

## **OVERVIEW AND SCRUTINY COMMITTEE**

**Meeting held in the Committee Room, Council Offices, Urban Road, Kirkby-in-Ashfield,**

**on Thursday, 16th November, 2017 at 6.30 pm**

**Present:** Councillor Lee Anderson in the Chair;

Councillors Helen Hollis, John Knight,  
Rachel Madden, Cathy Mason, Lauren Mitchell,  
Christine Quinn-Wilcox, Paul Roberts and  
Phil Rostance.

**Officers Present:** Mike Joy, Sharon Lynch, Alan Maher and  
Robert Mitchell.

**In Attendance:** Councillor Cheryl Butler

### **OS.14 Councillor Jim Aspinall**

The Chair of the Committee informed the meeting of Cllr Jim Aspinall's recent illness. The Committee wished Cllr Aspinall a speedy recovery.

### **OS.15 Declarations of Disclosable Pecuniary or Personal Interests and Non-Disclosable Pecuniary / Other Interests**

No Declarations of Interest were received.

### **OS.16 To receive and approve as a correct records the minutes of the meeting of the Overview and Scrutiny Committee, held on 10 October 2017**

The Minutes of the Overview & Scrutiny Committee, held on 10 October 2017, were approved as a true record. The Committee heard that the use of social media to enable people to follow the meeting and to submit questions had proved highly successful, with many people using the internet to view the meeting. Members welcomed this.

### **OS.17 Budget Update (Presentation at the Meeting)**

The Committee received a presentation from the Corporate Finance Manager on the Council's Budget. As part of this she explained the purpose of the Medium Term Financial Strategy (MTFS), and how it enables the Authority to understand the financial challenges facing it and to plan for how it is going to meet them. The current MTFS covers the period 2018/23 and is revised to take into account new developments. The Strategy is next scheduled to be revised in February 2018.

The Corporate Finance Manager explained that the MTFs is built on a series of financial assumptions about how the Council's income and expenditure are going to change. As part of her presentation, she outlined the specific assumptions around individual income and expenditure pressures. These included the financial assumptions on which to base calculations to determine income from, Council Tax, Business Rates, New Homes Bonus and Housing Rents.

The Corporate Finance Manager also explained the assumptions around reductions in income, such as the phasing out of Rate Support Grant (RSG) from central government as well as the pressures to spend more. These included the impact of pay awards, higher utility services costs, as well as the wider economic factors, such as inflation and changes to interest rates.

Members were reminded that the Council faces a significant budget gap of £3.8M, which it will have to meet over the next five years. A series of savings targets to bridge this gap had already been agreed. £1M of these savings would have to be found during 2018-19. They involved expenditure reductions and action to generate additional income. The additional income would be generated by offering more commercial services and securing rent and other returns from new property investments.

The Committee thanked the Corporate Finance Manager for setting out the Council's budget position. Members recognised that the process of finding additional savings would become increasingly difficult and that would require it to embrace new ways of working if it was to meet the challenges facing it. There was a consensus that the Council should protect services to the public as far as it can and that it should seek to do this by generating additional income by operating in a more commercial way.

Members explored the benefits of a more commercial approach and especially the acquisition of a portfolio of property to generate income. They also asked about the potential risks and how these would be managed. The Chief Executive informed the Committee about the in house and other expertise the Council now had to ensure that it invested in the right properties, whilst minimising risk. Furthermore, subsequent disposal would be managed to optimise the return from them and enable other income-generating properties to then be bought. Members welcomed this.

Members also asked about the role which the Council's earmarked reserves can play in supporting the budget. The Committee were informed that reserves have continued to support specific activities but the ability to top-up was becoming increasingly difficult, unless reserves could be maintained there would be less available to support specific initiatives in future years.

Members considered that scrutiny should play an ongoing role in monitoring the Council's budget position and especially the success of income generation through commercial activities.

## RESOLVED

That the Committee continue to monitor progress made in meeting the financial challenges facing the Council.

Reasons

In order to allow input to the budget from a cross-party committee.

**OS.18 Scrutiny Workplan 2017-18 - Report to Follow**

The Committee considered the latest position on the remaining topics from the 2017/18 work plan. Members were reminded that the Commercial Enterprise Strategy was one of the outstanding topics, which would be reviewed by Scrutiny Panel 'A' in early 2018. Members were asked to contact the Scrutiny Manager, Mike Joy, if they wished to suggest any other topics to be considered.

RESOLVED

- a) The Committee notes the ongoing topics on the 2017-18 Workplan;
- b) The Committee considers and identifies any additional topics for the 2017/18 Workplan that might benefit from Scrutiny involvement.

Reasons

Consulting, reviewing and agreeing items for the Scrutiny Workplan 2017/18 provides guidance and direction for the work undertaken by Scrutiny.

The meeting closed at 7.25 pm

Chairman.