



Council

Tuesday, 27 June 2017

Dear Councillor

You are advised that the attached documents form part of the main agenda papers for this meeting.

Please ensure you bring them with you to the meeting.

Yours faithfully

S Kilkie
Assistant Director (Communities)

List of documents attached

- b) Minutes of meeting Monday, 12 June 2017 of Cabinet (Pages 3 - 10)
- c) Minutes of meeting Tuesday, 13 June 2017 of Finance & Audit Committee (Pages 11 - 18)
- e) Minutes of meeting Thursday, 15 June 2017 of Overview Scrutiny Committee (Pages 19 - 26)

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Cabinet**Monday, 12 June 2017****7.30 pm****Present:**

Cllr David Turner (Chair)
Cllr Leslie Hills (Vice-Chair)

Councillors: Gurjit Kaur Bains
 Julia Burgoyne
 Sandra Garside
 Samir Jassal
 John Knight
 Jordan Meade
 Alan Ridgers
 Anthony Pritchard

Note: Councillors: John Burden, Shane Mochrie-Cox, David Hurley, Narinder Singh Thandi, Jenny Wallace and Brian Sangha were also in attendance

Kevin Burbidge	Director (Housing & Regeneration)
Melanie Norris	Director (Communities)
Stuart Alford	Assistant Director (Environment)
Wendy Lane	Assistant Director (Planning)
Mike Bytheway	Service Manager (Revenues & Benefits)
Anita Tysoe	Service Manager (Customer and Theatre Services)
Ben Turner	Corporate Performance Manager
Andrew Barnett	Principal Accountant
Alexendra Jarvis	Principal Accountant
Jackie Denton	Customer Services Manager (Minutes)

101. Apologies

Apologies for absence were received from David Hughes, Stuart Bobby, Nick Brown and Sarah Parfitt.

102. Minutes

The minutes of the meeting held on 27 March 2017 were signed by the Chair.

103. Declarations of Interest

No declarations of interest were made.

104. Delegated Decisions - Cabinet Members

There were no decisions to report.

105. Service Review Team Options for; Planning and Regeneration, Customer and Theatre and DSO.

On 27 March 2017 Cabinet considered the options generated from the last three Service Reviews of Planning & Regeneration, Customer & Theatre Services and the Direct Services Operation (DSO). Officers were asked to provide a more detailed analysis of how the decisions Cabinet are minded to take could be implemented. This report provides this additional information. The proposals would deliver a total of £450,420 against the required savings target of £415,000.

To ensure effective monitoring of processes a wrap-up report will be brought to the July Cabinet which will outline the savings already realised and those yet to be actioned. Reports will then go to Cabinet on a six month rolling basis.

The detail of the following proposals were discussed:

Planning & Regeneration Services

- Undertake a thorough review of the Development Management function including resources, processes, fees for pre-application advice etc and also look at potential for a shared service for technical/validation team
- Review the Geographical Information System
- Reduce the annual contributions to the Planning Policy reserve
- In the future review the Regeneration and Major Projects Team

Customer & Theatre Services

- Move more internal services into the contact centre enabling the council to reduce the establishment as digital contacts increase and call volumes decline and allow for greater efficiencies in the delivery of service
- Review the structure of Woodville and potentially reduce the current offer

Cllr Garside clarified that despite rumours there are no plans to close the Woodville. Discussions are currently taking place on plans to celebrate the 50th anniversary of Woodville which is next year.

Direct Services Operation

- Introduce a recycling scheme for trade waste, charging property developers for the costs of wheeled bins in new developments, wheeled bin cleaning, in-house collection of clinical waste
- Introduce a nominal fee for the basic family search service
- Review how horticultural services are provided and in particular the Team Green scheme
- Potential for commercialisation of the depot in particular the workshop
- Explore alternative uses for the building at the depot formerly occupied by Apollo

Portfolio Holders to have regular meetings with the relevant officers to monitor progress and to look at timescales for implementation. Cllr Hills to be given an overview of all proposals as they progress.

Resolved that subject to any necessary staff or public consultation as outlined within the report, the following proposals are implemented:

Planning & Regeneration

1. Undertake a thorough review of the Development Management function to include a review of resources, processes, fees charged for pre-application advice, etc. and to also look at the potential for a shared service with regards to the technical/validation team. It is anticipated that the review will enable service efficiencies to be implemented.
2. Review the way in which the Geographical Information System (GIS) is used corporately. The Planning Service uses the GIS system but a more corporate approach to this would aid better and more effective data mapping.
3. Reduce the annual contributions to the Planning Policy reserve. The Planning Policy reserve was established in 2011-12 with an annual contribution of £100,000 and officers are asked to detail if the full level of contribution is required.
4. In the future, undertake a review of the Regeneration and Major Projects Team. It is already known that the Service Manager (Major Regeneration Projects) has a fixed-term contract until October 2019 and it is suggested that this post not be filled once this is met realising a saving in 2019-20. A further review of the team and the key projects underway should also be undertaken as this stage.

