FINANCE & PERFORMANCE SCRUTINY COMMITTEE
22ND JUNE 2021

PRESENT: The Chair (Councillor Charles)
The Vice Chair (Councillor Miah)
Councillors Bolton, Fryer, Grimley, C. Harris, Paling, Shepherd and Taylor

Councillor Morgan (Leader of the Council), Harper-Davies (Cabinet Lead Member for Community Support and Equalities), Barkley (Deputy Leader of the Council and Cabinet Lead Member for Finance and Property Services), Bailey (Cabinet Lead Member for Planning) and Mercer (Cabinet Lead Member for Private Housing)

Strategic Director; Environmental and Corporate Services
Head of Cleansing and Open Spaces
Head of Customer Experience
Head of Financial Services
Head of Planning and Regeneration
Head of Strategic and Private Sector Housing
Organisational Change Officer
Democratic Services Officer (NC)

APOLOGIES: Councillor Ward

The Chair stated that the meeting would be recorded and the sound recording subsequently 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.

Note: the sound recording device failed to record this meeting.

1. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

Prior to item 8, Councillor Fryer declared a personal interest as the Chair of the Outwoods Management Committee.

2. DECLARATIONS - THE PARTY WHIP

No declarations were made.

3. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16

No questions had been submitted.

4. 2020-21 ANNUAL PERFORMANCE REPORT

Considered a report of the Strategic Director, Environmental and Corporate Services providing annual performance monitoring information and results for 2020-21 (item 5 on the agenda filed with these minutes). The Chair confirmed with Heads of Service and Cabinet Lead Members attending the meeting virtually that they could hear the proceedings before considering this item.

Assisting with the consideration of the report: Leader of the Council, Cabinet Lead Member for Community Support and Equalities, Cabinet Lead Member for Finance and Property Services, Cabinet Lead Member for Planning, Cabinet Lead Member for Private Housing, Strategic Director, Environmental and Corporate Services, Head of Cleansing and Open Spaces, Head of Customer Experience, Head of Planning and Regeneration, Head of Strategic and Private Sector Housing, and the Organisational Change Officer.

Summary, key points of discussion:

- format of the report slightly amended due to the pandemic, with the KPIs divided into those which the Council directly impacted and those which the Council indirectly impacted, with a total of 28 being recorded.
- the Vaccination centre was expected to be leased to the NHS until March 2022.
- the impact of the pandemic on reletting of properties. Prior to the pandemic 361 properties were let, the 297 relets during the pandemics was comparable. The letting process had been adapted to cope with changes to work patterns and requirement for social distancing and sanitisation. There were a number of properties unsuccessfully advertised with no bids being placed. A review was underway to improve the process and possible re-designation of the age related hard to let properties.
- the Biodiversity net gain plan was being progressed and once drafted would be submitted to the Cabinet.
- 30 empty homes being brought back into use in the private rented sector this year was noted. The impact of the pandemic limiting face to face interaction had made reaching the target of 50 challenging.
- staff engagement through JMTUM, Staff Forum and with the Unions had been extensive prior to implementing changes to the staff working policy. This would continue as staff returned to working more in the office.
- reference was made to enforcement resources and its potential impact on prioritisation of cases. One vacant post had been deleted, as the responsibilities of the post could be funded using other revenue streams in future. All cases were investigated, and case prioritisation and service pressures were managed in accordance with enforcement policies. Cases judged to cause irreparable harm would be progressed as a priority.
- noted the 60% payments declined for Track and Trace as reported in the press was comparable to figures for the Council; the criteria set by the Government had been extended to 30th September.
- the key performance indicator for number of void properties indicator noted as red before and during the pandemic with approx. 10% of the Council's housing stock void. The reasons for properties being void was complex; some were in the process of being renovated, some under major works, properties

unsuccessfully advertised, repeat adverts, no bis placed or short lists exhausted. The Charnwood Lettable Standard for voids and the renewing of bathrooms and kitchens was not a limiting factor in letting properties, although it was easier to replace when the properties were empty. The Council operated a choice based letting system which allowed prospective tenants to bid for properties and they were encouraged to consider properties across the borough. Some properties and areas were less popular.

