

EAST DEVON DISTRICT COUNCIL

Minutes of a Meeting of the Executive Board held at Knowle, Sidmouth on Wednesday, 4 November 2009

Present: **Councillors:**
Graham Brown (Vice-Chairman in the Chair)

Geoff Chamberlain
Jill Elson
Mike Green
Peter Halse
Andrew Moulding

Also Present: **Councillors:**

| | |
|-----------------|-----------------|
| Ray Bloxham | Jim Knight |
| Peter Bowden | Ann Liverton |
| Iain Chubb | Graham Liverton |
| Andrew Dinnis | Frances Newth |
| Paul Diviani | Marion Olive |
| Malcolm Florey | Helen Parr |
| Graham Godbeer | Pauline Stott |
| Douglas Hull | Ian Thomas |
| Stephanie Jones | Tim Wood |
| David Key | |

Also present: **Officers:**
Mark Williams, Chief Executive
Denise Lyon, Deputy Chief Executive
Karime Hassan, Corporate Director
Diccon Pearse, Corporate Director
Rachel Pocock, Head of Legal, Licensing and Democratic Services
Diana Vernon, Democratic Services Manager

Apologies **Councillors:**
Sara Randall Johnson (Chairman)
David Cox
Ray Franklin
Stuart Hughes

Apologies **Councillors:**
(non-Exec) David Atkins
Steve Hall

The meeting started at 5.30 pm and ended at 7.05 pm.

***82 Public Questions and Introduction**

The Chairman welcomed Members of the public present and welcomed and introduced newly elected Member for Trinity Ward, Ian Thomas.

No questions were raised at this part of the meeting.

***83 Minutes**

The minutes of the meeting of the Executive Board held on 7 October 2009 were confirmed and signed as a true record.

***84 Exclusion of the Public**

RESOLVED that the classification given to the documents to be submitted to the Board, be confirmed, and that the reports relating to exempt information, be dealt with under Part B.

***85 Forward Plan**

The contents of the Forward Plan for the period 1 November 2009 to 28 February 2010 were noted.

In response to concern raised about Leisure East Devon's (LED) financial position (Key Decision 3 – Service Level Payment to LED for the forthcoming year), the Portfolio Holder – Resources advised that LED's monitoring committee had met and had determined that LED was performing very satisfactorily within the context of the current economic climate. LED was continuing to build up its reserves. Measures were in place where appropriate to reduce outgoings to compensate for some reduction in revenue. This reflected a positive business-like approach.

The Portfolio Holder – Communities referred to Key Decision 1 (Empty Homes Strategy/Private Sector Housing Strategy) and advised that the Council's current emphasis was on working with the private sector to bring private accommodation up to standard.

The Chairman of the Overview and Scrutiny Co-ordinating Committee asked if future Plans could indicate which of the four Overview and Scrutiny Committees would be consulted.

Members were advised, in respect of Key Decision 9 (Gypsy and Traveller Sites) that the Head of Planning and Countryside Services was setting up a meeting of the Gypsy and Traveller Think Tank and that the recommendations would be reported to a future meeting of the Board.

***86 Matters referred to the Executive Board**

There were no matters referred to the Executive Board by the Overview and Scrutiny Committees or the Council.

***87 Minutes of the meetings of the Overview and Scrutiny Committees**

The Board noted the minutes of the following meetings:

- Economy Overview and Scrutiny Committee held on 8 October 2009
- Service Delivery/Performance Overview & Scrutiny held on 21 October 2009

The Chairman of the Economy Overview and Scrutiny Committee said that the meeting on 8 October at the East Devon Business Centre had been informative. There had been a presentation by the Director of Safety, Quality and Training at Flybe who up-dated Members on the Flybe Learning and Skills Academy.

*87 **Minutes of the meetings of the Overview and Scrutiny Committees (cont)..**

Members noted that the cost and income account for 2009/10 showed that the Business Centre was very close to being cost neutral and discussed the Centre's overall aim and contribution. The Portfolio Holder – Economy emphasised the value of the Centre to the District's economy. The Centre promoted and supported small and 'start-up' businesses which benefited from being able to rent reasonably priced serviced accommodation. The office space included use of the Centre's staffed reception, IT support and access to training rooms. In addition, income from the Centre contributed to the Council's overheads.

