

**ORGANISATION IMPROVEMENT & ENVIRONMENT OVERVIEW
AND SCRUTINY COMMISSION
HELD ON 16 JANUARY 2008
(FROM 5.30 PM TO 7.45 PM)**

PRESENT: Councillor Mrs Atkinson in the Chair. Councillors Galloway, Hawke, Chris Lewis, Reg Marsh, Peter Philips, Newby, Trotter, Willis and Willoughby.

In attendance: Councillor Dr Gardner (Leader)
Councillor Andrew Jones (Cabinet Member Finance and Resources)

Late Arrivals: Councillor Chris Lewis at 5.32 pm.
Councillor Newby at 5.40 pm.

Early Departures: Councillor Willoughby at 7.20 pm.

43/07 - APOLOGIES FOR ABSENCE AND NOTIFICATION OF SUBSTITUTES: There were none.

(5.30 pm)

44/07 - DECLARATIONS OF INTEREST: There were no declarations of interest.

(5.30 pm)

45/07 - MINUTES: The Minutes of the meeting of the Commission held on 10 September 2007 were approved as a correct record and signed by the Chair.

(Six Members voted for the motion and there were two abstentions)

The Minutes of the meeting of the Commission held on 17 December 2007 were approved as a correct record and signed by the Chair.

(Seven Members voted for the motion and there was one abstention)

(5.30 pm - 5.32 pm)

46/07 – EXEMPT INFORMATION: There were no exempt information items.

(5.32 pm)

47/07 – PUBLIC ARRANGEMENTS – QUESTIONS: There were no questions to consider pursuant to Standing Order 27.

(5.33 pm)

MATTERS HOLDING THE EXECUTIVE TO ACCOUNT

48/07 - DRAFT GENERAL FUND REVENUE BUDGET 2008/09: The Scrutiny Officer submitted a written report which outlined the process for the consideration of

O I & ENVIRONMENT COMMISSION

the Draft General Fund Revenue Budget for 2008/09. A summary of the budget approval process was attached as Appendix A to the report.

The Commission then considered the following elements of the budget which fell within the remit of the Commission.

48/07 (1) - **Harrogate International Centre (HIC)**: (Councillor Willis declared a personal interest in this item on the basis that he had written articles on HIC as a freelance journalist but, on the basis that the interest was not prejudicial, he remained in the meeting and took part in the debate and voted thereon). The Leader was invited to present the budget. The Leader outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no growth items. The original estimates for 2008/2009 showed a net operating surplus for business tourism of £1,437,570 with a net cost for holiday tourism for that year of £513,290. He detailed the key variances in relation to the Business Tourism budget which included the new cost centre of the Sun Pavilion, higher "stretch" targets to reflect increased focus on sales, £159,000 income projected for Royal Hall lettings and a higher expectation of entertainment income. Variances in the Leisure Tourism budget included increased income of £86,000 from undertaking Dales visitor guides, increased expenditure on printing/advertising of £83,000 and an increase in premises costs representing £16,000. In relation to efficiency savings, it was noted that there was a target of £36,000 for Business Tourism and £2,000 non-cash and £4,000 cash for Holiday Tourism. The Leader then stated that the fees and charges for the Business Tourism budget were based on a commercial approach and were set on what the market could bear and that the strategy was to increase the range of fee paying services across the complex. Holiday Tourism fees and charges were again based on the market and its main income came from advertising. He concluded by advising of the main risks to the budget which were the growing number of competing venues and that major investment was needed to sustain and grow the business.

Questions were then invited. In relation to competition, a Member queried the possible risk from Leeds as an exhibition venue. The Director HIC advised that he believed that Leeds would be aiming for different business than that of Harrogate and were seeking an arena for entertainment purposes. However, he did advise that part of the scheme might include a conference facility. He did acknowledge that the new exhibition venue at Liverpool would be one of HIC's main competitors. In relation to the risk assessment it was queried whether the possible loss of power was covered by any kind of insurance policy. The Director advised that standby generators and a regular maintenance schedule were in place. Councillor Trotter asked whether organisers of events were offered civic receptions at HIC exhibitions and events and the Director commented that organisers were made aware of the facility but civic receptions were only offered, as a matter of course, to international events. It was noted that the civic function budget had decreased in recent years.