The new format and design of the report was welcomed. Considering the impact of the pandemic the performance delivered by the council was considered outstanding and staff and political leadership were thanked.

The Head of Planning and Regeneration agreed to provide the percentage of planning applications determined within the normal timescales for Q1-Q3, shown greyed out in the report.

The Head of Private and Strategic Housing agreed to provide a list of void properties with reasons why they were currently not being let.

The Democratic Services Officer agreed to ask the relevant Heads of Service with regard to the following enquires and to circulate responses to the Committee:

1. what was remaining from £419,700 budget generated to support the work of the Charnwood Community Action Hub and what the plan was going forward (section 5.3 p8 refers).
2. provision of evidence to support annual reduction in crime for 2020-21 and a breakdown of how crimes related to covid and non covid for 2020-21. (section 8.2, p11 refers).
3. the location of the 51 Air quality monitoring sites (section 8.7, p 12 refers).
4. the reason why, considering 1,966 fly tipping incidents had occurred that only 6 fixed penalty notices were issued (p18-19 refers).

RESOLVED that the Committee noted the performance results, associated commentary and the explanations provided.

Reason

To provide an overview of annual performance, ensure that targets are being met and to identify areas where performance might be improved.

5. NEW SCRUTINY COMMITTEE - TERMS OF REFERENCE

Considered a report of the Head of Strategic Support providing the Committee with information regarding its own remit and terms of reference, (item 6 on the agenda filed with these minutes).

Assisting with consideration of the report: Cabinet Lead Member for Finance and Property Services, Strategic Director, Environmental and Corporate Services, Democratic Services Officer.

The Committee considered the process for scrutinising the Council's 2022-23 Budget. The Strategic Director, Environmental and Corporate Services noted that to ensure a focused and detailed consideration a separate scrutiny panel was likely to be more effective, and membership could be comprised of members from this Committee and the Scrutiny Commission. The Cabinet Lead Member for Finance and Property Services supported this.

As the Committee's remit included scrutinising financial performance it was suggested that this Committee oversaw any recommendations made by the Panel before submission to Cabinet, although it was noted that due to the timing for scrutinising the budget and this Committee's scheduled meetings this could be challenging.

RESOLVED

1. that it be recommended to the Scrutiny Commission that a separate Budget Scrutiny Panel be established to scrutinise the Council's 2022-23 budget;

2. that membership be decided in accordance with the Council's Constitution, but that the Committee wished the above scrutiny panel membership to be between 4-6 members and comprise of members from this Committee and the Scrutiny Commission, with an emphasis on continuity of members from previous Budget Scrutiny panels;

3. that advice be sought from the Democratic Services Manager in respect of the required reporting of the recommendations of the above scrutiny panel via Scrutiny Commission and to Cabinet.

4. that the report be noted

Reasons

1. The Committee considered this to be the most suitable and effective approach to budget scrutiny.

2. The Committee believed that a smaller number of members comprising of previous Panel members and councillors experienced in scrutiny would ensure the most effective outcomes.

3. The Committee considered budget scrutiny to be within its remit and wished to see the Panel's outcomes before submission to Cabinet but understood that it might also be a requirement that Scrutiny Commission did so.

4. to assist the effective working of the Committee as part of the Council's new scrutiny committee structure.

6. REVENUE MONITORING (GENERAL FUND AND HRA REVENUE OUTTURN 2020/21)

Considered a Cabinet report of the Head of Financial Services setting out the revenue outturn position of the General Fund and Housing Revenue Account (HRA) for 2020/21 (item 7 on the agenda supplement filed with these minutes).

