

**OVERVIEW SCRUTINY GROUP
13TH FEBRUARY 2017**

PRESENT: The Chair (Councillor Smidowicz)
The Vice-chair (Councillor Bebbington)
Councillors Bradshaw, Capleton, Gerrard and Jukes

Chief Executive
Head of Finance and Property Services
Head of Neighbourhood Services
Head of Strategic Support
Neighbourhoods and Partnerships Manager
Democratic Services Officers (LS and NA)

APOLOGIES: Councillors Parsons and Sutherland

75. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of the Group held on 16th January 2017 were confirmed as a correct record and signed.

76. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

77. DECLARATIONS OF THE PARTY WHIP

No declarations were made.

78. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURES 11.16

No questions had been submitted.

79. COMMUNITY SHOP

The Head of Neighbourhood Services and the Neighbourhoods and Partnerships Manager provided a verbal update on the position with the Community Shop, following the Group's consideration of the matter on 6th June, 8th August and 17th October 2016 (OSG Minutes 5, 24 and 44 2016/17), outlining in particular the progress made in identifying suitable premises, the work to be undertaken by Community Shop as matters progressed and the Community Shop model and the services and benefits it intended to provide.

RESOLVED

1. that the update on the proposed establishment of a Community Shop in Loughborough be noted;

2. that a further update be submitted to the Group in due course and when there is further progress to report, provisionally programmed for the Group's meeting on 8th May 2017.

Reasons

1. Scrutiny Management Board considered that there would be value in the Group monitoring progress with the Community Shop as the Group had previously scrutinised the matter. Accordingly, the Group had considered a further update on the position and had noted the progress made.
2. The Group continued to be of the view that the establishment of a Community Shop in Loughborough would be of great value to local communities, particularly given the focus on assisting independence, and supported its establishment as soon as possible. The Group had been informed at this meeting that progress had been made. It would be appropriate for the Group to receive a further update on the initiative in due course. The Group would be happy to receive an update in advance of the programmed meeting should there be any significant progress to report before then.

80. TREASURY MANAGEMENT STRATEGY STATEMENT, ANNUAL INVESTMENT STRATEGY AND MINIMUM REVENUE PROVISION STRATEGY 2017/18

A report of the Head of Finance and Property Services, to consider the Treasury Management Strategy Statement and the Annual Investment Strategy and Minimum Revenue Provision Strategy for 2017/18, for recommendation to Council, was considered for pre-decision scrutiny in order to make recommendations as appropriate to the Cabinet (item 7A on the agenda filed with these minutes).

The Head of Finance and Property Services attended the meeting to assist the Group with its scrutiny of this matter.

Following questions from the Group, the Head of Finance and Property Services (and the Chief Executive) provided the following responses:

- (i) In reference to inclusion of property funds as an approved investment category, that would provide the option to do so, any proposal to do so would be subject to member approval. The investment would not relate to specific properties, rather to wider property funds run by fund managers and would not represent a conflict of interest in relation to the Council's development control function.
- (ii) In reference to the Non-HRA capital expenditure for 2016/17 set out in the first table under section 2.1 of the Treasury Management Strategy Statement (page 9 of the report), the Council's approved Capital Plan detailed that spending.
- (iii) Mechanisms were in place for monitoring the Council's capital expenditure and its investments, details of which were briefly outlined.

- (iv) The Council would continue to invest in the UK despite its AA sovereign rating as a different criteria applied to the Council's UK investments.
- (v) In relation to Minimum Revenue Provision (MRP), residual capital expenditure referred to amounts set aside to repay loans at the end of the term, similar to the way an endowment mortgage was repaid.
- (vi) In reference to section 3.9 of the Treasury Management Strategy Statement (page 17 of the report), the Municipal Bond Agency was now set up, but in its early stages. It was hoped that the Agency's borrowing rates would be lower than those of the Public Works Loans Board.

The Head of Finance and Property Services agreed to send to all members of the Group, by email following the meeting, details of the cost to the Council of its Treasury Management Consultants.

RESOLVED that the Cabinet be informed that the Group supports the recommendations as set out in the report of the Head of Finance and Property Services.

Reason

Having considered the report and asked questions of the Head of Finance and Property Services on the matter, the Group concluded that it would be appropriate to recommend to Council that the Treasury Management Strategy Statement, Annual Investment Strategy and Minimum Revenue Provision Strategy for 2017/18 be approved, to ensure that the Council's governance and management procedures for Treasury Management reflect best practice and comply with the CIPFA Treasury Management in the Public Services Code of Practice, Guidance Notes and Treasury Management Policy Statement. Also, to recommend to Council that the Prudential and Treasury Indicators, as set out, be approved, to ensure that funding of capital expenditure is taken within the totality of the Council's financial position and that borrowing and investment is only carried out with proper regard to the Prudential Code for Capital Finance in Local Authorities.