Members agreed the budget.

(Eight Members voted for the motion and there were two abstentions)

(5.33 pm - 5.50 pm)

O I & ENVIRONMENT COMMISSION

48/07 (2) - **Economic Development Unit:** The Leader was invited to present the budget. The Leader outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no growth items. He commented that the budget comprised seven cost centres which were core EDU, Regeneration Team, Conyngham Hall, Innovation Centre, Renaissance Knaresborough, Ripon SRB and Workshops. The strategy of the budget was to provide services through sustained growth in earned income aligned to efficiencies from adoption of new technology.

The variances produced a net decrease of £360,000 on the 2007/08 Original Estimates. Individual Variances included £15,000 contribution to Leeds City Region Secretariat, £13,000 increased contribution to Nidderdale Plus Partnership, a variance of £197,000 in LAGBI Grant income and a new post within EDU self funded by DDS as part of a restructure of the Property and Economic Development Division. In relation to efficiency savings it was noted that £15,350 had been identified and that fees and charges for Conyngham Hall Room and Service charges had been set to rise between 3.2 % and 10% (4.83% average). He concluded by highlighting the main risk to the budget which was the reliance on earned income and extent to which this was dependent on external factors.

Questions were then invited and there was a discussion regarding the work carried out by the various regeneration partnerships and the extent to which this produced quantifiable outcomes. The Director of Development Services highlighted the difficulties in quantifying outcomes from public realm improvements but did confirm that evidence (e.g. from Ripon) suggested the Partnerships were generally successful in improving the economic prospect of the areas that they served.

Members accepted the budget.

(Eight Members voted for the motion and there were two abstentions)

(5.50 pm - 6.00 pm)

48/07 (3) - **Department of Corporate Policy and Improvement:** The Leader was invited to present the budget. The Leader advised that the budget comprised the Office of the Chief Executive and the DCPI cost centres which included Corporate Policy and Improvement, Civil Contingencies, DCPI rechargeable accounts and the staff establishment. He outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were one potential growth item which was for £10,000 to deliver the Corporate Improvement Plan in 2008/09. Major variances for 2008/09 related to the transfer of DR posts, reduced additional expenditure, a Business Improvement Officer and the pay award amounting to £14,370. The Leader also highlighted the additional corporate governance payments, increased additional expenditure and the pay award totalling £25,330 which were major variances on the DCPI rechargeable accounts. He stated that cash savings of £4,000 had been identified and that the main risks to the budget were the loss of a NYCC Local Strategic Partnership administration grant of £10,000 and unforeseen changes to statutory duties.

O I & ENVIRONMENT COMMISSION

Questions were then invited. The growth item of £10,000 was queried and the Strategic Policy Officer advised that the Council was to be re-evaluated on their CPA rating in July 2008 and that the money had been earmarked to help the Council prepare for the Audit Commission assessment. The Commission also queried the Corporate Governance payments and the cash efficiency saving of a reduction in the Chief Executive's subscription budget of £4,000.

Members agreed the budget.

(Seven Members voted for the motion and there were three abstentions)

(6.00 pm - 6.15 pm)

48/07 (4) Legal and Democratic Services: The Cabinet Member (Finance and Resources) was invited to present the budget. The Cabinet Member outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no potential growth items. One of the main variations for 2008/09 was a reduction of land charges income due to the complications caused by the introduction of Home Improvement Packs, the poor outlook for the housing market and the activities of private sector search agents. He reported that an efficiency saving of £14,000 had been achieved through the deletion of a mayoral chauffeur post. Room hire charges had been increased by 4% and the biggest risk to the budget was the uncertainty surrounding the land charges income. One Member queried whether any money had been put aside for a potential judicial review over the termination of the highways agency agreement. The Director of Resources confirmed that money would be available.

Members agreed the budget.