It is anticipated that the changes to the Planning and Regeneration function will see the council deliver annual budget savings of £146,000.

Customer & Theatre Services

1. Move more internal services into the contact centre. It is anticipated that this will enable the council to reduce the establishment as digital contacts increase and call volumes decline, and will also allow for greater efficiencies in the delivery of the service in the interim. There should also be consideration of the use of an intelligent IVR telephone system to support the work of the department moving forward.
2. Carry out a review to restructure and potentially reduce the current offer from The Woodville, in line with a renewed strategic direction for the Woodville. This will enable the council to continue to offer the breadth of activities currently in place, retain control of the venue and operations, retain artistic control of the programme offered, whilst delivering an overall saving.

To support the proposals set out above, Cabinet approved the strategy for The Woodville 2017-2022. It is anticipated that the changes to the council's Customer & Theatre Services functions will see the council deliver annual budget savings of £49,920 in Customer Services and £61,000 in the Woodville Halls.

Direct Service Operation (DSO)

3. Consider a number of options in respect of Waste and Recycling. These include introducing a recycling scheme for trade waste, charging property developers for the costs of wheeled bins in new developments, looking at potentially introducing new services around house/garden clearance and wheeled bin cleaning and looking to bring back the collection of clinical waste in house. To support all of this, officers are also asked to explore the potential of implementing a software solution to manage

the waste management service, which could also be used in others areas across the depot.

4. In terms of the Cemeteries service, look at the potential of introducing a nominal fee for the basic family search service that is currently offered free of charge. Most authorities do have a charge for this service, even if it is just to cover the admin involved in undertaking the search.
5. Review the way horticultural services are provided by the council and in particular the Team Green scheme. The council has increased its own pool of apprentices and officers should explore using its own resources first.
6. Explore the potential for the commercialisation of the depot, in particular the Workshop element, which may lead to other opportunities moving forward.
7. Explore alternative uses for the building at the depot formerly occupied by Apollo, as this is currently being used for storage.

It is anticipated that the changes to the council's Direct Services Operation (DSO) functions will see the council deliver annual budget savings up to £193,500.

In addition, it was agreed that the Chief Executive be authorised to take all necessary financial, legal and practical actions in relation to implementation of the savings proposals, with the necessary budget amendments being incorporated into the revenue and capital estimates for 2017-18 and beyond.

106. Corporate Performance Update: Q4 2016-17

This report provides Cabinet with an update against the adopted Performance Management Framework, as set out within the council's Corporate Plan 2015-19, for the period January to March 2017 and is for information only.

The Performance Management Framework presents a range of performance information including Performance Measures which are target-based and essential to the delivery of the Corporate Plan's key objectives and Performance Indicators which represent contextual performance information where the council has influence but does not ultimately have direct control over their outcomes.

This report presents statistical data for Quarter Four 2016-17 and shows there are seven performance measures which have met their set target and eight which have not met their set target.

Cllr Hills stated that the new Framework is very effective and highly regarded and goes hand in hand with the Corporate Plan. It is appropriate to show that we have fallen short in some areas but generally the council is performing well particularly in relation to business rates and council tax where we are exceeding targets and our efforts in corporate fraud are exceptional. We do set our targets high and we are ambitious. We are looking at how our targets could be refined and this is an on-going piece of work. For the vast majority there is comparative information and each Cabinet Portfolio holder should seek from senior officers those comparative findings and agree appropriate targets for future years.

Cabinet noted the information contained within the report

107. Provisional Outturn reports - General Fund and Housing Revenue Account

This report provides details of the provisional budget outturn for the 2016/17 financial year and complements the draft 2016/17 Financial Statements for the authority which will be subsequently considered by the Finance & Audit Committee. The report is for information only and is still subject to the external processes.

The Executive Summary covers the key points which are:

General Fund (Revenue)

- Year-end underspend £737,450
- Minimum working balance £1.25m
- General Fund reserve £2.00m
- Usable working balances £2.91m

In terms of significant variances:

- Investment income deficit of £240k
- Property acquisitions – Network House and Springhead Enterprise Park secured a rental stream of £288k
- Council Tax collection fund overall surplus of £100k
- Business Rates Income: £313k favourable variance due to timing constraints in relation to the NNDR1 form return. In addition year-end benefit of £193k resulting from the Kent Pool arrangement
- Supplies and Services – council holds central fund to act as safeguard against inflationary increases to contract payments and general supplies and services costs. Reduced call on this in 2016/17 giving an underspend of £133k
- Reduced provision for bad debts – reduced requirement giving underspend of £192k
- Further benefits come from surplus income from planning and other income streams
- Staffing budgets – regular monitoring to Management Team has resulted in a favourable variation of £262k
- General Fund Working Balance including minimum GF Working Balance - £6.16m
- Minimum GF balance - £1.25m
- Additional GF Reserve - £2m
- General Fund Reserves - £7.1m at year-end (increased from £6.8m)
- General Fund Capital Programme – Final out-turn spend of just over £13m – vast majority relates to property acquisition programme

