

Notes of the Scrutiny and Overview Committee
Finance and Performance Working Group
13th August 2014

Present: Councillors: Leonard Crosbie (Chairman), John Bailey, George Cockman, Brian Donnelly, Frances Haigh, Jim Rae, Stuart Ritchie

Apologies: Councillors: John Chidlow, Brian O'Connell, Diana van der Klugt

Also present: Councillors: Roger Arthur, Helena Croft

Officers: Natalie Brahma-Pearl, Director of Community Services
Barbara Childs, Head of Strategic Planning and Sustainability
Katharine Eberhart, Director of Resources
Julie McKenzie, Performance Manager
Sue McMillan, Head of Finance
Garry Mortimer-Cook, Town Centres Manager
Mark Pritchard, Commissioning and Performance Manager
Helen Sissons, Senior Planning Policy Officer

1. TO APPROVE AS CORRECT THE RECORD OF THE FINANCE AND PERFORMANCE WORKING GROUP MEETING ON 3RD JULY 2014

The notes of the Finance and Performance Working Group meeting held on 3rd July 2014 were approved as a correct record of the meeting.

2. TO RECEIVE ANY DECLARATIONS OF INTEREST

There were no declarations of interest.

3. ANNOUNCEMENTS FROM CHAIRMAN OR CHIEF EXECUTIVE

The Chairman stated that there would be two presentations at the meeting, one dealing with the Community Infrastructure Levy and the other to explain a proposed new format for a combined finance and performance report.

The Chairman announced that the quarterly report on Complaints, Compliments and Suggestions was not available for this meeting but a report covering the period from April to September would be presented at the Working Group meeting on 19th November 2014.

The Chairman reported that Chris Lyons, the new Director of Planning, Economic Development and Property, had taken up his post on 11th August 2014.

4. **WEST STREET PROJECT, HORSHAM, PHASE 2, BUDGET AND TIMESCALES**

Councillor Helena Croft, the Cabinet Member for Communication, Special Projects and Horsham Town, and Garry Mortimer-Cook, the Town Centres Manager, attended for this item.

Members noted the breakdown of the budget for Phase 2 of the West Street Project, Horsham. The £152,500 for wayfinding would include spending on blue monoliths costing around £3,000 each including installation, and fingerposts. It was anticipated that installation work would commence in early October 2014 and would include locations beyond West Street.

The £70,000 for lighting would be spent on the following: £22,500 to upgrade infrastructure, £22,500 to install uplighters and with matching funding from businesses to highlight buildings of historical value or interest, and £25,000 for event lighting. It was anticipated that work would commence in autumn 2014.

The £40,000 for shop frontages upgrade would target specific buildings. It was anticipated that work would commence in autumn 2014 and that schemes would be submitted by businesses in early 2015 to qualify for matching funding. It was hoped that around 10 schemes would be identified and progressed.

The £40,000 for planters and street greening would be spent on planters which had to be robust and able to withstand potential vandalism. Plants in addition to the existing bamboo would be trialled; locations for the planters were also being trialled.

The £27,000 for town-wide Wi-Fi would enable provision of enhanced access to 4G technology in addition to existing Wi-Fi facilities provided by certain businesses. This element of the project was still being researched and it was understood that private business will have to fund this as time progresses. The Council's initial investment would be a catalyst to encourage investment from others.

There would be £2,500 as a contingency fund.

The Chairman requested a specific breakdown of the lighting and planting costs when those were finalised.

5. **BUDGET MONITORING REPORT FOR QUARTER 1, 2014/15 AND OUTTURN FORECAST**

The Working Group noted the report detailing expenditure and income for the period from 1st April to 30th June 2014 compared to the budget for 2014/15 and detailing the forecast for the full year outturn.

The Chairman referred to the information in relation to salaries and wages which showed an underspend of £78,000 in overall staffing

costs by the end of June 2014. He highlighted the £297,617 spent on casual and agency staff for the first quarter in 2014/15 which compared with £163,000 for the same period in 2013/14 and a budget for the quarter of £75,000. The Head of Finance explained that ICT and Planning had employed a significant number of casual/agency staff.

6. DISTRICT KEY PROJECTS AND PERFORMANCE INDICATORS FOR QUARTER 1, 2014/15

The Chairman reminded Members that, in relation to Key Performance Indicators DM02a&b for the number of planning enforcement cases received and closed, it had been agreed that the Business Improvement Working Group would receive that information and monitor it henceforth. That information would be presented to the Business Improvement Working Group meeting on 9th September and copied to the Finance & Performance Working Group.