In particular, the Group wished to commend the comprehensive treasury management controls the Council had in place, and to have it noted that the information in the Treasury Management Strategy Statement setting out the economic background (appendix 5.1) had been useful.

81. COMPULSORY PURCHASE OF LAND FOR A BURIAL GROUND ON BEHALF OF BARROW UPON SOAR PARISH COUNCIL

A report of the Head of Strategic Support, to consider the Council exercising its compulsory purchase order (CPO) making powers on behalf of Barrow upon Soar Parish Council to acquire land to extend an existing cemetery in Barrow upon Soar, was considered for pre-decision scrutiny in order to make recommendations as appropriate to the Cabinet (item 7B on the agenda filed with these minutes).

The Head of Strategic Support attended the meeting to assist the Group with its scrutiny of this matter.

Following questions from the Group, the Head of Strategic Support (and the Chief Executive) provided the following responses:

- (i) The request related to all of the area shaded in yellow on appendix A to the report, shown as two separate plots. That all appeared to be field.
- (ii) The compulsory purchase process would require independent valuation of the land. It would also include mechanisms by which the landowner could be identified and for dealing with circumstances where that ownership could not be established.
- (iii) The use of Section 106 monies for cemetery provision was not a matter relevant to the compulsory purchase process the Borough Council had been requested to undertake.

RESOLVED that the Cabinet be informed that the Group supports the recommendations as set out in the report of the Head of Strategic Support.

Reason

Having considered the report and asked questions of the Head of Strategic Support on the matter, the Group concluded that it would be appropriate to authorise the use of the Borough Council's compulsory purchase making powers pursuant to Section 121, Local Government Act 1972 to acquire land on behalf of the Parish Council to allow for an extension of the cemetery, to support the Parish Council in that process. Also, to delegate authority to the Head of Strategic Support to undertake the actions as detailed in recommendation 2 of the Cabinet report, to allow the compulsory purchase order process to proceed expediently.

82. MANAGING STUDENT OCCUPANCY UPDATE

Listed on the agenda for this meeting had been a report of the Head of Strategic and Private Sector Housing, to consider an update on the potential to implement a Loughborough Accreditation Scheme in partnership with the Loughborough Students Union and, following the submission and evaluation of information from the Loughborough Student Advisory Service of complaints data, whether there was sufficient evidence to warrant introducing Additional or Selective Licensing, to be considered for pre-decision scrutiny in order to make recommendations as appropriate to the Cabinet (item 7C on the agenda filed with these minutes).

The Chief Executive stated that the report would no longer be considered by the Cabinet at its meeting on 16th February 2017, having been withdrawn. Therefore, pre-decision scrutiny of the matter could not be undertaken.

83. OVERVIEW SCRUTINY GROUP PRE-DECISION SCRUTINY – CABINET RESPONSE

A report of the Cabinet was considered setting out its responses to the recommendations of the Group on pre-decision scrutiny items (item 8 on the agenda filed with these minutes).

RESOLVED that the Cabinet's responses to the recommendations of the Group be noted.

Reason

The Group was satisfied that it added value where appropriate and welcomed the Cabinet's consideration of the Group's views and recommendations as part of its decision making process.

84. WORK PROGRAMME

A report of the Head of Strategic Support was considered, to enable the Group to consider its Work Programme and forthcoming Key Decisions and decisions to be taken in private by the Cabinet in order to schedule items for pre-decision scrutiny and to provide an opportunity for members of the Group to raise suggestions on issues for scrutiny (in addition to pre-decision scrutiny) which fell within the Group's remit, for scheduling by Scrutiny Management Board (item 9 on the agenda filed with these minutes).

The Group considered the report and agreed to schedule items for pre-decision scrutiny prior to the next Cabinet meeting.

RESOLVED that the Group's current work programme be noted and updated following this meeting, in accordance with the decisions taken during consideration of this item and at this meeting.

Reason

To ensure effective and timely scrutiny, either to provide Cabinet with advice prior to it taking a decision or to ensure that the Council and external public service providers and partners were operating effectively for the benefit of the Borough.

NOTES:

1. No reference may be made to these minutes at the Council meeting on 24th April 2017 unless notice to that effect is given to the Democratic Services Manager by five members of the Council by noon on the fifth working day following publication of the minutes.

2. These minutes are subject to confirmation as a correct record at the next meeting of the Group.