Housing Revenue Account

- Out-turn position for 16/17 a surplus £1.8m compared to the Original Budget surplus of £813,070
- Favourable variances – combination of savings generated by managing staffing, reduction of bad debt, rental income from service charges, contribution from Kent Fire for sprinkler systems
- Adverse variances include contribution to capital programme and higher depreciation charge for housing stock
- HRA Working Balance at year-end of £3m maintained – increase in reserves of £1.8m

Housing Capital Outturn

- Actual spend on Housing Capital schemes for 2016/17 was £8,795,240
- Final out-turn for HRA Capital Programme - £8.3m

- Final out-turn for Housing GF Capital Programme - £467k (Underspend on Disabled Facility Grant will be carried forward into 2017/18)

Cabinet noted the information contained within the report

108. Planning Fee Increase

Cabinet was presented with a report which outlines the government's proposal to allow Local Authorities to increase the nationally set planning fee by 20% if they commit to invest the additional fee income in their planning department.

The Assistant Director (Planning) gave a brief summary of the council's intention to use this flexibility and implement a 20% increase in national planning fees. Originally this fee increase was intended from 1 July 2017 but, with the snap election being called, there was insufficient time for the legislation to be made before the purdah period came into being. Therefore the fee increase cannot be implemented from 1 July but will be implemented at a later date, as yet unspecified.

Cabinet noted the information contained within the report.

109. Fleet Leisure Project Update

Cabinet was presented with a report to update on the future re-development of the site formerly known as Fleet Leisure and to seek authority to advertise for external organisations to invest, develop and manage the site as a sports and leisure facility linked to a long term lease.

The Director (Communities) elaborated on the project. In March 2015 it was agreed to extend the leisure centre contract with Gravesham Community Leisure Ltd (GCLL) to 2025 and include Fleet Leisure. A series of feasibility studies took place and project costs which were originally estimated to be around £2.6m were now estimated to be closer to £2.9m. At this time Ebbsfleet United Football Club decided not to be a major partner and long term hirer of the facility and so would have an impact on the income of the project. Structural surveys highlighted the poor condition of the site and that there would be major financial risk for the council and GCLL. There has been strong interest in the site and therefore following the decision not to carry on with the proposed project plan with GCLL the council will carry out a formal tender process to assess the most appropriate development scheme and partner organisation going forward.

Extending the leisure centre contract for a further period of up to five years allows the council time to assess the long term future of the leisure centres.

Resolved that Cabinet hereby authorises the Director (Communities), in consultation with the Leader of the Executive, Head of Legal and the Director (Corporate Services), subject to consideration of all due diligence, legal, financial, procurement and contractual issues to take all necessary actions in relation to;

- Advertise the sport and leisure facility opportunity to perspective external organisations via appropriate advertising publications.
- Develop an evaluation framework for assessing any expressions of interest made.

- Award a long term lease to preferred partner organisation, subject to Planning.
- To continue negotiations with GCLL on a contract extension period up to 2025 for the leisure centres.

110. Draft Discretionary Rate Relief Policy 2017/18

The draft Discretionary Rate Relief Policy has been prepared following a review process and aims to replace the current criteria to assess an organisation's eligibility to discretionary rate relief.

The draft policy has been agreed by the Internal Audit Team and will make the process more efficient and easier for businesses to understand and allows for more transparency. The main aim is to make it clear when making a decision what criteria we have used and the type of circumstances that would not be accepted and what we would accept.

Members have requested more involvement in the decision making process but it was agreed that the criteria is clear. Members could, however, encourage more businesses to apply for the benefit.

Resolved that the council approve and fully implement the draft Discretionary Relief Policy, subject to discussion with the Director (Corporate Services) and final decision to be made in conjunction with the Chief Executive and Leader.

111. Cross Party Group - Amendments to Terms of Reference - Report to Follow

This report provides Members with an update on the activity undertaken by the Property Cross-Party Working Group since its establishment and to seek agreement to amendment of the Terms of Reference for the group to include consideration of development opportunities in light of ongoing reductions in central government support.

Resolved that the amended Terms of Reference be agreed.

112. Exclusion

Resolved that the public be excluded from the meeting because it is likely that in view of the nature of business to be transacted there would be disclosure to them of exempt information as defined in Part 1 of Schedule 12A of the Local Government Act 1972.

113. Housing Benefit Overpayment Write Off

Approval was sought from Cabinet to write off an amount of unrecoverable debt as a result of outstanding Housing Benefit Overpayment.

Resolved that the Council would write off the debt of over £16,289.54.