(Seven Members voted for the motion and there were three abstentions)

(6.15 pm - 6.25 pm)

48/07 (5) - Financial Management Business Unit: The Cabinet Member (Finance and Resources) was invited to present the budget. The Cabinet Member outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no growth items. He reported that the major variances were an increase in the General Fund of £84,000, Support Services (pay awards, increments, support costs etc) of £78,000 and a reduction in the net cost of the Asset Management Revenue Account of £608,000. In relation to efficiency savings it was noted that £6,000 had been achieved. The main risks to the budget related to the levels of interest rates and insurance premiums.

Questions were then invited. A discussion ensued regarding Council loans and Director of Resources advised Members on the processes involved and the nature of the loans to various banks and building societies.

Members agreed the budget.

O I & ENVIRONMENT COMMISSION

(Seven Members voted for the motion and there were three abstentions)

(6.25 pm - 6.32 pm)

48/07 (6) - **Property Management Business Unit:** The Cabinet Member (Finance and Resources) was invited to present the budget. The Cabinet Member outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no growth items. He advised there were two business areas, Building Management and Estates Management and that the major variances for Building Management represented an overall increase of £153,000 which included increased maintenance, utility, rental, rate and insurance costs and additional expenditure and reductions in employment, cleaning and district heating and refrigeration costs. Estates Management saw an overall increase of £370,000 which included increased in supplies and services, appropriations from reserves and additional expenditure and reductions in premises costs and income. He detailed the cash efficiency savings which included district heating and refrigeration energy savings of £17,410 and car park lighting cash savings totalling £5,200. Non-cash savings related to the EDU and Property Management restructure of £12,000 and the control of Legionella Bacteria of £10,820. Fees and charges had been increased by 4% and major risks to the budget were property condition, asbestos management, fire safety and the control of Legionella Bacteria. It was also noted that £118,133 in the District Heating Reserve would be used in 2008 to part fund the boiler replacement.

Questions were then invited. Space Houses Farm was discussed (due to the financial requirements) and also the difference between Building and Estates management was explained. Members also considered the various methods of reducing energy consumption in Council owned buildings and the Principal Facilities Manager advised that the Council were monitoring energy consumptions and looking at various options to reduce energy consumption and noted that there would be a report going to Cabinet later on in the year. The management of older properties was discussed and how this was reflected in the Corporate Asset Plan. One Member queried why there had been a decrease in income at the Ripon Bus Station public toilets. The Principal Facilities Manager stated that there had been a less than anticipated usage of the attended toilets and they would be reverting to a non-manned and non-charging facility from April 2008.

Members agreed the budget.

(Seven Members voted for the motion and there were three abstentions)

(6.32 pm - 6.57 pm)

48/07 (7) - **Human Resources Business Unit:** The Cabinet Member (Finance and Resources) was invited to present the budget. The Cabinet Member outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no growth items. The budget for 2008/09 represented an overall increase of £98,000 and the major variations included the Pay Award of £8,000, the extension of the HR/Payroll Project Management post of £45,000, support service costs of £50,000 and contribution to the Unison Branch Secretary increased hours of £6,000 and

O I & ENVIRONMENT COMMISSION

reduction of £12,000 through the deletion from the establishment of a Support Services post. It was noted that no efficiency savings were achievable and that there were no risks of note to the budget as it was a largely staff based budget.

Questions were then invited. One Member queried whether the Council was meeting its diversity and equality targets. The Head of Human Resources commented that, although the Council was improving, there was still room for improvement and the Department of Corporate Policy Improvement tackling this issue through a Diversity Action Plan and Strategy.

Members agreed the budget.

(Seven Members voted for the motion and there were three abstentions)

(6.57 pm - 7.03 pm)

48/07 (8) - Information Technology and Development Business Unit: The Cabinet Member (Finance and Resources) was invited to present the budget. The Cabinet Member outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no growth items. He stated that there was an overall increase in the budget of £241,000 and major variations included reductions in the corporate charge for Access to Services of £80,000 and a reduction of £30,000 in appropriations and an increase of £351,000 in ITD rechargeable spending mainly due to increased annual support costs, increased IT development spending and reduced staffing costs in Reserve Account of £57,000. There were no cash efficiency savings and the main risks to the budget were identified as the long term investment in new technology.

