

**BUDGET SCRUTINY PANEL  
5TH JANUARY 2021**

PRESENT: The Chair (Councillor Hadji-Nikolaou)

Councillors Bolton, Draycott, Hamilton, C. Harris,  
Parsons, Seaton  
Mr Angell (co-opted member)

Strategic Director; Commercial Development,  
Assets and Leisure  
Strategic Director; Environmental and Corporate  
Services  
Head of Financial Services  
Head of Strategic Support  
Democratic Services Officer (NC)

APOLOGIES: none

The Chair stated that the meeting would be live streamed and the sound recording made available via the Council's website. He also advised that, under the Openness of Local Government Bodies Regulations 2014, other people may film, record, tweet or blog from this meeting, and the use of any such images or sound recordings was not under the Council's control.

18. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 1st December 2020 were confirmed as a correct record and signed.

A member of the Panel raised two outstanding actions. Information regarding the deletion of vacant posts or vacant hours – total numbers, (minute 16, 1 (d)), had not been provided. It was also noted that the process by which refunds for cancelled or postponed Town Hall events appeared to have changed, and that refunds were no longer available.

The Strategic Director, Environmental and Corporate Services and the Strategic Director, Commercial Development, Asset and Leisure explained that to provide the total number of deleted vacant posts or vacant hours was complex and required sensitivity. Some posts or hours had been identified where employees were reducing the number of hours due to phased retirement, but other posts to be deleted would not be identified until after service reviews had been completed. The usual HR processes would apply, and information could be provided in the future.

**RESOLVED**

1. that the Strategic Director, Commercial Development, Asset and Leisure investigates the concerns regarding the provision of refunds for cancelled or postponed Town Hall events and provides an update to Panel Members;

2. that the Strategic Director, Environmental and Corporate Services provides further information regarding the number of deleted vacant hours and vacant posts, when the information becomes available, to Panel Members.

### Reasons

1. Members sought clarity on the current process for provision of refunds to members of the public for cancelled or postponed Town Hall events in light of the continuing pandemic restrictions.
2. Although it was noted that some of the information could be provided, Members understood that the situation was complex and that some posts had not yet been identified. The Panel considered that the information should be provided when available and would be beneficial for future budget scrutiny panels.

### 19. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

### 20. DECLARATIONS - THE PARTY WHIP

No declarations were made.

### 21. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.17

No questions had been submitted.

### 22. DRAFT BUDGET 2021-22 AMENDMENTS

A verbal update by the Strategic Director, Environmental and Corporate Services, was made regarding any amendments required to the draft budget after receiving the Government's settlement in December 2020.

Assisting with the consideration of the item: Lead Member of Finance and Property Services, Strategic Director, Environmental and Corporate Services and the Head of Financial Services.

The Strategic Director, Environmental and Corporate Services, provided a detailed update on the financial settlement received from the Government. He stated that the budget position, as considered by the Panel in December, was slightly less favourable and down by £0.44million, however, the General Fund working balance would be up to £2.6million by March 2022. He noted that the Council would be able to move forward with the draft budget as presented with the minor refining of calculations that routinely occurred at this stage in the process.

Summary, key points of discussion:

- the number of one-off funding streams were highlighted, and the level of uncertainty noted.
- the impact on the Council's income stream by COVID had been significant and was likely to continue during the early part of 2021. Some income losses (i.e.

car parking and leisure centres) were budgeted as one off pressures for the whole year. The Council were preparing to claim for the previous four months from the Government.

- it was anticipated that Supported Living additional Housing Benefit losses could rise, although it was hoped that this could be mitigated by a change in government policy or by local housing providers obtaining registered provider status.
- clarity provided regarding Council Tax settlement and the Council Tax Base and how the process would be applied with respect to Loughborough Special Area and the rest of the Borough. It was noted that the proposed rise would apply to the Charnwood Borough Council precept part of the Council tax claimed and that other partners (Police and County Council etc.) would also apply their own rises. The Borough was a low Tax council.
- the reduction in New Homes Bonus (NHB) was disappointing but the Council had received a favourable payment of the lower tier services grant in comparison to some district councils in the area.
- clarity was sought on the financial 'trigger points' that would alter the Council's financial approach and prompt urgent action. It was likely a trigger would be after the Government's settlement was received in 2021 although it was anticipated that the situation would be clearer by the summer. The Council used an MTFS tracker tool to review savings and monitor the financial situation regularly. An updated MTFS would be submitted to Cabinet which was available for all councillors to view and it was acknowledged that the Council would look to address the deficit over the MTFS period.