Close of meeting

The meeting ended at 8.50pm

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Finance & Audit Committee

Tuesday, 13 June 2017

7:30pm

Present:

Cllr Derek Shelbrooke (Chair)
Cllr Karen Hurdle (Vice-Chair)

Cllrs: John Burden
 William Lambert
 Lesley Boycott
 Colin Caller
 Lenny Rolles
 Peter Rayner

Sarah Parfitt	Assistant Director (Corporate Services)
Katey Arrowsmith	Head of Audit & Counter Fraud Shared Services
James Larkin	Audit and Counter Fraud Shared Service Manager
Alex Jarvis	Principal Accountant (HRA & Exchequer)
Andrew Barnett	Principal Accountant (General Fund)
Darren Wells	Grant Thornton, External Auditor
Ben Clarke	Committee & Scrutiny Assistant (Minutes)

113. Apologies

No apologies for absence were received.

114. Minutes

The minutes of the meeting on the Tuesday 14 March 2017 were signed by the Chair.

115. Declarations of Interest

No declarations of interest were made.

116. Annual Treasury Management Review 2016-17

The Principal Accountant (HRA & Exchequer) reported on treasury management activity during 2016-17 in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA's) revised code on Treasury Management 2009.

The Principal Accountant (HRA & Exchequer) summarised the performance of the economic climate as reported by the treasury advisors to GBC; Capita Assets Services Treasury Solutions.

The Principal Accountant (HRA & Exchequer) outlined GBC's overall treasury position, and informed the committee that no additional borrowing had been undertaken in the year. Internally managed funds had earned an average rate of return of 0.575%, exceeding the benchmark by 0.365%. The council had also placed investments with three Property Funds

during the year and these had generated an average return of 4.27%, in line with the level of return anticipated.

The latest version of the summarised cash flow forecast was provided for Member information at Appendix two to the report. This showed the projected cashflow position as at March 2016 and the current cashflow position.

The Assistant Director (Corporate Services) reminded Members of the activity of the council over the last 12 to 18 months in response to the local government funding settlement issued by Government in December 2016 and the intention for local authorities to become self-sufficient by 2019-20. This had prompted the council to review its longer term cash balances and its investment activity, resulting in the council identifying £10m of medium term cash balances that could be placed in Property Funds, with a further £10m of longer term cash made available for commercial property acquisitions. This activity, coupled with the year-end financial position of the council, early recognition of other Bridging the Gap activity and the capital receipt in relation to the sale of the council PVC Panel stock had effectively meant that the cashflow position of the council had returned to a similar position now as last year when the decision was taken to release cash balances for property acquisition. The financial challenges facing the council had not changed and the committee were therefore being asked to recommend to Full Council the investment of a further £10m in commercial property acquisition.

Following Members questions the Assistant Director (Corporate Services) and the Principal Accountant (HRA & Exchequer) explained that:

- The level of returns generated by Property Funds had been driven by the rental income generated by the Funds;
- In response to a Member question, GBC officers are meeting with representatives from Capita imminently and will seek advice on how ongoing assurances of the stability and performance of Property Funds could be sought. This information will be provided to Members outside of the meeting. All future commercial property acquisitions will follow the process and must meet the criteria set out in the Property Acquisitions Strategy.

Clarity was requested from several Members regarding the average balance during the year of council internally managed funds and it's similarity to the total level of investments (including Property Funds) at the end of the year. The Assistant Director (Corporate Services) advised that the figures are correct but the wording can be looked into to provide clarity on the figures contained within the report..

Resolved that Members:

- Note the contents of the report
- Recommend to Full Council that a further £10m of investment balances be made available for purchases under the council's existing Property Acquisition Strategy
- Recommend to Full Council that the necessary adjustments to the current years capital programme be made in relation to increasing the funds available for property acquisitions.

117. Annual Audit & Counter Fraud Report 2016-17

The Committee was provided with a report informing them of the work completed during 2016-17 and presenting the opinion of the Head of Audit & Counter Fraud Shared Service and Chief Audit Executive on the council's internal control environment.

The Head of Audit & Counter Fraud Shared Services specifically highlighted performance measure 10 on Page 62 of the report as it showed a 97% delivery on fieldwork completed of the proportion of agreed plan.

Following a Member query about the age of some of the findings in the report, the Head of Audit & Counter Fraud agreed to revise future reports to make it clearer when each review was completed.

Following several more questions from Members the Head of Audit & Counter Fraud Shared Services explained that:

- The Head of Audit & Counter Fraud Shared Services advised that the review on Kingdom was carried out before the arrangement with them was terminated; the review focussed on how the Council managed the contract and found that the council and contractor were both meeting the terms of the contract at that point.
- With regard to non-productive audit days, these include time spend on general administration and management such as one to one/team meetings and time recording; the total of all non-productive days across the team is charged proportionately to Medway and Gravesham in line with the shared service agreement to ensure this is fair.
- Follow up reviews are not given an overall opinion on the Red, Amber, Green scale; instead as only the action taken to address the weaknesses identified in the original review is evaluated, an opinion on the adequacy of that action is given – either adequate or inadequate.