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

Summary, key points of discussion:

- noted that it was a revised budget in light of the pandemic, the position was healthier than expected although the structural deficit was unlikely to change, and income, expenditure and funding had been variable.
- reasons for the Loughborough Special Expenses spend for November fair (p18 refers) considering the event had not taken place. This was due to Loss of Income on the fair due to COVID and officer time required to plan the event. The variances had been fully explained at the Loughborough Area Committee meeting.
- reference was made to the transfer of £3,396k to the HRA Financing Fund giving a balance of £11,631k and its impact on the Council's preferred minimum level of balances of £110 per property. Noted despite healthy balance of £11m, the first part of the loan to be paid back following the self-financing settlement was in 2024. The development of a 3-year HRA Business Plan was being prepared for Autumn.
- clarification sought on General Fund Revenue reserves totalling £18m; comprising of £7m NDR government financing for rates on hospitality sector, underspend in Capital Plan reserves and other reserves during this year and commercial properties rentals. Commercial Property Reserves of £408k had been set up to cover void periods and potential impact of end of leases. Additional S106 monies would also go out as expenses when required.

The Head of Financial Services agreed to check whether the spend for the November fair had included upfront contract costs.

The Cabinet Lead Member for Finance and Property Services before leaving due to another appointment stated that the Capital Plan slippage of £25m was mainly comprised of the Town Deal, Enterprise Zone, Shepshed Scheme and other third-party schemes. The Council was monitoring the situation closely.

RESOLVED

1. that future financial monitoring reports submitted to this Committee included detailed explanations for variances within the Loughborough Special Expenses as previously reported to the Loughborough Area Committee;

2. that the Cabinet report setting out the revenue outturn position of the general Fund and Housing revenue Account (HRA) for 2020/21 be noted

Reason

1. to provide further detail to support the Committee in its consideration of financial monitoring at future meetings.

2. The Committee's remit included receiving regular financial monitoring reports and having noted matters of concern it was content to note the revenue outturn position.

7. CAPITAL MONITORING (CAPITAL OUTTURN 2020/21)

Considered a Cabinet report of the Head of Financial Services setting out the capital outturn position for 2020/21 (item 8 on the agenda supplement filed with these minutes).

Assisting with the consideration of the report: Strategic Director, Environmental and Corporate Services, Head of Financial Services

Summary, key points of discussion:

- the underspends were mainly due to the pandemic, Cabinet would be asked to carry forward the slippage and it would be closely monitored.
- Concerns raised regarding carry forward of £2.8m in the HRA fund and impact on residents. Some operational challenges were noted in delivery of the housing programme; where the programme had not delivered, this would not be carried over but placed in reserve. The development of a 3-year Business Plan would set out where investments could be made and that the funds in the Capital reserve could be realised for future investment.

As the Housing contract had been terminated members expressed concern that the slippage would occur in the following year and considered that the Committee should closely review Quarter 1 Monitoring report in respect of this matter.

RESOLVED that the Cabinet report setting out the capital outturn position for 2020/21 be noted.

Reason

The Committee's remit included receiving regular financial monitoring reports and having noted their concerns it was content to note the capital outturn position.

8. WORK PROGRAMME

Considered a report of the Head of Strategic Support to assist the Committee in determining its work programme (item 9 on the agenda filed with these minutes).

Assisting with the consideration of the report: Strategic Director, Environmental and Corporate Services, Democratic Services Officer.

It was noted that the review of the Community Safety Partnership should occur with a minimum of a six-month gap.

Members considered whether additional meetings would be required within the terms of the Council's Constitution as three items required scheduling and it wished to ensure the work of the Committee was not such that it impacted effective scrutiny being performed at each of its meetings.

RESOLVED

1. that reviews of the Community Safety Partnership, Climate Change Strategy Action Plan and Decent Homes Contract Update be provisionally scheduled for its meeting on 7th September 2021;

2. that further to resolution 1 above, the Democratic Services Officer in consultation with the Chair, Vice-chair and relevant officers determine the benefit of scheduling these three items for scrutiny at its meeting in September;

3. that the Work programme as attached in the report be noted

Reasons

1. To ensure scrutiny occurred in a timely manner.

2. To ensure that its consideration of these matters was appropriately scheduled for the Committee to scrutinise effectively in conjunction with Service Plan timelines and other reporting deadlines.

3. To enable the Council's scrutiny arrangements to operate efficiently and effectively.

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 Finance & Performance Scrutiny Committee.