In the absence of the Chairman of the Service Delivery/Performance Overview and Scrutiny Committee, the Vice Chairman of the Committee spoke about the roll out of the next phase of the Recycling and Refuse initiative and how lessons learnt from earlier phases had helped to streamline the process including reducing preventable demand in the Customer Service Centre. The Vice-Chairman also encouraged Members of the Committee to attend future meetings and contribute to the scrutinising process.

The Chairman of the Overview and Scrutiny Co-ordinating Committee said that Councillor engagement in the scrutiny process was on-going. He thanked Officers for their support.

RESOLVED (1) that the following decisions be noted:

**Economy O/S
Committee
Minute 11**

1. that the Economic Development Manager write to Flybe to thank Mr Witts for making his presentation to the Committee and to congratulate the Company on the progress being made with the delivery of the Learning and Skills Academy;
2. that the Council welcomes Flybe's commitment to investment in skills training and development and expresses its willingness to play a part in ensuring that other local businesses and local educational establishments are made aware of and benefit from the opportunities that will become available.

**Economy O/S
Minute 12**

that the priority accorded the development of managed workspace in Axminster, Seaton, Exmouth and Honiton by the Draft Devon Employment Space Strategy be welcomed, with the Council investigating how, through co-operation with private and public sector partners, these facilities might be delivered for the benefit of new and emerging small businesses in East Devon.

*87 **Minutes of the meetings of the Overview and Scrutiny Committees (cont)..**

RESOLVED

(1) that the following decisions be noted: (cont)..

**Economy O/S
Min 13**

1. that the support available to business through the East Devon Business Centre be noted and the Centre's staff be congratulated for their continuing commitment to the delivery of these services;
2. that consideration be given to how, in the future, the East Devon Business Centre might establish effective links with the Exeter Science Park and thereby contribute to ensuring that the opportunities available there were communicated to businesses throughout the District;
3. that a further report be made to the Committee in 6 months' time when the Business Plan for the Business Centre has been prepared, with the last three years' cost and income figures provided as a comparator.

**Service Delivery and Performance O/S Cttee
Min 20**

that the report on Development Management Quarterly Measures April – June 2009 be noted.

**SD/Perf O/S Cttee
Min 21**

1. that the report on Preventable Demand in the Customer Service Centre and actions taken by the Board and Streetscene to reduce it, be noted;
2. that a report on Preventable Demand be presented to the Committee following the roll-out of Phase 3.

**SD/Perf O/S Cttee
Min 22 (a)**

that future reports on the progress on the Use of Resources Action Plan be submitted to the Audit and Governance Committee for monitoring.

**SD/Perf O/S Cttee
Min 23**

1. that the report on Quarterly Monitoring of Performance – 2nd Quarter 2009/10 be noted;
2. that further review of the presentation of the report be made to help put the information into context.

**SD/Perf O/S Cttee
Min 24**

that an update on progress on the recommendations made by the Audit Commission on the Benefits Service be presented to the Committee at their next meeting.

***87 Minutes of the meetings of the Overview and Scrutiny Committees (cont)..**

RESOLVED

(1) that the following decisions be noted: (cont)..

**SD/Perf
Cttee
Min 25**

O/S

1. that the Committee's Forward Plan be noted;
2. that the item on exploring local issues with towns and parishes be deferred to a future meeting, to permit more time to prepare the item.

(2) that the following recommendations be approved:

**SD/Perf
Cttee
Min 22 (b)**

O/S

that the Audit and Governance Committee refers any areas of concern in the Action Plan to the Service Delivery and Performance Committee for consideration.

***88 Recycling and Refuse Partnership Board**

Members noted the minutes of the meeting of the Recycling and Refuse Partnership Board held on 30 September 2009.

Minute 39 would be corrected to refer to Councillor Brown as Deputy Leader.

In response to concerns about industrial action in Leeds and Brighton which had disrupted their recycling and refuse services, the Chief Executive advised that the situation in East Devon was different as the service here had been contracted out and similar problems were unlikely to arise.

