



## OVERVIEW AND SCRUTINY COMMITTEE

**MEETING** : Monday, 19th December 2016

**PRESENT** : Cllrs. Coole (Chair), Ryall (Vice-Chair), Pearsall (Spokesperson), Lewis, Morgan, Wilson, Haigh, Dee, Hampson, H. Norman, Finnegan, Hawthorne, Smith and Hyman (Substitute for Cllr Hilton)

### **Other Members in Attendance**

Councillor Paul James, Leader of the Council and Cabinet Member for Regeneration and Economy

Councillor Jennie Watkins, Deputy Leader and Cabinet Member for Communities and Neighbourhood

Councillor Colin Organ, Cabinet Member for Housing and Planning

Councillor David Norman MBE, Cabinet Member for Performance and Resources

Councillor Lise Noakes, Cabinet Member for Culture and Leisure

Councillor Richard Cook, Cabinet Member for Environment

Councillor Terry Pullen

Councillor David Brown

Councillor Janet C. Lugg

Councillor Joanne Brown

Councillor Lauren Fearn

Councillor Clive Walford

### **Officers in Attendance**

Jon McGinty, Managing Director

Anne Brinkhoff, Director

Jonathan Lund, Director

Jon Topping, Head of Finance

Rhys Howell, Democratic Services Officer

**APOLOGIES** : Cllrs. Hilton and Melvin

### **56. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **57. PUBLIC QUESTION TIME (15 MINUTES)**

Mr. Hodges of Kingsholm raised 2 questions for the Committee. He asked:

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1. Are the redundancies resulting from the council restructure a genuine result of overstaffing, or are they simply a result of the current Government's continuing austerity measures?
2. Does this mean that the work being done by those facing redundancy will no longer need to be done, or does it mean that those left will need to undertake the work previously carried out by their redundant colleagues? If so, do Councillors realise the stress the extra work is likely to bring about, as employers how does that fit with their duty of care to the workforce.

The Chair thanked Mr. Hodges for his question, and asked The Council Leader and Cabinet Member for Performance and Resources to answer these questions during their initial introduction to the Draft Money Plan.

**58. PETITIONS AND DEPUTATIONS (15 MINUTES)**

There were no petitions or deputations.

**59. DRAFT MONEY PLAN 2017-22 AND BUDGET PROPOSALS 2017-18**

The Chair invited the Leader of The Council, Councillor James and the Cabinet Member for Performance and Resources, Councillor D. Norman to address the Committee.

Councillor James provided an overview of the draft Money Plan and Budget Proposal, stating that in a difficult financial environment the Council had made savings of £10 million over the previous six years so identifying further savings was increasingly challenging. Councillor James emphasised paragraph 4.3 of the report and stated that the proposals would enable the Council to be the master of its own destiny. He stated that the aims of the proposals were to protect services, increase income, improve efficiency and promote shared services.

In the context of the question from Mr. Hodges, Councillor James explained that the Together Gloucester restructure was orientated around breaking up silos and empowering communities to provide for themselves. He clarified that it was not as straightforward as just increasing the workload of remaining officers, but was about new ways of working and a better use of the current warehouse space or moving officers out of the warehouses entirely.

Councillor James stated that it was too early to talk about redundancies, as the Together Gloucester proposals still had to go through consultation and approval. However, as the Council was carrying vacancies, they would look to minimise and manage any unavoidable redundancies. He said the administration was not choosing to reduce spending and if money were no object, then the management of the Council restructure would be different, however it was necessary to live within the Council's means.

Councillor D. Norman said that the Local Government Settlement had been published on 15 December 2016 and that it had had an effect on the figures within the report. He explained that updated figures would be available as soon as

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possible and that the Head of Finance would be working on these over the Christmas period. He added that it would be appropriate for the Head of Finance to speak to the Committee once these figures had been calculated.