The Establishment Management Review examined how the Council controls the addition, amendment and deletion of posts in the staffing establishment. All such amendments are reported to the Council's Management Team, who consider the budgetary impact while ensuring staffing levels are adequate in all areas.

A Member asked whether the Establishment Management Review had considered staff sickness absence issues with recruitment; the Head of Audit & Counter Fraud explained that had not been within the scope of this review.

The Assistant Director – Corporate Services and Cllr Burden explained that the level of staff sickness had increased over the past twelve months as had been reported to Cabinet in June. The Assistant Director – Corporate Services advised the Committee that a report on the performance measure on sickness absence could be considered on a future agenda for the appropriate Cabinet Committee. Cllr Burden indicated that many Cabinet Committee meetings are being cancelled preventing discussion on performance issues. The Assistant Director (Corporate Services) and the Chair stated that they would take this feedback back to the council's Management Team and Leader.

A Member noted that while the results of work completed was colour coded, the follow up work was not; the Head of Audit & Counter Fraud confirmed that the colour coding would be carried through the entirety of future Update Reports.

Resolved that Members:

- Endorse the work undertaken by the Audit & Counter Fraud Shared Service for Gravesham during 2016-17 in providing an effective service to the council
- Consider and endorse the opinion on the council's internal control environment provided by the Head of Audit & Counter Fraud Shared Service

118. Annual Governance Statement: 2016-17

Members were presented with a report seeking approval of the Annual Governance Statement for the 2016-17 financial year.

The Assistant Director (Corporate Services) advising the following points:

- This is an annual statement of compliance with the Council's Code of Corporate Governance.
- The Framework Guidance from CIPFA and SOLACE had been updated during the year, and at Full Council in February 2017 Members had adopted a new code of corporate governance.
- Whilst the Framework had changed, the robust process for gathering evidence to support the statement had remained the same
- Evidence to supporting the statement had been made available to Members a few weeks ago to provide a longer period of time to review the evidence before the committee meeting
- Whilst the review process had identified that there were no significant weaknesses in the council's governance arrangements, Page 81 of the Statement set out four areas where it is considered that the council can build on the current arrangements

Cllr Burden stressed the point that Cabinet Committees should be meeting and discussing issues surrounding the Council's four Strategic Objectives but many Committee meetings are being cancelled.

The Assistant Director (Corporate Services) assured the Committee she would take the comments back to the Management Team and the Leader to make them aware of the concerns raised over Members not having enough opportunities to discuss important issues.

Resolved that Members:

- Note the findings of the review of the council's governance arrangements for 2016-17
- Approve and support the Annual Governance Statement for the 2016-17 financial year.

119. Provisional Outturn Report 2016-17

The Committee was presented with a report showing:

- The 2016/17 provisional General Fund Revenue Outturn and movements in the General Fund working balances and earmarked reserves
- The 2016/17 provisional General Fund Capital Outturn

- The 2016/17 provisional Housing Revenue Account Revenue Outturn and movements in the Housing Revenue Account working balances and earmarked reserves
- The 2016/17 provisional Housing Revenue Account Capital Outturn

The Principal Accountant (General Fund) summarised the General Fund position highlighting the following key points:

- The outturns are only provisional for 2016-17, they are still subject to an external audit process which starts in June 2017
- The provisional underspend against the original budget for the 2016/17 financial year is £737,450, derived from a number of variances against budgeted activity set out in the report. The provisional year-end position on working balances as at 31 March 2017 is £6.16 million; provisional useable working balances carry forward as at 31 March 2017 stand at £2,91m.
- The final outturn spend for 2016-17 against the General Fund Capital programme is £13.4 million.

The Principal Accountant (HRA & Exchequer) summarised the HRA position highlighting the following key points:

- The provisional surplus on the Housing Revenue Account (HRA) at 31 March 2017 was £1.84m compared to the Original Budget surplus of £0.81m resulting in a variance of £1.03m
- The minimum level of working balances of £3 million was maintained. The provisional outturn position on the HRA had enabled the General HRA Reserve level to increase to £4.62m. The final outturn for 2016/17 for the Housing Capital Programme Investment Plans was £8.80m, resulting in an underspend of £3,40m, albeit £338K will be carried over to the next final year

Following Members questions officers explained the following:

