

Overview and Scrutiny Committee

Held at:	Council Chamber - Civic Centre, Folkestone
Date	Tuesday, 11 September 2018
Present	Councillors Peter Gane (Chairman), Clive Goddard, Mrs Claire Jeffrey (Vice-Chair), Mrs Mary Lawes, Michael Lyons, Philip Martin (In place of Miss Susan Carey), Ian Meyers and Russell Tillson
Apologies for Absence	Councillor Miss Susan Carey, Councillor Ms Janet Holben and Councillor Mrs Rodica Wheeler
Officers Present:	Kate Clark (Committee Services Officer), Gavin Edwards, Leigh Hall (Group Accountant), Sue Lewis (Committee Services Officer), Tim Madden (Corporate Director - Customer, Support and Specialist Services), Sarah Robson (Head of Communities), Charlotte Spendley (Head of Finance) and Lee Walker (Group Accountant)
Others Present:	Councillor Alan Ewart-James, Cabinet Member for Housing

121. **Declarations of Interest**

There were no declarations of interest.

122. **Minutes**

The minutes of the meeting held on 17 July 2018 were submitted, approved and signed by the Chairman.

123. **General Fund Revenue Budget Monitoring - 1st Quarter 2018/19**

Report C/18/30 provided a projection of the end of year financial position of the General Fund revenue budget, based on expenditure to the 31 July 2018.

Members noted the report paying particular attention to the projected outturn position across the service units at 2.3 in the report and the main variances at 2.4.

Members were informed that the household waste collection had sold fewer bins this time round and noted that this was mainly due to a change in trends with less take up.

Officers confirmed they would seek to reflect all new trends in income in the detailed budget for 2019/20 which will be tabled later in the year.

Proposed by Councillor Russell Tillson
Seconded by Councillor Michael Lyons and

Resolved: To receive and note Report C/18/30.

(Voting: For 8; Against 0; Abstentions 0)

124. General Fund Capital Budget Monitoring Position 2018/19

Report C/18/28 provided a projection of the current financial position for the General Fund capital programme, based on expenditure to 31 July 2018 and identified variances compared to the latest approved budget.

Members noted the report paying particular attention to the projected outturn at 2.1 and the reasons for the variances at 2.2 of the report.

Although projections are made early in the year and are therefore subject to change throughout the year it was noted that capital funding expenditures has not added any additional strain to the Council with revenue consistent with figures as previously reported.

Proposed by Councillor Michael Lyons
Seconded by Councillor Russell Tillson and

Resolved: To receive and note Report C/18/28.

(Voting: For 8; Against 0; Abstentions 0)

125. Housing Revenue Account Revenue and Capital Budget Monitoring 2018/19 - 1st Quarter

Report C/18/31 provides a projection of the end of year financial position for the Housing Revenue Account (HRA) revenue expenditure and HRA capital programme based on net expenditure to 30 June 2018.

Officers reported that it is very early stage of financial year but highlighted the summary projected outturn at 2.1 in the report, together with the variances on page 31.

It was noted that the additional loan to East Kent Housing had now been made and repayments were made through instalments. A question regarding the

internal and external decorations variance was asked and it was confirmed that any emergency works will still take place until a joint procurement process is agreed.

Proposed by Councillor Clive Goddard
Seconded by Councillor Mrs Claire Jeffrey and

Resolved: To receive and note Report C/18/31.

(Voting: For 8; Against 0; Abstentions 0)

126. Treasury Management Annual Report 2017/18

Report C/18/29 reviews the council's treasury management activities for 2017/18, including the actual treasury management indicators. The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

It was noted that the Council has fully complied with the approved Treasury Management Strategy and Treasury Indicators for 2017/18. It was also noted the council is now required to comply with both CIPFA's revised Investment and Minimum Revenue Provision Guidance. Definitions around these have been widened to include investments in non-financial assets and is seen as a response to the increasing trends for commercial property investments in the local authority sector.

Particular attention was paid to the financial summary, the actual net interest cost for 2017/18 was lower than budgeted due to additional interest received from investments on higher than forecast cash balances.

Members asked a number of questions paying particular attention to the following:

- Public Works Loan Board – members were informed that this is borrowing for capital finance purposes with the majority relating to the HRA. A significant proportion of the borrowing for the HRA relates to 'Self-Financing' reforms introduced by the government in 2012.
- Local Authority Lending – Although the recent financial problems facing Northamptonshire County Council have raised concerns about lending to other local authorities, it is clear that this sector is still viewed as very secure with little real prospect of a council not being able to meet its obligations under these arrangements.
- Investment Guidance changes – government recognises that local authorities are investing in riskier assets, therefore the changes are in response to this and CIPFA. It gives the Council the chance to disclose more information along the way.

