

OVERVIEW & SCRUTINY COMMITTEE

Minutes of the meeting of the Overview & Scrutiny Committee held on Wednesday, 11 November 2020 in the remotely via Zoom at 9.30 am

Committee Members Present: Mr N Dixon (Chairman) Ms L Withington (Vice-Chairman)

Mr H Blathway Mrs W Fredericks
Mr P Heinrich Mr N Housden
Mr G Mancini-Boyle Mrs E Spagnola

Other Members in Attendance: Mr A Brown (Observer) Mrs S Bütikofer (Observer)

Mrs A Fitch-Tillett (Observer) Mr T FitzPatrick (Observer)
Mr V FitzPatrick (Observer) Ms V Gay (Observer)
Mrs P Grove-Jones (Observer) Mr R Kershaw (Observer)
Mr N Lloyd (Observer) Mr N Pearce (Observer)
Mr J Rest (Observer) Mr E Seward (Observer)
Miss L Shires (Observer)

Officers in Attendance: Democratic Services and Governance Officer (Scrutiny) (DS&GOS), Chief Executive (CE), Democratic Services Manager (DSM), Environmental Services Manager (ESM), Director for Communities (DfC) and Chief Technical Accountant (CTA)

Also in attendance:

85 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Cllr A Varley.

86 SUBSTITUTES

Cllr S Penfold substituted for Cllr A Varley.

87 PUBLIC QUESTIONS & STATEMENTS

None received.

88 MINUTES

The minutes of the meeting held on 14th October 2020 were approved as a correct record and signed by the Chairman.

89 ITEMS OF URGENT BUSINESS

None received.

90 DECLARATIONS OF INTEREST

None declared.

91 PETITIONS FROM MEMBERS OF THE PUBLIC

None received.

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

The DS&GOS informed Members that the Digital by Design and Income Generation and Savings briefings had now been arranged, and would take place on the 18th and 25th November respectively.

94 BUDGET MONITORING REPORT 2020/21 – PERIOD 6

Cllr E Seward - portfolio holder for resources introduced the report and informed Members that it covered the period of April to September, for a budget that had been set prior to the first Covid-19 lockdown in February. At the time of reporting the Council was noted to be at an underspend, though a deficit of approximately £400k had been projected for the year end. It was reported that subsequent to the fourth tranche of Government funding support, the Council had received approximately £400k, which meant that the Council had theoretically returned to a balanced budget. Members were reminded that the figures outlined in the report were projections, and a further lockdown suggested that they could be subject to change.

Questions and Discussion

- i. Cllr H Blathwayt asked how NNDC compared with other local authorities in Norfolk. The CTA replied that the Council compared favourably with neighbouring authorities, and that monthly benchmarking continued to take place at both a local and national level. Cllr H Blathwayt congratulated officers for their efforts to ensure that the Council remained financially stable throughout the pandemic.
- ii. The Chairman noted that the current lockdown had occurred outside of the peak tourism season, and asked whether this would decrease its impact on the Council. Cllr E Seward replied that whilst there appeared to be conflicting patterns of behaviour, there did appear to be lower numbers visiting town centres, which would impact on revenue streams such as parking. The CTA agreed that the lockdown would likely cause a decline in parking revenue, amongst others such as commercial waste, though the impact of this would not be known until the end of the lockdown period.
- iii. Cllr G Mancini-Boyle referred to the parking income support provided by Central Government, and asked whether this was still available to the Council. Cllr E Seward replied that the loss of income and charges scheme was available until March 2021, and added that in addition to the first tranche of funding, bids would be submitted in the second and third also. It was noted that whilst parking revenues had risen above forecasted levels during the peak season, it had not made up for losses in the first half of the year, which meant that there was still a balance to be recovered. Cllr G Mancini-Boyle asked whether this increased revenue would make up the remaining 30% not covered by the Government scheme. The CE replied that the scheme took into account revenue losses for the full year, therefore if the peak season had not made up losses incurred earlier in the year, then the deficit would be recovered.

- iv. Cllr N Pearce referred to the Government's extension of the furlough scheme and asked whether the current tiered response would return once the lockdown was lifted. The CE replied that NNDC was in regular contact with County partners and any arrangements for a return to the tiered system would be determined by the rate of infection, and pressure on health services at the time. He added that the furlough scheme did not directly impact the authority, though it would help businesses in the District that would suffer as a result of limited Christmas activities.
- v. Cllr P Heinrich referred to recent software license issues with Microsoft, and asked whether the problem could have been foreseen, and whether any further information on the matter was available. The CE replied that a paper had been produced on the issue that would be reviewed by SLT imminently, and would then go to Cabinet. He added that any additional costs incurred would need to be included in the 2021/22 budget. It was confirmed that the paper could be shared with wider Members in due course.
- vi. The recommendations were proposed by Cllr H Blathwayt and seconded by Cllr W Fredericks.