89 Financial Strategy (2010 onwards) – Key decision

Members considered the report of the Head of Finance together with the proposed Council Financial Strategy for 2010 onwards. The aim of the Strategy was to provide the Council with a financial framework within which the Council would structure and manage its finances over the next five years. The Strategy included a five year Medium Term Financial Plan which set out the details of assumptions and estimates.

Diccon Pearse, Corporate Director reminded Members that the similar report to the Board in September last year had made reference to the 'credit crunch' and likely impact on services but had not anticipated the extent of the drop in interest rates nor the significant impact of this loss of income to the Council's financial position.

The report included details of the changes in expenditure and income streams and the impact of these on the Council's net position.

Members noted the reported conclusions reached over future shortfalls in revenue and capital funding. The proposals from the Leader's Transformation Service Group would help the Council to deliver its key services into the future. However these long term proposals would not be introduced until the outcome of the Local Government Review was known. If the outcome was the retention of East Devon District Council, then decisions on joint working and shared services would be further progressed.

89 **Financial Strategy (2010 onwards) – Key decision (cont)..**

The Portfolio Holder – Resources advised that it was appropriate to wait for the outcome of the Local Government Review as the Council would be ill-advised to make far-reaching decisions about service delivery until the future position of the authority had been established.

Although long term plans needed to be in place, there was still a requirement to balance next year's budget and the Council would need to make significant cuts to expenditure next year to enable this to be achieved. The Board discussed how cuts could be made and whether a 10% cut across all services was the right way forward or whether it was more appropriate to make significant cuts in certain service areas to enable other services to be maintained. The outcome of the Leader's Service Transformation Group would inform this process.

It was not possible to predict when interest rates would start to increase and therefore the rates used in the forward planning had been kept at a prudently low level.

Funds would need to be raised to support the Capital Programme and this would have to be achieved through borrowing. The Corporate Director advised that in the current economic climate, it could be a cheaper option to borrow from an external organisation rather than borrow internally from reserves. Borrowing would have revenue implications and the Portfolio Holder – Resources emphasised that any borrowing for capital projects could only be justified where this would increase income streams or where maximum community benefit could be realised.

The Portfolio Holder – Economy stated that the Council should not just look to make cuts and that targeted expenditure could generate finance in the longer term. He gave the Strand, Exmouth as an example of this. The Member Champion – Business supported this view and believed that the Council should spend strategically to generate income. The Corporate Director advised that this approach had already been adopted in respect of the Home Safeguard Service. He added that the Council was also looking for new income streams and the possibility for charging for pre-planning advice was currently being explored.

The Council was also required to achieve efficiency savings which were harder to find year on year.

The Leader of the Liberal Democrats Group said that the report had been well written and congratulated the Officers for its clarity. His Group had been concerned by the Council's decision last year not to raise the level of Council Tax. He asked the Chairman if his Group, together with Finance Officers, could examine the detailed outcomes of the Leader's Service Transformation Group when these were available.

The Portfolio Holder – Resources advised that the Audit Commission had acknowledged that using Council reserves to keep down the Council Tax was a reasonable and legitimate approach during difficult economic times. He added that the Council was already in negotiation with other authorities to establish how joint working could be achieved. In addition, the appointment of the Procurement Officer, use of technology in a more positive way and work in respect of the Council's assets would help the Council to find sustainable savings.

The Chairman thanked the Board for the quality of the debate.

RECOMMENDED (1) that the Financial Strategy (2010 onwards) be adopted

***90 Treasury Management Performance 2009/10 – 1 April to 30 September 2009**

Consideration was given to the Accountant's report detailing the overall performance of the Council's investment portfolio during the first 6 months of 2009/10 financial year (1 April to 30 September 2009). The report also included relevant details from the Council's external and internal investment strategy.

The half yearly results showed a shortfall against budget on all investment activities of £343,000 and it was anticipated that this was likely to more than double by the end of the year.