Proposed by Councillor Russell Tillson

Seconded by Councillor Michael Lyons and

Resolved: To receive and note Report C/18/29.

(Voting: For 8; Against 0; Abstentions 0)

127. Digital Strategy 2018-2023

Report C/18/26 The Digital Strategy summarised the direction the Council is taking with regard to offering a greater range of digital services for our residents and businesses and introducing new ways of working for staff.

Members received a short presentation, which is attached to the minutes for information, and were informed that in UK households 90% of adults now have access to the internet, 85% have either a smartphone or tablet and 78% have a laptop or PC. Our customers expect the same quality and convenience of service from us as they receive in other aspects of their life.

Digital transformation is about how we use our ICT systems, business processes and activities to help us become a more efficient and effective Council, meeting the needs of our customers.

The Strategy recognises that digital transactions may not be suitable for all our customers, particularly the very vulnerable and we will ensure those cannot use digital services are not excluded.

The Digital Strategy has three priorities Digital Customer Service, Digital Workforce and Digital Place, the Council is currently working on the digital workforce with a survey of staff skills as part of transformation.

Members paid particular attention to the following:

- Data Protection – it is clear that the Council must be mindful of security in terms of delivery of ICT procurement and officers are working together to ensure that it is delivered in the correct and secure way.
- Customer telephone contact – some members and customers are currently experiencing being put on hold or being told that the lines are busy. Officers will investigate why this is currently happening and report back to the Committee. However, the Committee did note that digital transformation will help alleviate some of these issues as more customers take up digital services, freeing up officer time to support our most vulnerable customers.
- Digital Place – KCC has responsibility to improve access to superfast broadband services. However, FHDC will help influence and input into any projects being undertaken by KCC in the district.
- Training – where appropriate, training will be given to both staff and customers in respect of new digital services that are provided..

If Cabinet agree the strategy at its meeting on 12 September and once a delivery plan is in place then a digital delivery action plan will be prepared.

Proposed by Councillor Mrs Claire Jeffrey
Seconded by Councillor Michael Lyons and

Resolved: To receive and note Report C/18/26.

(Voting: For 8; Against 0; Abstentions 0)

128. Quarter 1 Performance Report 2018/19

Report C/18/25 provided an update on the Council's performance for the first quarter of 2018/19, covering 1st April 2018 to 30th June 2018. The report enables the Council to assess progress against the approved key performance indicators for each service area.

Members were pleased to see the inclusion of Romney Marsh and asked that a number of issues in relation to appearance of the district, particularly around Folkestone East, are raised with the necessary officers to investigate.

Although it is still early in the year members were happy to see the report and agreed that it was laid out in an easy to understand way.

- Romney Marsh – members were happy to see that this has now been included as part of the report.
- Appearance Matters – Issues were raised regarding recycling, street cleansing and bins in Folkestone East, particularly Harbour Ward. Officers will take the comments back to the relevant officers to respond.

Proposed by Councillor Clive Goddard
Seconded by Councillor Michael Lyons and

Resolved: To receive and note Report C/18/25.

(Voting: For 8; Against 0; Abstentions 0)

129. Equality and Diversity Annual report

Report C/18/27 The Equality Act 2010 places a statutory duty on the council to prepare and publish information annually to demonstrate compliance with the Public Sector Equality Duty. The draft Equality & Diversity Annual Report was presented for consideration and approval prior to publication.

Members were informed that once the report is approved at Cabinet on 12 September the final version will be published on the Council's website.

The report demonstrated that council's compliance with the Public Sector Equality Duty and that it is fulfilling its statutory obligations. The report also contained a range of information that outlined the district's diversity, highlighted the specific activities undertaken in 2017/18 to support these different customer needs and promote equality, diversity, and inclusion, the positive measures taken to remove barriers, improve access to services and increase customer satisfaction, and the strategies, policies, strategic partnerships in place to meet the current and anticipated needs of our diverse district.

Members were informed that historical population growth in Folkestone and Hythe appears more sporadic in comparison to regional and national comparisons as the smaller geographical area means fluctuations in actual numbers has a greater impact on percentage of growth.

Proposed by Councillor Mrs Claire Jeffrey
Seconded by Councillor Michael Lyons and

Resolved: To receive and note Report C/18/27.

(Voting: For 7; Against 0; Abstentions 1)