RESOLVED

- 1. To note the contents of the report and the current budget monitoring position;**
- 2. To recommend to Full Council the release of £247,083 capital receipts to increase the coastal adaption fund; reinvesting proceeds previously received from the sale of land.**

95 TREASURY HALF YEAR UPDATE 2020/21

Cllr E Seward introduced the report and noted that the Committee were asked to recommend to Council that changes to counterparty limits and the report be approved. It was noted that payments received for the administration of the Central Government Covid support grants had caused the Council to hold more money than usual. The CTA stated that the Finance Team were pleased with how the Council's investments had fared, considering how the pooled fund had been impacted by the first lockdown period. She added that the £65m received for the Covid support grants had been carefully invested prior to being granted to businesses. She added that despite the impacts of Covid-19, a positive rate of return had been maintained for the Council.

Questions and Discussion

- i. Cllr N Housden referred to the potential for negative interest rates to be introduced, and asked what the potential impact of these would be. The CTA replied that the risk of negative interest rates remained relatively low, though it would seriously impact the Council's liquid funds if introduced. She added that if negatives rates were introduced then the Council would have to reconsider its use of financial instruments, and the Government's debt management facility would likely be used as back stop. Cllr N Housden suggested that it could be useful for the Committee to consider the issue as a means of risk mitigation, to which the CTA replied that it could be discussed, though the costs of holding

money with the Government remained low. It was confirmed that the three main criteria for the Council's investment strategy were security, liquidity and yield.

- ii. Cllr G Mancini-Boyle referred to improvements in the exchange rate of the pound against the dollar, and asked if this would have any positive impact on the Council's investments. The CTA replied that there was no immediate effect, though the Council did hold several funds with global equities that could see some increase in return, though an increase in the capital value was more likely.
- iii. Cllr G Mancini-Boyle asked if the Council still sought to ensure that its investments were ethical. The CTA replied that the Council's treasury advisors reviewed each of the Council's counterparties, and though there were no plans to divest in the short term, new counterparties would be carefully reviewed for the Council's long-term investment plans.
- iv. Cllr H Blathwayt referred to the possibility of a vaccine becoming available in the months ahead, and asked whether this would lower the risk of negative interest rates being introduced. The CTA stated that she hoped this would be the case, and that news of a vaccine would also likely raise the capital value of investments.
- v. Cllr P Heinrich asked for clarification of the Council's exposure to commercial property markets and what the potential impact of not reaching a trade deal with the EU might be. The CTA confirmed that the Council had very low direct exposure to commercial property markets, though there was some indirect exposure through the Council's pooled funds, which included one property fund and two multi-asset funds. It was noted that the pooled fund investments were spread nationally to limit risk and local exposure. The CTA reported that whilst the capital value of these investments had decreased, the income streams had held up well, as counterparties had been proactive in collecting up to 95% of rents. In regards to an EU trade deal, the CTA stated that whilst the Council had to remain cautious, it was not yet possible to quantify any impact.
- vi. Cllr L Withington stated that she had been reassured by the level of return maintained and thanked officers for their hard work.
- vii. The recommendations were proposed by Cllr P Heinrich and seconded by Cllr G Mancini-Boyle.

RESOLVED

- 1. To recommend that Council RESOLVE that The Treasury Management Half Yearly Report 2020/21 is approved.**
- 2. To recommend that Council APPROVE changes to the Counterparty Limits.**

96 DETERMINATION OF COUNCIL TAX DISCOUNTS 2021/22

Cllr E Seward introduced the report and informed Members that the Council were legally required to set Council Tax discounts for the year ahead. It was noted that once set, they would help determine the tax base for the year which was required to set the budget. Cllr E Seward reported that the only proposed change for the year

pertained to empty properties, as Councils had now been given the power to increase Council Tax charges on properties empty for 10 years or more by 300%. He added that officers had recommended that this charge be introduced for the 2021/22 financial year, as it would provide a small opportunity to generate income, as well as provide a policy tool to encourage owners to bring empty properties back into use. It was noted that maintaining discretionary powers was advised, so that fees could be waived for renovations. The CTA reported that several other Council's also planned to introduce the 300% charge in the year ahead.