Councillor D. Norman explained that the Council had been granted a four year settlement from Central Government, so there was some surety about finances for that time period. However, he explained that details of the New Homes Bonus were of concern, as the “Deadweight Factor” announced by the Government would create a shortfall of £354,000. An increase in Council Tax of £37,000 was anticipated, so the overall shortfall would be £317,000.

Councillor Wilson asked if the four year settlement was in line with the original forecast. Jon Topping, Head of Finance, explained that it was.

Councillor Wilson asked for clarification of how the percentage of new homes used to calculate New Homes Bonus would be reached. Jon McGinty, Managing Director, explained that during 2017-18 it would be calculated from 5 years of data and during 2018-19 would be calculated from 4 years of data.

Councillor Wilson asked for the reasoning behind the increase in the General Fund, at a time of economic constraint. Jon McGinty explained that the planned for increase was a reflection of the variety of sources of funding and that, as some figures were estimates, until more information was available from the Government, it was prudent to make that decision.

Councillor Haigh asked if representation had been made to the Government regarding spending cuts caused by reduced funding from Central Government. Councillor James stated this had not been done, as all Councils were in a similar situation. He said that should Gloucester be singled out, he would do so, but that the impact on Gloucester was in keeping with elsewhere and Gloucester could not afford to spend more than it earned.

Councillor Haigh stated that a key assumption behind the Together Gloucester restructure was Asset Based Community Development (ABCD), but that not all communities had this ability; she asked how it would be managed. Councillor James stated that it would be judged on a policy by policy basis, as it was not possible to imagine all situations that ABCD would affect at this point. He explained that part of the restructure would involve promoting channel shift and different ways of working to facilitate ABCD.

Councillor Haigh asked for clarification as to what was meant by “Bricks and Mortar Regeneration” as stated in the Together Gloucester presentation, delivered to Members prior to the meeting, as it had not been in the Administration’s Manifesto. Councillor James explained that it was a focus upon the regeneration of the buildings and physical environment of the City.

Councillor Haigh stated that there had been mention in the Leader of the Council’s presentation to work with organisations outside of the Council; she asked if the Council was exploring cutting duplication of work with other organisations. Councillor D. Norman explained that the Council would continue to work in a shared services format where suitable, and that if there was duplication, further work would

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need to be undertaken to prevent it. He stated that he was unaware of any specific duplication, but that as the Managing Director of the City Council also had a role with the County Council, he also had a role to play in preventing it.

Councillor Lugg asked if the pension increase in paragraph 7.3 of the report was in line with expectations and Jon Topping confirmed that it was.

Councillor Pullen asked whether the Cabinet would be restructured to reflect the organisational restructure. Councillor James stated that he did not feel obliged to align the Cabinet structure to the organisational structure and that there was no plan to change it, but that he would keep it under review.

The Chair thanked Councillor James and Councillor D. Norman for the update and invited the Cabinet Members to present their respective portfolios.

### Regeneration and Economy Portfolio

Councillor James highlighted the following financial pressures:

- Due to the bus station redevelopment, income generating buildings had been demolished, but this had been anticipated and factored into the figures.
- During 2017-18 a national evaluation of buildings for building rates was planned and this would increase asset management costs.
- The £50,000 markets service savings previously outlined had not been achieved and had been built back into the budget.

Councillor James stated that car parking was an area for proposed budgetary savings. The savings were to be generated by an increase in income and a decrease in costs, with the possibility of increased Automatic Number Plate Recognition (ANPR) technology in the City.

Councillor James stated that no new income streams had been identified during the process and that the priorities of his portfolio had not changed from those clearly stated in the manifesto and Council Plan.

Councillor Haigh asked for clarification on where the Council offices would be accommodated, as Councillor James' presentation had alluded to the offices not necessarily remaining in the warehouse space, but the report expressly referenced warehouses. Councillor James clarified that it had been decided that fewer warehouses were required for Council operations, but that it had not yet been decided if office accommodation would remain in a reduced warehouse space or be relocated.