- Confirmation was provided that the underspend on Disabled Facilities Grants during the year will be carried forward to 2017/18
- With regard to the reported underspend on the Older and Youth Champions - all of the budget for the year had been allocated but had not been actually spent by the end of the year. Carry forward requests had been made as set out in paragraphs 6.5 and 6.6 of the report. In 2016/17 the Youth and Older Persons Champions budget was a capital budget but from now onwards it will be a revenue budget; the underspend will be rolled forward with the £25K for the new budgeting year for each champion.
- Income from rental income had been affected by a reduction in bad provision for rent and the council reletting properties that become void during the year at higher rents. There will be a focus on the HRA over the coming months to robustly challenge budgets and ensure that these are set as accurately as possible.
- Members will continue to receive information on the projected long term cashflow position as part of the Treasury Management updates, the next of which will be coming to the Committee in November.
- The favourable variance relating to the homelessness service has not been achieved by not housing homeless people, but rather by the fact that the council has decided to allocate a proportion of its own stock in which to place homeless households;

other Local Authorities who do not have a housing stock have had to place households in private rented accommodation or hotels and can spend a considerable amount of money on this. A review of homelessness budgets will be undertaken this year as legislative changes on the level of homeless support council's are required to provide have come into effect this year, along with new grant funding to go towards the anticipated increase in expenditure on homeless services this year

- The issue of Cabinet Committees not having enough information brought to them to enable the discussion of such issues will be relayed to the Management Team and Leader.

120. Letter to those Charged with Governance

Members were presented with an opportunity to consider and discuss a number of questions posed by the External Auditors to the Finance & Audit Committee in relation to the council's arrangements to manage fraud risk and ensure legislative compliance.

The Assistant Director (Corporate Services) advised the Committee that the responses drafted to the questions received had been reviewed by the Council's Management Team and the Chair already.

The External Auditor, Grant Thornton amended a point at the bottom of Page 120; it's the internal auditors not the external auditors that provide assurance that regulations are being complied with.

Resolved that:

- Subject to the aforementioned amendment Members agreed that the response to the letter from Grant Thornton UK LLP, as set out in Appendix Three of the report, is consistent with its understanding of the council's management processes and arrangements.

121. Audit Fee Letter 2017-18

Members were informed of the external audit fee set by the PSAA for Gravesham Borough Council for 2017-18.

Members noted the information contained within the report.

122. Any other business which by reason of special circumstances the Chair is of the opinion should be considered as a matter of urgency.

Update on External Auditors

The Assistant Director (Corporate Services) advised that at Full Council last December Members decided to opt in to the sector led approach for the new external auditors; tenders for the works have been issued and 98% of eligible bodies had opted in as well. The tenders are currently in the standstill period which runs until 19 June 2017; the PSAA will then be developing client portfolios during July auditing bodies such as GBC will be consulted on their appointed auditor between 14 August to 22 September.

GBC then have a choice to accept the appointment made or make representations against it; the period of consultation is during a time when there are no F&A Committee meetings scheduled but the Assistant Director (Corporate Services) made a commitment that Members will be kept abreast of the details of who the Councils external auditors will be.

Finance & Audit Committee Date Rescheduling

Following a discussion with Members and officers it was decided that the below meetings would be rescheduled:

- The Finance & Audit Committee meeting on Tuesday 25 July 2017 will be moved to Monday 10 July 2017 and the Statement of Accounts training presentation will be added on to the agenda for that meeting
- The Finance & Audit Committee meeting on Tuesday 26 September 2017 be moved to Tuesday 12 September 2017 and the Business Rates training on the 12th September 2017 be switched to the 26th September 2017.

Close of meeting

The meeting ended at 9:32pm.

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Public Document Pack

Overview Scrutiny Committee

Thursday, 15 June 2017

7.30 pm

Present:

Cllr John Burden (Chair)
Cllr David Hurley (Vice-Chair)

Councillors: Lee Croxton
 William Lambert
 Sara Langdale
 Shane Mochrie-Cox
 Derek Shelbrooke
 Narinder Singh Thandi
 Michael Wenban

Also in attendance: Cllr Julia Burgoyne (Cabinet Member for Planning & Regeneration) Cllr Sandra Garside (Cabinet Member for Sport, Leisure & Arts) and Leslie Hills (Cabinet Member for Performance & Administration)

Kevin Burbidge	Director (Planning & Regeneration)
Melanie Norris	Director (Communities)
Stuart Alford	Assistant Director (Environment)
Wendy Lane	Assistant Director (Planning)
Sarah Parfitt	Assistant Director (Corporate Services)
Anita Tysoe	Service Manager (Customer & Theatre Services)
Michelle Batstone	Corporate Change Manager
Adrian Hickmott	Leisure Manager
Chris Wakeford	Committee Services Officer (Scrutiny)

101. Apologies

An apology for absence was received from Cllr John Caller and Cllr Makhan Singh; Cllr Narinder Singh Thandi and Cllr Shane Mochrie-Cox appeared as their respective substitutes.

102. Minutes

The Minutes of the meeting held on 6 April 2017 were signed by the Chair.

103. Declarations of Interest

Cllr Sara Langdale declared an 'Other Interest' in Item 6. Call in: Fleet Leisure Project Update as she is the Council's representative on Gravesham Community Leisure Limited (GCLL).