In respect of external investment, Members were advised that the Council's annual investment return was 1.3% higher than the annualised 7 day rate for the first half of the year due to long term deals entered into before the market fell in October/November 2008. These deals were coming up to maturity and re-investment would have to be secured with lower returns. The external investment strategy continued to place principal protection at the heart of its decision making process. It was anticipated that the Council's portfolio performance next year would remain low.

In-house managed funds reflected a dramatic fall in interest rates from 5% to 0.5% between October 2008 and March 2009. Members noted that in addition the Council had borrowed on 8 occasions during the first half of the year but at a lower interest rate than in the previous year. Borrowing to support Capital Expenditure was anticipated in 2009/10. The Council had already agreed to the principle of borrowing for new social housing, recycling and refuse and Home Safeguard and it was anticipated that the housing schemes would also require external borrowing.

- RESOLVED**
- (1) that the investment return for the first six months of 2009/10 be noted,
 - (2) that the existing external and internal investment strategy continue to be supported.

***91 Financial Monitoring report 2009/10 – Month 6**

Members considered the Accountant's report summarising the Council's overall financial position for 2009/10 at the end of Month 6 (September). The position was largely as predicted at the last meeting although a slight improvement against budgets was identified. Agreed revised or supplementary estimates were shown in Appendix A. Particular attention had been given to large, high risk and volatile budget areas and continuing variances in spending patterns.

- RESOLVED**
- (1) that the variances identified as part of the Revenue and Capital Monitoring process up to Month 6 be noted;
 - (2) that the shortfall in interest be met from set aside reserve;
 - (3) that the Property Services Manager be requested to investigate whether the overspend on electricity at Knowle was a result of an inadequate budget or as a result of increased usage/charges;
 - (4) that the predicted overspend on the Housing Revenue Account be offset by rescheduling within the Modernisation Programme.

***92 Use of Resources Action Plan**

Members considered the report of the Communications and Improvement Manager in respect of the initial feedback from the external auditors, Grant Thornton, on the Council's first 'Use of Resources Assessment' under the new Comprehensive Area Assessment (CAA) for 2008/09. As this was a new assessment regime, the outcomes were not directly comparable with those of previous years.

Officers had drafted an Action Plan to address the areas for improvement identified by the auditors and this was attached to the report for consideration. The Plan had been considered by the Audit and Governance Committee and the Service Delivery/Performance Overview and Scrutiny Committee and had recommended its approval.

The intention of the Plan was to direct and use resources to achieve the Council's priorities.

RESOLVED that the Use of Resources Action Plan be approved;

***93 Performance Monitoring April – September 2009**

Members considered the report of the Communications and Improvement Manager in respect of performance information for the current financial year until September 2009.

The Portfolio Holder – Communities referred particularly to the further improvements in the proportion of rent collected despite difficult economic times. She congratulated the team involved.

The Portfolio Holder – Resources referred to improvements being achieved month on month in respect of time taken to process Housing Benefit/Council Tax Benefit new claims and change events. He also advised that the Head of Organisational Development was taking positive steps to address long term staff sickness issues.

The Chairman of Development Management drew Members' attention to improved performance month on month in the planning service and reported that 78% customer satisfaction was being achieved.

RESOLVED that the performance and proposed remedial action against the performance indicators identified in the report for the 2009/10 financial year until September 2009 be noted;

***94 Exclusion of the Public**

RESOLVED that under Section 100(A) (4) of the Local Government Act 1972 the public (including the press) be excluded from the meeting as exempt information, is likely to be disclosed and on balance the public interest is in discussing the items in private session (Part B).

***95 Exmouth Regeneration Programme Board**

Members received and considered the minutes of the Exmouth Regeneration Programme Board held on 16 October 2009.

Members discussed related issues including car parking charges and Business Rates and the impact that the proposed national increase in the Business Rates would have on local small businesses.

*95 **Exmouth Regeneration Programme Board (cont)..**

Karime Hassan, Corporate Director advised that the Exmouth Regeneration Programme Board would consider the possible re-definition of the extent of the Town Centre. He added that the Board was considering a number of issues including improvements to the Town Centre and how to target funding for maximum benefit. Members applauded the way in which the Programme Board was working.

Chairman Date