Councillor Haigh asked for clarity on the nature and scope of the car park review and if one of the objectives would be to reduce car usage. Councillor James stated that it had been commissioned to look at the suitability of City centre parking at present and in the future. He explained that it was not in the scope of the car park strategy to look at public transport, cycling or pedestrians, so the review would not focus on car usage reduction. He clarified that there was no desire to price out car

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users via parking in Gloucester, as this would have the detrimental effect of encouraging them to visit other shopping destinations.

The Chair thanked Councillor James for his time.

#### Performance and Resources Portfolio

Councillor D. Norman informed the Committee that there had been no changes to staffing levels within his portfolio, but that this may change with the developments coming forward from Together Gloucester.

Councillor D. Norman explained that there was pressure on his portfolio due to an increase in the pension fund of £100,000, which had been taken into account in the proposals. He also highlighted another pressure was a reduction to the Housing Benefit grant from the DWP, which although the figure was currently unknown had been assumed to be £100,000.

Councillor D. Norman outlined the following savings information:

- £20,000 saving from Minimum Revenue Provision
- During 2015-16 the Business Improvement team was disbanded through staff vacancies resulting in a saving of £128,000.
- A cut to Quedgeley Parish Council grant was proposed, due to their Council tax base increasing and the Parish Council had been made aware of this.
- Potential changes to staff terms and conditions may save £50,000, but had to go through consultation with unions and staff first. The proposed savings had been included in the figures as an indicative saving.
- Citylife magazine's change in format and distribution would save £30,000.
- A review of postage costs and a reduction in external subscriptions would create a £32,000 saving.
- Improvement to the annual statement of accounts meant that the external auditors had decreased their fee by £20,000.

Councillor D. Norman said that an assumption had been made that the inclusion of advertising in the new format Citylife magazine would bring in £32,000.

Councillor D. Norman said that the priorities of his portfolio had not changed and the portfolio would continue to strive for value and to only spend what could be afforded. He explained that the portfolio had an enabling function, focusing on customers and had a strong ethos of working with the public, private and voluntary sectors. He stated that the Council was experiencing challenging financial conditions, but had reacted well to the savings and that he hoped that the localisation of Council Tax and Business Rates would help the Council's finances. He concluded that there were no anticipated changes to the portfolio, but that it was essential to keep delivering savings.

In response to a question from Councillor Haigh, Councillor D. Norman assured the Committee that 100% business rate retention was possible and that he believed the City would benefit in the long term from it. Councillor Haigh queried if the increase in business rates retention would also mean an increase in financial burdens to manage it. Councillor D. Norman stated it was a possibility.

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Councillor Wilson asked if the reduction in Quedgeley Parish Council grant was covered by the increase in their Council Tax base. Councillor D. Norman stated that Quedgeley Parish Council had not taken action based on prior notification of this reduction in Council grant, which pointed towards funding being adequate.

Councillor Haigh asked if the entirety of the Citylife costs would be covered by advertising costs, how many copies would be printed and where they would be distributed. Councillor D. Norman said that it was hoped that advertising would cover the full costs and undertook to provide Councillor Haigh with a written response regarding the number of copies and distribution. He added that Citylife would be predominantly accessed via the internet.

In response to a request from Councillor Wilson for further details of potential changes to terms and conditions for employees Councillor D. Norman said that it would not be appropriate to share the details before trade unions had been consulted.

The Chair thanked Councillor D. Norman for his presentation.

### Culture and Leisure Portfolio

Councillor Noakes informed the Committee that the Culture and Leisure portfolio had had a successful year, with the creation of the Gloucester Culture Trust, strong performance from Aspire Trust and the continuing delivery of high quality events by Marketing Gloucester Ltd (MGL).

Councillor Noakes informed the Committee that, consistent with the previous financial year, there were 39 FTE posts in the portfolio.