104. Service Review Team Options for; Planning and Regeneration, Customer and Theatre and Direct Service Operation (DSO)

The Overview Scrutiny Committee were provided with the detailed information used to support the proposals that the Cabinet were minded to progress from the Service Review process for Planning & Regeneration Services, Customer & Theatre Services and the Direct Services Operation (DSO).

The Committee considered each area in turn before asking questions:

Planning & Regeneration

1. Undertake a thorough review of the Development Management function to include a review of resources, processes, fees charged for pre-application advice, etc. and to also look at the potential for a shared service with regards to the technical/validation team. It is anticipated that the review will enable service efficiencies to be implemented.
2. Review the way in which the Geographical Information System (GIS) is used corporately. The Planning Service uses the GIS system but a more corporate approach to this would aide better and more effective data mapping.
3. Reduce the annual contributions to the Planning Policy reserve. The Planning Policy reserve was established in 2011-12 with an annual contribution of £100,000 and officers are asked to detail if the full level of contribution is required.
4. In the future, undertake a review of the Regeneration and Major Projects Team. It is already known that the Service Manager (Major Regeneration Projects) has a fixed-term contract until October 2019 and it is suggested that this post not be filled once this is met realising a saving in 2019-20. A further review of the team and the key projects underway should also be undertaken as this stage.

It is anticipated that the changes to the Planning and Regeneration function will see the council deliver annual budget savings of £146,000.

Following questions from the Committee; The Director (Housing & Regeneration) and Assistant Director (Planning) highlighted the following:

- Gravesham are commencing talks with Medway regarding the shared technical/validation team because both authorities share a lot of similarities in this field. If it doesn't work out other partners will be considered.
- The Planning department is trying to get qualified planners in and bring on existing talent; there are no plans to reduce staff and the department does its best to retain staff.
- The Planning Policy reserve is a source of money to take you through the Local Plan process. A current reserve of £328,000 has been built up, this is a stable base that GBC can draw down from and add £50,000 per annum (a reduction of £50,000 per annum)

- Currently there are internal skills/staff that can be drawn upon at present with support brought in from outside the council as necessary. Once the Service Manager (Major Regeneration Projects) departs GBC the resourcing needs will be considered in the light of funding and priorities of the day.

Customer & Theatre Services

1. Move more internal services into the contact centre. It is anticipated that this will enable the council to reduce the establishment as digital contacts increase and call volumes decline, and will also allow for greater efficiencies in the delivery of the service in the interim. There should also be consideration of the use of an intelligent IVR telephone system to support the work of the department moving forward.
2. Carry out a review to restructure and potentially reduce the current offer from The Woodville, in line with a renewed strategic direction for the Woodville. This will enable the council to continue to offer the breadth of activities currently in place, retain control of the venue and operations, retain artistic control of the programme offered, whilst delivering an overall saving.

It is anticipated that the changes to the council's Customer & Theatre Services functions will see the council deliver annual budget savings of £49,920 in Customer Services and £61,000 in the Woodville Halls.

Following questions from the Committee; The Director (Communities) and Service Manager (Customer & Theatre Services) highlighted the following:

- Interactive Voice Recognition (IVR) provides a series of messages to guide the customer to appropriate department. Customers also have the option of the Automated System, Gateway officers and the Web Chat service. Customer Services welcome any feedback Members may have to help improve the service.
- Contrary to recent reports; The Woodville will not be closing.
- The Woodville restructure will involve the training and development of existing staff.
- £111,000 is the total anticipated saving across Customer Services and the Woodville.
- The Woodville will consider the possibility of a 'Friends/Loyalty Scheme'
- The General Manager of the Woodville is very experienced and regularly meets with other Theatre Managers in the local area to ensure the shows are suitable and get the right balance within the entertainment offer.

Direct Service Operation (DSO)

1. Consider a number of options in respect of Waste and Recycling. These include introducing a recycling scheme for trade waste, charging property developers for the costs of wheeled bins in new developments, looking at potentially introducing new services around house/garden clearance and wheeled bin cleaning and looking to bring back the collection of clinical waste in house. To support all of this, officers are also asked to explore the potential of implementing a software solution to manage the waste management service, which could also be used in others areas across the depot.
2. In terms of the Cemeteries service, look at the potential of introducing a nominal fee for the basic family search service that is currently offered free of charge. Most authorities do have a charge for this service, even if it is just to cover the admin involved in undertaking the search.
3. Review the way horticultural services are provided by the council and in particular the Team Green scheme. The council has increased its own pool of apprentices and officers should explore using its own resources first.
4. Explore the potential for the commercialisation of the depot, in particular the Workshop element, which may lead to other opportunities moving forward.
5. Explore alternative uses for the building at the depot formerly occupied by Apollo, as this is currently being used for storage.

It is anticipated that the changes to the council's Direct Services Operation (DSO) functions will see the council deliver annual budget savings up to £193,500.