Questions and Discussion

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

RESOLVED

To recommend that Full Council resolve that under section 11A of the Local Government Finance Act 1992, and in accordance with the provisions of the Local Government Finance Act 2012 and other enabling powers one of the following applies:

1. (a) The discounts for the year 2021/22 and beyond are set at the levels indicated in the table at paragraph 2.1.

(b) The premium for long term empty properties (those that have been empty for a consecutive period longer than 24 months) is continued at 100% of the Council Tax charge for that dwelling

(c) The premium for long term empty properties (those that have been empty for a consecutive period longer than 60 months) is continued at 200% of the Council Tax charge for that dwelling

(d) The premium for long term empty properties (those that have been empty for a consecutive period longer than 120 months) is set at 300% of the Council Tax charge for that dwelling

(e) To continue to award a local discount of 100% for eligible cases of care leavers under section 13A of the Local Government Finance Act 1992 (as amended).

(f) That an exception to the levy charges may be made by the Section 151 Officer in conjunction with the Portfolio holder for Finance, on advice of the Revenues Manager in the circumstances laid out in section 3.6 of this report.
2. (a) those dwellings that are specifically identified under regulation 6 of the Council Tax (Prescribed Classes of Dwellings)(England) Regulations 2003 will retain the 50% discount and;

(b) those dwellings described or geographically defined at Appendix A which in the reasonable opinion of the Head of Finance and Asset Management are judged not to be structurally capable of occupation all year round and were built before the restrictions of seasonal usage were introduced by the Town and Country Planning Act 1947, will be entitled to a 35% discount.

97 WASTE CONTRACT MONITORING

Cllr N Lloyd - portfolio holder for Environmental Services, Climate Change and Environment introduced the item, and reminded Members that the contract was a combined effort with two neighbouring local authorities, that sought to deliver a 30%

reduction in carbon emissions. It was reported that the contract had commenced in April during lockdown, though this had not hampered its implementation. Cllr N Lloyd noted that new waste vehicles were in the process of being delivered, which would significantly improve the reliability of the service, and expressed his thanks to all officers involved in the successful implementation of the contract.

Questions and Discussion

- i. The DfC stated that mobilizing the waste contract during the pandemic had not been an easy task, and whilst there had been a far lower level of sickness than anticipated, it had still placed limitations on resources. It was reported that the only service that had been limited temporarily was access to registration of the garden waste services, though once this had been resumed, an additional 1300 households had registered for the service. It was noted that during the early stages of the initial lockdown, the Council had allowed commercial waste customers to suspend their collections in order to avoid cancellations whilst they were unable to trade. The DfC stated that there had been significant demand on staff to resume these contracts once lockdown had been lifted, and thanked the officers involved.
- ii. On waste collection vehicles, it was reported that Serco had provided an interim solution free of charge during the pandemic, as delivery of the new vehicles had been delayed by the pandemic. It was noted that the second-hand vehicles had suffered with reliability issues which had resulted in missed collections, though hiring vehicles at additional cost had resolved these issues. The DfC stated that the additional costs were being negotiated with the contractor, as it had avoided any service penalties.
- iii. The DfC referred to the peak tourism season and noted that whilst it had been significantly busier than usual, the contractor had met demand well, and additional resource had been provided for increased cleansing in public areas.
- iv. The DfC stated that the Council was moving forward with the target operating model proposed by the contractor, which included a new collection methodology to limit emissions, and could be expected to be in place from February 2021.
- v. The Chairman stated that as a ward Member, he had not received any negative feedback on the new contractor, and suggested that implementing the contract during such difficult times was a significant achievement. He then referred to the use of carbon efficient vehicles, and asked whether this was a contractual requirement. The DfC replied that the Council had requested that contractors include in their bid efficiencies such as carbon savings, and noted that it was broadly set-out within the contract. He added that bidders were assessed against this requirement, and Serco had included a provision to use more carbon efficient vehicles. It was noted that the reason for the delay in delivering this aspect of the contract was the limited range of fully electric vehicles, which had presented some issues in North Norfolk, though this may be resolved once the EVCP had been installed. In reference to hybrid vehicles, it was reported that the technology had been withdrawn at this stage in anticipation of fully electric vehicles. The DfC stated that as a result, the Council would hold Serco to the contractual requirements, though it had to be accepted that this was reliant on emerging technology.