The Working Group noted the key performance indicators for Quarter 1, 2014/15. There were no major items of concern. Positive performances included the determination of major planning applications at 92.31% and a decrease in the number of households in bed and breakfast accommodation.

The Performance Manager tabled a proposed new format for a report that combined a summary of the financial information along with performance data. The report indicated an overview of performance and provided information for each department to show the gross spend, the gross spend as a percentage of the annual spend budget, gross income, gross income as a percentage of annual income budget, net spend, a comparison with the previous year's net spend for that quarter, and a forecast of whether there would be an overspend or underspend. The accompanying text in relation to departmental data would be provided by the relevant service manager.

The Working Group noted the revised list of KPIs sorted by District Plan Priorities.

The Performance Manager demonstrated how officers use Covalent, the Council's performance management system, and proposed that at future meetings this would be available on the meeting room screen to enable Members to look at specific data where there are concerns. This could be viewed in chart format and as monthly, quarterly or annual figures, and compared to previous quarters or years.

The Head of Finance referred to the proposed layout of financial information for each department. The new report format would present key information but more data could be accessed online and the Working Group could request specific information for a future meeting.

The Working Group agreed to receive the financial and performance data in the revised format.

7. COMMUNITY INFRASTRUCTURE LEVY (CIL)

The Working Group received a presentation about CIL and the Preliminary Draft Charging Schedule and Infrastructure Delivery Plan.

CIL would provide the mechanism for developer contributions; it would be a charge per square metre of floor space; CIL would be adopted in April 2015. CIL would capture contributions towards infrastructure by charging for nearly all new development and developers would have certainty about the amount they were required to pay up front.

The Infrastructure Delivery Plan set out what infrastructure was required to support new growth across the District. HDC as the charging authority, in consultation with key stakeholders, would identify the total cost of infrastructure it wished to fund, review existing plans and projects, and identify the funding gap. Items on the list which were identified to be delivered by CIL could not be subject to S106 contributions.

The Preliminary Draft Charging Schedule proposed a charge of £125 per square metre for District wide residential development and £100 for retail development; and £50 per square metre for proposed residential development on land at North Horsham and £100 for retail development.

Members commented that consideration of what the funding gap might be required an understanding of what the infrastructure costs could be, and that might be a challenge given that some infrastructure work might not be delivered for a number of years.

Members questioned what might happen if elements of a development were not delivered and the potential impact on the calculations for CIL. Officers reassured Members that there would be an alternative plan to provide other infrastructure for the benefit of the community, subject to negotiation. The Chairman suggested that planning officers be supported by an appropriate level of expert financial and legal advice when robustly negotiating a S106 agreement to deal with the non-delivery of site specific infrastructure.

The Chairman commented on how house prices had risen between July 2013 and July 2014 for the outer South East region which meant that the baseline for CIL had moved in favour of developers. The Working Group noted that CIL would be reviewed every five years but not any earlier. The S106 process, however, could be used, if required, by the Council to negotiate a review mechanism to allow it to negotiate a beneficial agreement to take account of potential changes in the housing market.

The Chairman suggested that the public be invited to attend a future meeting to contribute to the discussion on this issue. A number of developers had already provided comments and some did not favour the Council charging CIL.

Members of the Working Group, along with Councillor Arthur who had been co-opted, would comment on the arrangements for CIL by the end of September 2014. Those comments would be reported to the Scrutiny and Overview Committee and Council.

The Draft Charging Schedule would be presented to the Council meeting on 22nd October 2014.

8. **SUB-GROUPS REVIEWS INTO THE COUNCIL'S KEY AREAS OF ACTIVITIES**

The Chairman of the Working Group tabled the proposed terms of reference for the sub-groups that would review the Council's key areas of activities in relation to planning, parking, and operational services.

Members were invited to email their comments on the terms of reference to the Chairman. The Chairman would then circulate the finalised terms of reference to the members of the sub-groups. The sub-groups, when undertaking the reviews, would liaise with the Chief Executive, and the relevant Directors and Cabinet Members.

9. **MEMBER OVERVIEW OF THE COUNCIL'S USE OF THE REGULATION OF INVESTIGATORY POWERS ACT 2000**

The Working Group noted that the Council had not used the powers under the Regulation of Investigatory Powers Act 2000 in the past quarter.

10. **CENSUS JOINT COMMITTEE MINUTES AND 2013/14 OUTTURN REPORT**

The Working Group noted the minutes of the CenSus Joint Committee held on 20th June 2014 and the 2013/14 outturn report.

The meeting ended at 8.05 p.m. having commenced at 5.30 p.m.

CHAIRMAN