The Lead Member of Finance and Property Services noted that there was still uncertainty in the financial situation of the Council and that work needed to be carried out this year to stabilise the Council's position. He was hopeful that progress could be made and noted that all were conscious of the need to act now.

Panel Members wished to acknowledge the work carried out by the Finance officers with respect to the draft Budget 2021-22.

## **RESOLVED**

1. that training be arranged in Council Tax processes for all councillors;
2. that the update be noted.

## Reasons

1. Members recognised that Council Tax processes were complex, and that additional training would be beneficial.
2. The Panel were satisfied with the information provided.

## 23. PANEL REPORT

A report of the Panel was submitted for agreement of the Panel, to then be submitted to the Scrutiny Commission on 11th January 2021 (agenda item 7 filed with these minutes).

Assisting with the consideration of this item: Strategic Director, Environmental and Corporate Services, Head of Strategic Support and the Democratic Services Officer.

Members considered that paragraph 5, bullet point (i), in the Panel report required amendment. Points raised during the discussion were as follows:

- the removal of the words 'general consensus' from the first sentence of bullet point (i) was considered to reflect more appropriately the Panel's views.
- the importance of having four scrutiny committees and ensuring effective scrutiny. A reduction in the number of scrutiny councillors was perceived to reduce the effectiveness of democratic processes.
- the current scrutiny structure based on directorates was no longer in line with the strategic directorates, which had changed after the recent senior management restructure.
- that other district councils appointed less standing scrutiny committees than Charnwood Borough Council and that savings by scrutiny work was not routinely monitored. It was noted that in some cases recommendations by scrutiny did not always result in savings but could incur additional costs.
- recommendations made by scrutiny tended to be as a result of Scrutiny Panels and it wasn't proposed to reduce the number of panels allowed in one council year.
- that the Scrutiny Commission was scheduled to review the scrutiny structure at its meeting in March and whether it was appropriate for only the Scrutiny Commission to perform this review. It was considered that there was a need for input from a wider pool of councillors but it was uncertain whether this was within the remit of the Panel to recommend.

Minor amendments were agreed by the Panel to the foreword of the Panel report and to paragraph 6 bullet point (ix).

The Chair thanked the Panel for its work in scrutinising the draft budget 2021-22 and the Lead member of Finance and Property Services for his support.

### **RESOLVED**

1. that paragraph 5, bullet point (i) of the Panel report be amended to include the recommendation that all councillors be provided an opportunity to participate in the Scrutiny Review scheduled by the Scrutiny Commission at its meeting in March;
2. that the words 'general consensus' be removed from paragraph 5, bullet point (i) of the Panel report;

3. that the foreword of the Panel report be amended and the word '5%' be removed from the sentence '*the Panel has noted the proposed 5% increase in council tax*';
4. that paragraph 6 bullet point (ix) of the Panel report be amended to replace the words 'tier 3' with '*current covid restrictions*' in the sentence '*if Charnwood continues to be in tier 3...*'.
5. that the Panel report be submitted to the Scrutiny Commission for its consideration at its meeting on 11th January 2021.

### Reasons

1. To support the majority of Panel members' views that it was appropriate for the Panel to recommend that all councillors had an opportunity to participate in the scheduled Scrutiny review.
- 2,3,4. Minor amendments agreed by the Panel for accuracy.
5. To enable the Scrutiny Commission to consider the report with a request that it be recommended to the Cabinet at its meeting on 11th February 2021.

### NOTES:

1. No reference may be made to these minutes at the next ordinary Council meeting 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 these minutes.
2. These minutes are subject to confirmation as a correct record at the next meeting of the Budget Scrutiny Panel.