Following questions from the Committee; The Assistant Director (Environment) highlighted the following:

- Garden waste sacks are available for collection at the Civic Centre and the Borough Market. If people contact GBC and explain that they are unable to collect (e.g. due to health reasons) then the sacks will be delivered.
- The Brookvale Depot no longer supplies clear bin sacks due to health and safety reasons around members of the public visiting the site. There is a list of people who are allowed to collect clear sacks from the Civic reception (for those who do not have wheeled bins).
- New signage has worked well to prevent Fly-tipping. Three fixed penalty notices (£400 each) have been issued; two have been paid. Hidden cameras will be considered as an option to catch Fly-tippers but it is difficult to gain permission.
- Information on the new waste service (collection dates etc.) will be provided in a pack that will be inside the bin when delivered. A review will be conducted as to whether further hard copies of collection dates will be delivered to residents or whether to solely rely on the digital route.

- KCC now employ a separate contractor to do the grass cutting in Gravesham. GBC do some grass cutting for KCC (e.g. Echo Square, Imperial Business Estate) and are paid by KCC.
- More trees are planted by GBC than are cut down.
- By introducing new software systems GBC can streamline services then use staff for other areas.
- If GBC can plot dog bins, litter bins etc. via the GIS mapping software - then we can be smarter on scheduling and use less equipment, vehicles and review staffing structures.

Resolved that:

- **Planning & Regeneration**
The Committee note the report and this area of saving and are happy with the assurances that, once vacant posts have been appointed to, the Planning Department will be robust enough and doesn't require any additional support at this stage.
- **Customer & Theatre Services**
The Committee note the report, savings and the assurance from officers that the Theatre operation will be maintained.
- **Direct Service Operation (DSO)**
The Committee note the report, savings and the additional income streams.

Note: Cllr Sandra Garside (Cabinet Member for Sport, Leisure & Arts) spoke with the leave of the Chair on this item.

105. Call in - Cabinet Item 10. Fleet Leisure Project Update

The Committee considered the following decision made by Cabinet on 12 June 2017:

That Cabinet hereby authorises the Director (Communities), in consultation with the Leader of the Executive, Head of Legal and the Director (Corporate Services), subject to consideration of all due diligence, legal, financial, procurement and contractual issues to take all necessary actions in relation to;

- Advertise the sport and leisure facility opportunity to perspective external organisations via appropriate advertising publications.
- Develop an evaluation framework for assessing any expressions of interest made.
- Award a long term lease to preferred partner organisation, subject to Planning.
- To continue negotiations with GCLL on a contract extension period up to 2025 for the leisure centres.

The Chair explained that he had called in this matter to examine further; the process used, the logic behind the extension of the contract and the lack of consultation with Members.

The Director (Communities) explained that in March 2015 it was agreed to extend the leisure centre contract with Gravesham Community Leisure Ltd (GCLL) to 2025 and include Fleet Leisure. A series of feasibility studies took place and project costs which were originally estimated to be around £2.6m were now estimated to be closer to £2.9m. At this time Ebbsfleet United Football Club decided not to be a major partner and long term hirer of the facility and so would have an impact on the income of the project. Structural surveys highlighted the poor condition of the site and that there would be major financial risk for the council and GCLL. There has been strong interest in the site and therefore following the decision not to carry on with the proposed project plan with GCLL the council will carry out a formal tender process to assess the most appropriate development scheme and partner organisation going forward.

Extending the leisure centre contract for a further period of up to five years allows the council time to assess the long term future of the leisure centres.

Following questions from the Committee, the Director (Communities) highlighted the following:

Fleet Leisure Project

- GBC hasn't spoken to Dartford Football Club but will make them aware of the upcoming tender process.
- There is no plan for housing on the site; the aim is for a sports and leisure facility (community use). There is a shortage of football pitches in the Borough which needs addressing.
- Grant monies from Sport England, FA etc. are being looked into.

GCLL contract extension

- There are more pros than cons with GCLL. They have good participation figures at the Leisure Centres and continue to pay GBC a yearly fee as agreed in the contract.
- The extension of the contract buys GBC time to plan for the future.
- GBC looked into the alleged issues at GCLL and no evidence was found.
- The legal advice given is that the VEAT Notice will cover this extension to contract.

Resolved that:

- **Fleet Leisure Project**
Whilst the Committee support the fact that things are moving forward and welcome assurances that the site be kept in public ownership, the Committee ask the Leader to actively consider having a cross-party working group before GBC go out to tender.
- **GCLL contract extension**
The Committee accept the Cabinet decision and ask Cabinet to agree that a cross-party working group be set up as soon as possible to look at the long term future of both leisure sites.

Note: Cllr Sandra Garside (Cabinet Member for Sport, Leisure & Arts) spoke with the leave of the Chair on this item.

Close of meeting

The meeting ended at 10.05 pm

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