

Minutes of a meeting of the Scrutiny Committee
held in The Cathedral Centre, Ely on
Monday 12th November 2012 at 4.30pm

P R E S E N T

Councillor Michael Allan (Chairman)
Councillor Anna Bailey (as Substitute for Councillor David
Ambrose Smith)
Councillor Will Burton
Councillor Tony Cornell
Councillor Neil Morrison
Councillor Robert Stevens
Councillor Hazel Williams, MBE
Councillor Gareth Wilson (as Substitute for Councillor
Sue Austen)

I N A T T E N D A N C E

Julie Cornwell – Partnerships Officer
Darren Hill – Business Development Manager
John Hill – Chief Executive
Adrian Scaites-Stokes – Democratic Services Officer

33. PUBLIC QUESTION TIME

The following was received from Mr. Max Pocock:

My name is Max Pocock, and I am a committee member of Ely Outdoors Sports Association “EOSA” and like my committee colleagues, am a volunteer. Although my question relates specifically to my own Community Association, and 256 children and 508 adults that use our facilities each week, they may also be relevant to other Sports Centres.

My question is to ask that the Service Review of Discretionary Rate Relief (DRR) document is reworked and further consultations take place with Sports Centres prior to this Committee recommending it to the Community & Environment Committee for the following reasons:

1. The consultation letter dated 3rd August included draft criteria for DRR, but not for hardship relief. We were delighted that the DRR proposals submitted by the sports centres have been incorporated into Appendix D.
2. However, our understanding in the consultation was that rates in excess of £2K would be covered by a “hardship relief” (HR). We were given this information by an Officer, with another Officer and a Councillor present. No eligibility criteria for HR were given.

3. Unable to find such criteria on any Government website (just a reference to it being a local matter), and with the need to brief my committee I contacted Mrs Cornwell to ask where I may find more information. She helpfully gave me extracts from another Council's website. based on Central Government Guidance, and suggested I use that to brief colleagues. The criteria included:
 - Authorities should not adopt a blanket policy
 - The test of hardship should not be confined strictly to financial hardship.
4. No further communication, until I saw the item on tonight's agenda, and in particular Appendix C which alarmed me. That document bears no relation to the information given to us, either in the initial consultation document, nor at the meeting with officers and the Councillor, nor to the guidance from Central Government given to another Council and relayed to me to communicate with colleagues. I also suspect that it would make a number of the assumptions in the body of the report completely invalid. It certainly makes the assumptions regarding EOSA invalid! Appendix C is not appropriate to not for profit community organisations, as it has clearly been drafted with commercial business's in mind. With no overdraft facilities, EOSA needs to be prudent, save the money first, and then spend it. With such a prudent policy we do not "trade at a loss".
5. Finally, I am not insensitive of the need of ECDC to balance its budget and cut costs. I am aware that the ECDC sport and recreation budge is circa £223K, of which £33K is given as SLA grants, and £178K (80% of budget) is spent on employees and central support charges, I would welcome the opportunity to discuss ways whereby work currently done by the Council staff is moved to sports centres staff/volunteers to make savings you are looking for.

In response to questions from Councillors Anna Bailey and Neil Morrison, Mr Pocock stated that he was the Treasurer for EOSA and that the assumptions relating to the criteria for hardship were causing concern.

The Chief Executive stated that a full written response would be made to the questions received, although the questions would be addressed during discussion on the relevant agenda item.

34. APOLOGIES AND SUBSTITUTIONS

Apologies were received from Councillors Sue Austen and David Ambrose Smith.

Councillors Gareth Wilson and Anna Bailey substituted for those Members respectively, for this meeting.

35. **DECLARATIONS OF INTEREST**

The Democratic Services Officer advised the Committee that Dispensations had been applied for and given to the following Members present at this meeting, to enable them to discuss matters relating to Business Rate Relief:

Councillor Michael Allan
Councillor Anna Bailey
Councillor Will Burton
Councillor Tony Cornell
Councillor Neil Morrison
Councillor Hazel Williams
Councillor Gareth Wilson

Councillor Robert Stevens did not have Dispensation but stated that, as he did not have any position in or association with any business, he did not have an Interest in that matter.

36. **MINUTES**

It was resolved:

That the minutes of the Scrutiny Committee meeting held on 15th October be confirmed as a correct record and be signed by the Chairman.

37. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman made the following announcement:

- Issues relating to Shape Your Place would be discussed at the next meeting and would be incorporated into the Neighbourhood Panel Review report.

38. **PRESENTATION: POST OFFICES**

The Chairman introduced Mr Gary Herbert from Post Offices Limited. Mr Herbert made the following comments:

- Post Office Limited had only been in existence for the last 6 months and was a publicly owned business.
- Post Offices Limited had a forward programme to modernise the post office network and were currently engaging with external stakeholders.
- This programme aimed to invest in local communities and there would remain a post office branch within 3 miles of 99.7% of the population.
- The current network consisted of over 11500 branches.