Councillor Noakes highlighted the savings associated with The Guildhall and Museums as the main financial challenges within the portfolio. The Guildhall was expected to provide an increase in takings from events and, with a new programme manager in place, it was set to have a successful future. Councillor Noakes stated that she had received an exceptional report into the future of the museums, which suggested many money making opportunities. She explained that currently the report was not available to be shared, but that it would be considered by Cabinet in March 2017. Councillor Noakes also informed the Committee that the "Top Ticks" website had gone live; making it easier for the public to buy tickets for events at The Guildhall and that increased revenue was anticipated.

Councillor Noakes said that the Draft Money Plan included a £200,000 saving from the Aspire Trust management fee and that MGL would have its funding reduced by £100,000 per year for the next two years. The management of MGL's funding would also be altered whereby they would be provided with a set budget and asked to deliver specific events, instead of ringfencing budgets for specific events.

Councillor Noakes said that there were no new income streams to be explored and that all current streams were being fully utilised. She said there was an ambitious bid going to the Great Place Scheme from the Gloucester Culture Trust, which if successful would provide £1.5 million of funding over 3 years. She said the money

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would be used for a new performance venue, to develop festivals and events and to form a creative hub in Gloucester.

Councillor Hampson enquired if the City finances could continue to sustain the operation of two museums. Councillor Noakes said that she could not comment at present, but that there were excellent recommendations contained within the aforementioned report. Councillor Hampson raised the issue that the Life Museum's building was in need of repair and Councillor Noakes agreed there were challenges, but that the City Museum was being focused on due to allocated funding. She agreed with Councillor Hampson that the Life Museum was an important asset and that the building had historical value for the City.

Councillor Pullen asked what happened to any revenue generated by MGL delivering events. Councillor Noakes said MGL were able to move this revenue to top up the funds for other events and projects as they saw fit. Councillor Haigh asked for more detail on this with regards to event sponsorship and Councillor Noakes said some events would be sponsored and some would not. Councillor Noakes emphasised that, in addition to arranging events, MGL were responsible for destination management, and extra revenue from events could support that work.

The Chair thanked Councillor Noakes for her presentation.

### Environment Portfolio

Councillor Cook stated that the implementation of the new recycling scheme would add financial pressure to his portfolio, but that there would be an anticipated saving from £432,000 from the Amey contract, part of which would come from an increase in revenue from the sale of recycled material.

Councillor Cook stated that there had not been an increase in the cost of the Garden Waste collection since its inception in 2011, and that a small increase in the cost of the non-statutory service would provide additional funding. In addition, a replacement waste container charge would be introduced for those who had damaged their bin themselves. Councillor Cook explained that the fee would be waived if the bin had been stolen and a police report filed, or had been damaged by Amey.

Councillor Cook stated that as the Crematorium was performing better than expected, their income target had been increased to £100,000.

In conclusion, Councillor Cook stated that his portfolio's priorities had not changed. He emphasised the need for continuing to drive ABCD principles in areas such as litter picking

The Chair asked for greater detail regarding the proposed replacement fee for waste containers. Jon McGinty stated that the current cost for waste container replacement a year was around £100,000. Councillor Cook said that it would be £40 to have a new waste container delivered, but if collected by the customer it would be £30.

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The Chair asked if it was reasonable to expect customers to report stolen waste containers to the police. Councillor Cook stated that it would ensure that people looked after their containers. Councillor Pullen asked how much it would cost to administer charging for replacement containers and Jon McGinty informed him that the costs would be managed within existing resources, as there was already a cost attached to their replacement. The Chair asked if the proposal to charge for replacements would increase instances of environmental crime. Councillor Cook stated that it was always a possibility that people would be irresponsible.

Councillor Wilson asked if it was reasonable to increase the cost of the garden waste collection service when it was already making a profit. Councillor Cook said the profits would be reinvested in the Council and that there was no stipulation that the scheme should be cost neutral. He stated that the increase was lawful and comparable to other local authorities.

Councillor J. Brown said that the Together Gloucester presentation had stated that Council employees were clearing up after Amey employees; she asked if this was appropriate. Councillor Cook stated that Council Officers had been delivering training to Amey employees regarding proper bin collection. Councillor J. Brown queried why Amey had not fully trained their own employees. Councillor Cook stated that this was as Amey had not had a full complement of permanent staff so had been using agency staff, who had required training from Officers.

