look to investigate the issue.

iii. The recommendations were proposed by Cllr P Heinrich and seconded by Cllr E Spagnola.

RESOLVED

1. To recommend to recommend to Full Council that:

a) The fees and charges from 1 April 2022 as included in Appendix A.

b) That Delegated Authority be given to the Section 151 Officer, in consultation with the Portfolio Holder for Finance and relevant Heads of

Service, to agree those fees and charges not included within Appendix A as required as outlined within the report.

149 CAPITAL STRATEGY 2022 – 2023

Cllr E Seward – Portfolio Holder for Finance and Assets introduced the report and informed Members that it was an annual requirement for Council to approve the Capital Strategy and prudential indicators annually, in advance of setting the budget.

Questions and Discussion

i. The recommendation was proposed by Cllr H Blathwayt and seconded by Cllr P Heinrich.

RESOLVED

1. To recommend to Council that the Capital Strategy and Prudential Indicators for 2022-23 are approved.

150 INVESTMENT STRATEGY 2022/23

Cllr E Seward – Portfolio Holder for Finance and Assets introduced the report and informed Members that the Strategy that required approval by Council in advance of setting the budget.

Questions and Discussion

i. The recommendation was proposed by Cllr A Brown and seconded by Cllr A Varley

RESOLVED

To recommend to Council that the Investment Strategy is approved.

151 TREASURY MANAGEMENT STRATEGY 2022/23

Cllr E Seward – Portfolio Holder for Finance and Assets introduced the report and informed Members that the Strategy required annual approval in advance of setting the budget. He added that as with the Capital and Investment Strategies, if the Council had any significant long-term borrowing used to fund investment programmes, there would be a greater need for an increased level of scrutiny, however the Council was not in that position.

Questions and Discussion

i. The recommendation was proposed by Cllr A Varley and seconded by Cllr P Fisher.

RESOLVED

To recommend to Council that the Treasury Management Strategy is approved.

152 CROMER PIER PAVILION THEATRE - PIER MANAGEMENT CONTRACT

Cllr V Gay – Portfolio Holder for Leisure, Wellbeing and Culture introduced the report and informed Members that the recommendations had been resolved by Cabinet at its February meeting. She referred to the first recommendation to extend the Pier Management Contract with Openwide, and noted that this had taken place previously on several occasions, with the relationship being in place since 2001. It was noted that the second recommendation stated that the Council was open to exploring a risk sharing arrangement for 2022, though this was only an eventuality and the full cost of this was not known. Cllr V Gay referred to the third recommendation and noted that the Council were liable to fund improvements, which had been recommended by Environmental Health. Finally, the fourth recommendation to explore broadening the Pier's offer was an approach taken with all similar contracts. Cllr V Gay stated that Openwide had also made efforts to secure their own financial support during the Pandemic, which included two cultural grants from the Arts Council, the first amounting to £227k and the second £125K, which had helped to underwrite the cancelled 2020 season. She added that it was unclear what could be expected in 2022, therefore the risk sharing arrangements were only a precaution, as it was important to continue supporting the Seaside Special Show.

Questions and Discussion

i. Cllr J Rest referred to recommendation D, and asked whether the Council still imposed restrictions on pantomime shows. Cllr V Gay replied that she was not aware of the details, though she expected this restriction may have been in place prior to production of the Christmas Pier show, which may have been established as a result. Cllr J Rest suggested that it would be helpful to clarify whether the restriction was still in place, as it could provide a potential opportunity for Openwide. Cllr V Gay agreed and noted that Openwide had several proposals of its own to broaden its offer, such as themed weekend events. She added that historically the Council had provided approximately £80k of annual funding, though this was no longer the case with £20k of profit shared in the 2019 season.

ii. Cllr C Cushing referred to recommendation B on risk sharing arrangements and asked whether any other options had been considered, such as increased insurance. Cllr V Gay replied that she was not aware of Openwide's insurance arrangements, though in many cases insurers had refused pay-outs relating to Covid-19. She added that many theatres across the Country had faced financial difficulties during the pandemic, though she would seek to provide a written response regarding Openwide's insurance arrangements.

iii. Cllr S Penfold referred to recommendation C to fund the refurbishment of the bar area, and noted that within the report at section 1.2 it was stated that Openwide would be responsible for non-structural repairs to fixtures and fittings. He then asked whether the funding was for structural refurbishment only. Cllr V Gay replied that she was not aware of the full plans for the refurbishment, though a written reply could be provided. The Chairman noted that he had been on the Working Party that discussed the contractual arrangements, and suggested that the Council were responsible for capital refurbishments, whilst Openwide were responsible for routine maintenance and repairs. He added that there had also been plans for the Council to update the lighting and seating, which he expected had been completed some time ago.

iv. Cllr T Adams stated that there were additional elements that the Council had responsibility for upgrading such as dressing rooms, and suggested that it could be useful to arrange a Member visit to the Pier.

v. Cllr V Gay noted that whilst there were several Piers across the Country, Cromer Pier remained relatively unique as a historical asset, which was a significant draw for tourism.

vi. The Chairman suggested that it could be helpful to receive a briefing for Members to better understand how the contract is managed and how the Pier is maintained.

vii. Cllr V Holliday asked whether it was possible to quantify the economic impact of the Pier and the benefits it had for the District. The CTA replied that the Economic Growth Team may be able to provide this information, and she would seek to provide a written response.