- The Government had made an award of £1.34billion to invest, so this would be the biggest programme ever.
- There was no intention of closing any branches, but there was no new business to open new branches, so the network size would remain around the same.
- This could change in areas where communities were growing.
- The size of the network was ultimately the decision of the Government.
- 6000 of the branches would be converted to a new style.
- There were already two new types of post office models, which would be introduced over the next 2 to 3 years.
- 4000 would be the 'mains' model – with longer opening hours to match relevant retail operation hours, a dedicated area for the post office business and offering a full range of products and self-service.
- The remaining 2000 would use the 'local' model – open plan arrangement with no screens offering between 95 to 97% of all possible transactions. These models were intended to help sustain local shops.
- Currently agents were being engaged and they would decide whether they were interested in the new programme.
- Although there were a number of necessary stages to go through, it was hoped most would join the programme.
- Some agents may not wish to, in which case they would be permitted to leave but only if a suitable alternative could be found to take the service forward.
- For those branches already converted, business had shown a 9% increase in retail business.

Councillor Hazel Williams questioned whether the consultation on the changes would include parish councils, as well as district and county councils. She also queried whether alternative venues for post offices would be considered, for example village halls, as opposed to shops. There was some concern that the Government could take services away from the Post Office in the future.

Mr Herbert confirmed that parish councils would be included in the consultation. Initially post offices were linked to retail establishments. These establishments needed less money to prop up their business. With the new models, the fixed element of subsidy would go but there would be enhanced rates paid. This would underpin the mains model for three years. The size of this payment would be decided by Government. This was an attempt to put the network on a more stable footing.

Councillor Gareth Wilson asked whether the new models would free up current restrictions on deliveries to the post office for collection and alleviate the problems over the complication of different services offered by different branches. The Committee was informed that on average

post offices could undertake 170 different transactions and the Post Office would like every branch to be able to do every transaction. However this was not currently the case as, for example, the Driver and Vehicle Licensing Agency decided how many outlets, and where they were located, would deal with its licences. Contracts with the clients, detailing which transactions would be done, could be determined by the client. The provision of a collection service was determined by Royal Mail.

Councillor Robert Stevens questioned whether Royal Mail actually prevented collections, asked what other improvements could be expected from the new models and how security would be handled. Mr Herbert reminded the Committee that the new Post Office had only been in existence for 6 months so it had not had a chance to look at individual carriers. The mains model would invest in the existing businesses, convert them to an open plan style, integrate the post office business with retail, underpin the remuneration for 3 years and increase transactions. The local model would help provide a more cost effective and better service, and had the potential for staff savings. A more open plan style was wanted to make for a friendly customer experience. Security would be far greater and privacy would be better.

Councillor Will Burton asked whether there would be 'health checks' on how the new models were working and whether the public would be consulted about them. The Committee was advised that the new models would be constantly monitored. The Business Services Manager would take up any problems that arose. People would be written to after opening the new models to see what they thought.

39. **BOUNDARY COMMISSION FOR ENGLAND - REVISED PROPOSALS (PARLIAMENTARY CONSTITUENCY BOUNDARIES)**

The Committee considered a report, reference M139 previously circulated, which outlined revised proposals from the Boundary Commission for England for parliamentary constituency boundaries.

The Chief Executive reminded the Committee that Council had discussed and agreed to previous proposals where East Cambridgeshire would be joined by 3 Newmarket Wards in a new constituency. However, revised proposals were now being suggested which turned the original one on its head. It was important that this Council made representations to express its view on the revisions. There were restrictions on where objections could be made but the physical geography was one such issue.

A response had been drafted, as detailed in paragraph 4.2 to the report which stated that this Council still favoured the original proposals. The revised proposals meant that any growth could trigger another revision, as the electoral quota were near the maximums. An argument could be made on the links from the south part of the district to Newmarket. There

were a lot of implications associated with the revised proposals so a response was needed.

Councillor Anna Bailey asked whether the views of the other local authorities were known. It was revealed that Forest Heath District Council had made representations to the original proposals. The other district councils would have difficulty maintaining their boundaries as they were so large.

Councillor Robert Stevens thought that if it were an exercise to get the numbers right then it should not matter as only 1 Member of Parliament (MP) would be elected. However, it might have implications if it were to be used as a model to re-model district or county boundaries.

The Chief Executive considered it important to have an East Cambridgeshire MP to act as an advocate for the district. Currently two MPs covered the district but only one had part of the district as part of their constituency.

Councillor Will Burton was concerned about any financial implications the proposals might incur. The Chief Executive gave the Government's view that the countrywide proposals would reduce the number of MPs meaning there would be less cost, so there were no financial implications yet. There could be costs in any further re-organisations as the area was set for high growth.