Councillor Haigh stated that historically there had been performance issues with Amey and that Council Officers had been required to monitor Amey's performance closely. She asked that if, as the Together Gloucester presentation had suggested, the monitoring role would no longer be performed, could Amey be relied upon to deliver the services they were contracted for. Councillor Cook stated that with his contract management experience, he would work very hard with Amey to ensure the service was delivered at a high standard. He said that he had detected an increased willingness from Amey to work with the Council and was confident for the future. Councillor Haigh asked if Councillor Cook had the resources to monitor Amey's performance, to which he answered that he expected all Councillors to have a hand in monitoring this.

The Chair took a question from Mr. Hodges in the public gallery. Mr. Hodges welcomed the anticipated increase in recycling for 2017, but was concerned about low income households being expected to pay for replacement bins and also how the proposals would affect HMOs. Councillor Cook explained that HMOs had different waste collection arrangements so the changes would not apply. Councillor Cook explained that the proposal was not to penalise anyone, but to encourage customers to care for their bins.

Councillor Finnegan asked if there had been any liaison with the police regarding the requirement for customers to report thefts of bins to them. Councillor Cook said this had not been undertaken, but could be in the future.

The Chair thanked Councillor Cook for his presentation.

Communities and Neighbourhood Portfolio



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Councillor Watkins said that Shopmobility would continue to be funded by the Council, so the assumed savings from the divestment of Shopmobility outlined in the 2016-17 budget would not be met.

Councillor Watkins said that proposed savings were around reducing the funding for the Citizen's Advice Bureau (CAB) by 50% and a reduction in the Councillors' Community Fund. She also identified that no new income streams had been identified and that the portfolio priorities remained the same: to provide a clean safe city, which supported all people and to enable rather than provide services within the community.

Councillor Wilson asked how much of the CAB's funding was made up by the Council and what impact the 50% reduction would have. Councillor Watkins said that the cut would have an impact, but as a partner organisation, the CAB was expected to make savings in line with other partner organisations. She said that the Council was not the CAB's only funding stream and that there had been no change in their funding from the Council for the last four years.

Councillor Haigh asked for a breakdown of Voluntary Sector grants and Councillor Watkins said these would be circulated.

The Chair thanked Councillor Watkins for her presentation.

### Housing and Planning Portfolio

Councillor Organ stated that as the Joint Core Strategy (JCS) had been delayed, spending would continue into 2017-18. Whilst there were no savings specifically identified for 2017-18, Councillor Organ said that he would look to strengthen services and establish a shared planning policy between the 3 shared JCS authorities.

Councillor Organ reported that there had been an increase in homelessness and apparent homelessness, which was adding to pressure on his portfolio and that no new income streams had been identified to countermand this.

Councillor Organ stated that the priorities of the portfolio had not changed and were still to deliver the JCS and to deliver the City Plan.

Councillor Hampson asked for details on the issues surrounding rough sleepers in the City. Councillor Organ stated that there were two issues: rough sleepers and begging. Councillor Organ said that those who were genuinely homeless had to be assessed for their individual needs and all agencies involved were working hard. Those who were not genuine provided other challenges. Councillor Organ said that waste caused by homeless people was a challenge but would continue to be dealt with by the Council. Councillor Organ made a plea for Members and the public to not approach or give money to homeless people in Gloucester, as he sympathised with the desire behind such charity but qualified agencies should be left to tackle the matter.

The Chair thanked Councillor Organ for his presentation.

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**RESOLVED – That the Draft Money Plan for 2017-22 and Budget Proposals for 2017-18 be noted.**

**60. DATE OF NEXT MEETING**

Monday 9 January 2017 at 6.30pm

**Time of commencement: 7.00 pm hours**

**Time of conclusion: 9.00 pm hours**

**Chair**