Questions were then invited and the Head of ITD responded to comments over the use of the Council website and agreed that this should be as usable and accessible as possible. One Member queried whether the Council had systems in place to deal with spam and junk emails. The Head of ITD advised that the Council had appropriate systems in place and there was also the ability for members of staff to flag emails as junk in the Council's groupwise email system. One Member enquired as to whether Councillors would be allowed access to the Council's network. The Head of ITD stated that the section were looking at improving the network security to allow Members to be given access.

Members agreed the budget.

(Eight Members voted for the motion and there was one abstention)

(7.03 pm - 7.20 pm)

48/07 (9) - DR Business Support Business Unit: The Cabinet Member (Finance and Resources) was invited to present the budget. The Cabinet Member outlined the approach taken to the budget, the key issues and the key variations, the proposed efficiency savings and the main risks to the budget and advised that there were no growth items. Major variations included the provision of pay awards of £15,000, an increase in Service Level Agreements of £11,000 and reductions in the

O I & ENVIRONMENT COMMISSION

transfer of staff to DCPI of £47,000 and cash savings, through the deletion of hours from staff agency, of £17,000 had been achieved.

Members agreed the budget.

(Six Members voted for the motion and there were three abstentions)

(7.20 pm - 7.24 pm)

49/07 - CALL-IN OF CABINET MEMBER (PLANNING AND TRANSPORT) DECISION - HARROGATE LOCAL DEVELOPMENT FRAMEWORK SITE ALLOCATIONS (HOMES AND JOBS) DPD: PREFERRED OPTIONS -

PT77DEC12: It was noted that this was dealt with at the Special meeting held on 8 January 2008 and that the Commission had **agreed** that the decision should not be re-considered by the Cabinet Member (Planning and Transport).

(7.24 pm)

50/07 - FORWARD PLAN OF KEY DECISIONS: The Commission noted the Key Decisions which fell within its remit. It was **agreed** that Members of the Commission would request the appropriate reports in relation to the key decision regarding the Traffic Calming Scheme at Rosset Drive. It was also **agreed** that the Commission would like to consider the Environment Strategy Review at the appropriate time.

(7.24 pm - 7.25 pm)

SCRUTINY MATTERS AND REVIEWS UNDERTAKEN BY THE COMMISSION

51/07 - MATTERS ARISING FROM THE SPECIAL MEETING OF THE OI & ENVIRONMENT COMMISSION HELD ON 17 DECEMBER 2007: The Scrutiny Officer advised that a copy of the report detailing the joint Scrutiny meeting between Harrogate Borough Council and Scarborough Borough Council had been sent to NYCC and it was noted that the Council had not received a response back in relation to the questions listed in Appendix C to the report. The Director of Development Services updated the Commission on the decision of NYCC to terminate the Highways Agency Agreement and the action taken so far by the Council which involved referring the matter to the Department of Communities and Local Government. The Director advised that there was to be a meeting later on in the month with Counsel about the possibility of a judicial review and Members commented that, should the matter go for a judicial review and the Council were successful on this matter then the Council should make all efforts to recover costs incurred from NYCC.

It was **agreed** that the Commission would monitor the situation and an item would be included on the Agenda for the next meeting.

(7.25 pm - 7.43 pm)

52/07 - HIC EXHIBITION HALLS REDEVELOPMENT PANEL: The Commission received the Minutes of the meeting held on 15 November 2007. Councillor

O I & ENVIRONMENT COMMISSION

Broadband, Chair of the Panel, advised that there had been a site visit to HIC on the 15 November 2007 which had been beneficial to the Members of the Panel.

(7.43 pm - 7.45 pm)

53/07 - REQUESTS FOR INCLUSION OF ITEMS IN FUTURE WORK

PROGRAMME: It was noted that a review of the operation of full Council meetings, including procedures regarding Members' Question Time and Notices of Motion, was already noted as a potential future item of work for consideration by the Commission.

(7.45 pm)