Councillor Hazel Williams suggested that any proposals should be restrained and reasonable. The new proposals failed on both geographical and numerical grounds.

Councillor Gareth Wilson thought that, given the existing voting system, the revised proposals were clearly nonsense and the previous proposals were better.

It was resolved:

That the urgent action proposed by the Chief Executive, in consultation with the Leader of the Council, to respond to the Boundary Commission, based on points detailed in para 4.2 be endorsed.

40. **SERVICE REVIEW OF DISCRETIONARY RATE RELIEF**

The Committee considered a report, reference M140 previously circulated, which detailed the Stage II Discretionary Rate Relief (DRR) Service Review.

The Partnerships Officer advised the Committee that the Review looked at how to make the cost savings approved by Council with minimum disruption to services. The Review had widened to cover hardship relief,

as there had been more demand for this because of increased applications.

The Review had compared DRR and hardship criteria of the other Anglia Revenues Partnership (ARP) partners. This demonstrated that this Council already had similar criteria to the others. One main difference was that this Council did not have a percentage cap or set a ceiling on the amount granted, as the Council wanted to help protect businesses during the savings exercise.

There had not been any successful hardship relief applications, as there was no guidance. This was an opportunity to come up with local guidance, and this was being drawn up following consultation. The Council would draw up a blanket policy, with the Economic Development team working with the Head of Finance to consider each individual application. When applying, the applicants would have to match all Essential Criteria plus 2 Additional Criteria to be considered for relief.

A number of options for future service delivery had been considered with Option E being the preferred model, as it would have less impact than the other options and would generate savings. This option should generate around £15,000 savings as against the target of £10,000. More savings had been looked for because of increasing demand.

Councillor Gareth Wilson had chaired the Review and wished to record his thanks to the Partnerships Officer and her team, plus the team at ARP, for the work they had put in. Between them they had tried hard, and had gotten very close, not to impact on anyone's costs. They wanted to benefit those people who had been cautious and had built up their reserves. An attempt had been made to make the application form as simple as possible. There was concern over the name 'hardship relief', so it was suggested that it be called 'Section 49 Relief' instead. This could be used specifically for sports clubs and facilities.

Councillor Anna Bailey offered congratulations for a great result, as it would affect the least possible number of organisations. There was some concern that a large amount of money could be awarded to a small amount of people. These organisations needed to be encouraged to achieve self-sustainability.

The Business Development Manager advised the Committee that the awards had to work within current statutes and the Council had a duty to support these organisations. The Council could offer help with business planning so they could move away from applying for hardship relief.

Councillor Robert Stevens expected the clubs to put any surplus into their facilities. If the changes hit people they were likely to put in more community facility grant applications. The Partnerships Officer explained that the clubs which built up earmarked reserves would not be penalised, but those that had not earmarked them would be treated differently.

Councillor Hazel Williams wondered how an individual proprietor who contributed to the community would be helped, as suggested by number 7 of the Additional Criteria. The Business Development Manager explained this meant through the local economy. The Partnerships Officer reminded the Committee that anyone applying had to meet the Essential Criteria as well as two Additional Criteria to be considered.

The Chief Executive then suggested that the public question received at this meeting and its subsequent written response be taken into consideration by Community and Environment Committee. The Committee agreed to add this to its resolution.

It was resolved:

- (i) That the Discretionary Rate Relief Service Review Stage II Report and Improvement Plan be noted;

It was resolved TO RECOMMEND TO COMMUNITY AND ENVIRONMENT COMMITTEE:

- (ii) That the Report and Improvement Plan be approved:

- (iii) That the public question received at this meeting and its subsequent written response be taken into consideration.

41. **FORWARD AGENDA PLAN**

The Committee considered its Forward Agenda Plan. The Committee were reminded that Shape Your Place would be included in the 27th November meeting with the Neighbourhood Panels report.

The Chief Executive advised the Committee that the presentation by the Fire Authority due 21st January would not now take place, as that date did not meet its consultation deadline. Instead, this would be taken to a full Council meeting for consideration. Following the upcoming Police and Crime Commissioners election, it was expected the Commissioner would be invited to a Scrutiny meeting in the future.

The Forward Agenda Plan was received.

Councillor Tony Cornell left the meeting at this point, 6:24pm.

42. **EXCLUSION OF THE PRESS AND PUBLIC**

It was resolved:

That the press and public be excluded during the consideration of the remaining Item No. 11 because it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if

members of the public were present during the item there would be disclosure to them of exempt information of Category 3 of Part I Schedule 12A to the Local Government Act 1972 (as amended).

43. **EXEMPT MINUTES**

It was resolved:

That the exempt minutes of the Scrutiny Committee meeting held on 15th October 2012 be confirmed as a correct record and be signed by the Chairman.

The meeting closed at 6:28pm.