- vi. Cllr H Blathwayt expressed his thanks to the waste collection team for excellent service in areas of high demand during the summer season. He then asked what measures were being taken to protect the waste collection workers from the hazards of Covid-19. The DfC replied that Serco had introduced a number of steps to ensure Covid-security, the first of which was staggering rounds to limit the interaction of teams at the depot. In addition, cleansing of vehicles had been increased, alongside the introduction of bubbles amongst crews to further limit mixing of staff. It was noted that crews were also required to wear facemasks whilst in vehicles. The DfC stated that waste collection staff already wore gloves, and had very limited contact with the public.
- vii. Cllr G Mancini-Boyle noted that waste levels appeared to have increased with residents staying at home, and praised the contractor for coping with this increased demand during such challenging times. He then referred to information panels on vehicles and asked what information would be displayed. Cllr N Lloyd replied that the Council did intend to promote messages on the vehicles, which would likely encourage recycling. He added that there were also plans to run a competition amongst schools to create designs in the new year. The DfC stated that it was beneficial for the Council to promote recycling messages, and options were being considered so that these could be changed on a regular basis. It was noted that some vehicles would have LCD panels that could change depending on their location, to promote specific messages.
- viii. Cllr N Housden thanked the collection staff for their efforts during the pandemic, then referred to the IT monitoring system, and asked if it was known when this would be activated. The DfC replied that this had been delayed whilst the older vehicles were being used, in combination with delays caused by bringing the three authorities IT requirements together. It was expected that the system would be live by April 2021, at which point analytics should be available. The DfC stated that Serco still provided adequate reporting on a daily basis, and added that once the system was live, it was hoped that public waste complaints would go directly to the contractor.
- ix. Cllr A Brown reiterated compliments to all officers involved and expressed his thanks to the unsung heroes that had delivered a faultless collection service throughout the pandemic. Cllr G Mancini-Boyle agreed and suggested that a thank you letter should be sent to Serco staff on behalf of the Council.
- x. It was proposed by Cllr W Fredericks and Cllr G Mancini-Boyle to accept and note the report.

RESOLVED

- 1. To note the report.**

98 THE CABINET WORK PROGRAMME

- i. The DS&GOS reminded Members that the income generation and savings briefing was planned to take place on the 25th and encouraged all Members to attend. It was noted that the Communications Strategy was listed in the Cabinet Work Programme for January, and it was expected that the Committee should

review this.

- ii. The DSM stated that there was not a January Cabinet meeting scheduled at present, though she would discuss this with the leader to make arrangements. It was noted that the Print Room contract was also expected to go to Cabinet in December, that could be of interest to the Committee.
- iii. The CTA stated that she would update Members of the current budget forecasts at the briefing on the 25th, and noted that a Central Government spending announcement would be made that morning, and she would seek to inform Members of the main points.

RESOLVED

To note the Cabinet Work Programme.

99 OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE

- i. The DS&GOS referred to the performance monitoring report scheduled for the next meeting and suggested that once training on the Inphase system had been provided, it would be helpful for Members to outline the main points of contention prior to the meeting.
- ii. It was noted that a Sheringham Leisure Centre project update was due for December, which would be of increased importance as gyms and leisure centres had again been forced to close.
- iii. Cllr L Withington referred to outstanding items on the Work Programme, and asked whether the impact of purchasing homes for temporary accommodation could be reviewed by the Committee in the new year. The DS&GOS replied that he would follow-up the request.
- iv. Cllr L Withington referred to the MTI project and asked when this would be reviewed by the Committee. The Chairman replied that Covid-19 had caused significant delays to the projects, and as a result it was anticipated that this would be addressed once all projects had been completed. The DS&GOS added that due to the aforementioned impact of Covid, many projects had been granted a six month extension to their project deadlines. It was suggested that it would be preferable to wait for project completion prior to reporting, though an interim update could be provided if required.
- v. Cllr P Heinrich referred to the Planning performance review and suggested that due to the implementation of the new Uniform system, this should be postponed until summer 2021 to allow time for officers to become fully acquainted with the new system.
- vi. Cllr N Housden referred to the outstanding item on climate change and asked how this would be addressed. The CE replied that whilst the Council had not had any significant resource to undertake work on this matter, two posts had just been filled and it was hoped that progress would be made in the new year. The Chairman noted that careful scoping would be required to determine the Committee's precise focus on such a large topic.

RESOLVED

To note the Work Programme.

100 EXCLUSION OF THE PRESS AND PUBLIC

The meeting ended at Time Not Specified.

Chairman