viii. Cllr N Housden stated that it was crucial to treat the Pier with care, given its significance as a historical asset, then referred to recommendation D and suggested that more food concessions could be explored to generate additional income if no restrictions were in place. He asked whether the £45k budget for improvements would include any funding for options being considered as part of recommendation D. Cllr V Gay replied that more concessions had often been discussed, but they required careful consideration as they could impact other businesses in the area. Cllr T Adams noted that there were some historic restrictions on the Pier, though options were being explored to increase the range of concessions available on and off the Pier. He added that Openwide had expanded previously into the forecourt area, and whilst a careful balance had to be maintained, there was potential for more concessions. It was noted that as Council subsidies had decreased, Openwide had been given the option to provide more concessions.

ix. Cllr H Blathwayt noted that he had previously been a Member of the National Pier Society, and reminded Members that Cromer Pier had won the Pier of the Year award in 2019. He added that if the Pier were to become too commercial, it may damage its reputation going forward, and should therefore be given very careful consideration. Cllr H Blathwayt asked whether the RNLI made any contributions to the Pier, given the location of the lifeboat station. Cllr T Adams replied that he was unsure of arrangements with the RNLI, though he would seek to confirm this. It was noted that the relationship with the RNLI was a mutually beneficial, as the RNLI provided a crucial life-saving service for the District.

x. The Chairman noted that it would be helpful for Openwide to be included in a Member briefing to explain any further commercial options being considered and their plans for the future of the Pier.

xi. The recommendations were proposed by Cllr S Penfold and Cllr H Blathwayt, with the inclusion of an additional recommendation to include a Member briefing on the Pier contract and maintenance arrangements.

RESOLVED

1. To commend the following Cabinet decisions:

a) Agree now to the extension of the pier management contract at the end of its current ten-year term for five years to March 2033 (as allowed for under the contract) so that the additional costs / losses incurred by Openwide in supporting the contract over the past two years due to COVID might be recovered – i.e. Option 1 as detailed within Section 5 of the report.

b) Agree that the Council is prepared, in principle, to explore further with Openwide a risk-sharing approach in underwriting the costs of investment in the 2022 Seaside Special production recognising the challenges presented by the COVID pandemic on audience figures during 2021 and the continued uncertainty for the 2022 summer season given that planning and investment in the 2022 production is already underway - i.e. Option 3 as detailed within Section 5 of the report.

c) The Council agrees to make budgetary provision in the current financial year of up to £45,000 to upgrade the bar and food service area within the Pavilion Theatre

d) Agree that the Council works closely with Openwide to explore broadening the offer of the Pier as outlined in Options 4 and 5 of Section 5 of the report so as to attract new audiences, visitors and income to the Pier.

2. **To request that an all-Member briefing be arranged to improve understanding of the contractual arrangements with Openwide for the management and maintenance of the Pier.**

ACTIONS

1. **Written replies to be provided on the following points, where possible:**
   - **Any restrictions on hosting a Pantomime production?**
   - **Does Openwide's insurance cover loss of income due to extenuating circumstances?**
   - **Is funding allocated under recommendation C for structural repairs/investment only?**
   - **Can the economic impact of the Pier and the benefit provided for the District be quantified?**
   - **Do the RNLI in any way contribute to the maintenance of the Pier?**

153 UPDATE: SCRUTINY PANEL - ENVIRONMENT & QUALITY OF LIFE

Cllr H Blathwayt – Chairman of the Panel introduced the item and informed Members that good progress had been made in agreeing the parameters of the review and checking initial evidence, which had been deemed reasonably accurate.

Questions and Discussion

i. The DSGOS noted that the Committee were required to approve the Panel's draft work programme for the six month trial period. He added that beyond the review of Public Conveniences, the Panel had also chosen to support the development of the Quality of Life Strategy, subject to the Committee's approval.

ii. The recommendation was proposed by Cllr H Blathwayt and seconded by Cllr P Heinrich.

RESOLVED

1. To agree the draft Work Programme for the six-month trial period.

154 THE CABINET WORK PROGRAMME

The DSGOS introduced the item and reminded Members to attend the LG Inform Benchmarking Briefing, as benchmarking data would now be included in the Cabinet and Scrutiny quarterly performance monitoring reports. He added that the Committee would be given the opportunity to choose its reporting priorities identified within the benchmarking data, and which group of authorities the Council was benchmarked against.

RESOLVED

To note the Cabinet Work Programme.

155 OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE

i. The DSGOS introduced the item and informed Members that whilst the scoping report on the impact of second homes had been expected at the February meeting, this had been delayed to allow Cllr L Withington's involvement in the process. He added that despite the delay, it had recently been announced that a second homes tax loophole had been closed, which would have an impact across the Country.

ii. The DSGOS noted that several briefings had been also been planned for the months ahead, with the PCC attending in March alongside the Chief Executive of PCC's office to introduce the Police, Crime and Community Safety Plan. He added that Serco Officers would then return in April to update the Committee on progress made implementing the new target operating model. Finally, it had been requested that the Committee request the attendance of officers from Anglian Water to discuss sewage outflow incidents at the next available meeting, likely in May.

iii. Cllr T Adams noted that he would provide an email update on the work of the Police and Crime Panel upon publication of the minutes, as they had recently set their annual budget. He added that Members should also have been invited to a road safety briefing, which could be an interesting discussion point in the future.

iv. The DSGOS noted that no response had been received from EEAST regarding ambulance response times, and the update would be delayed until up to date information was made available.

RESOLVED

To note the Overview and Scrutiny Work Programme.

156 EXCLUSION OF THE PRESS AND PUBLIC

The meeting ended at 3.18 pm.

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Chairman