

**FINANCE & PERFORMANCE SCRUTINY COMMITTEE
6TH DECEMBER 2022**

PRESENT: The Chair (Councillor Charles)
Councillors Fryer, Grimley, Shepherd, Taylor and
Ward

Councillor Baines (Cabinet Lead Member for
Investment), Barkley (Deputy Leader of the
Council and Cabinet Lead Member for Finance
and Property Services), Harper-Davies (Cabinet
Lead Member for Community Support)

Inspector Stokes (Leicestershire Police)
Sergeant Else (Leicestershire Police)
Councillor Parsons (Vice-chair of Audit Committee)

Director Finance, Governance and Contracts
Head of Finance
Head of Regulatory and Community Safety
Organisational Change Officer
Democratic Services Officer (NC)

APOLOGIES: Councillor Miah and Popley

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.

21. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of the Committee held on 6th September 2022 were confirmed as a correct record and signed.

22. DISCLOSURES OF PECUNIARY INTERESTS AND OTHER REGISTRABLE AND
NON-REGISTRABLE INTERESTS

Councillors Fryer, Grimley, Shepherd and Taylor declared interests as Leicestershire County Councillors.

23. DECLARATIONS - THE PARTY WHIP

No declarations were made.

24. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16

No questions had been submitted.

25. COMMUNITY SAFETY PARTNERSHIP

Considered a report of the Head of Regulatory and Community Safety providing the Committee with the opportunity to scrutinise the Community Safety Partnership (item 6 on the agenda filed with these minutes).

Assisting with the consideration of this report: Cabinet Lead Member for Community Support, Head of Regulatory and Community Safety, Inspector Stokes and Sergeant Else (Leicestershire Police).

Inspector Stokes and Sergeant Else introduced themselves and the Cabinet Lead Member for Community Support and Head of Regulatory and Community Safety introduced the report.

Summary, key points of discussion:

- increase in burglary (business) - the majority of businesses affected were shops and factory premises and were targeted at night and during weekends when closed. There had been a decrease during the pandemic, but incident numbers were rising again. The burglar profile linked back to drug use and the financing of the habit. Premise owners were being advised on security measures, Loughborough BID were attending meetings and CCTV was used to tackle issues. Outside of Loughborough, the Council liaised with relevant police officer, Town and Parish Councils and used CCTV to support businesses under threat. Campaign information was shared with all businesses in the Borough and support was provided to help with security and marking property. Communication was key and in addition to the Council, all partner social media streams were utilised.
- there was a significant drug issue in Charnwood and the borough was seen as a 'soft touch'. It was important to send a strong message and to tackle the problem. Examples were given of recent drug enforcement activity by the police. Smart policing was required when taking drugs off the streets to ensure other support mechanisms in place to minimise any upsurge of incidents.
- key aggravating factors such as mental health – whether the Community Safety Partnership (CSP) was being supported by Health Services. Noted some historical issues with attendance but work in progress with police and external partners including funding of agencies such as Living without Abuse, 20:20 and Turning Point to resource outreach activities.
- tackling anti-social behaviour (ASB) and whether the positive actions taken had resulted in improvements – there had been a reduction in reported ASB due to a coordinated approach by the Council with its CSP partners. The Council had improved its signposting to information, in particular on its website, training of staff had been completed and reporting of ASB and management of assessing risk factors for ASB, with high/medium risk incidents uploaded to Sentinel was enabling the Police to focus its resources appropriately.
- whether reduction in reported ASB was due to improved reporting procedures and that some specific areas appeared to show an increase in ASB – the total ASB had reduced across the borough, but there were certain 'hotspot' locations that could be challenging to resource, although utilising officers across the borough was a priority. It was necessary to work with partners to focus on behaviour rather than locations in general, as once ASB in one area had been

resolved, the perpetrators were likely to move to another area. Funding had been obtained for ASB youth work and Police officer time to handle incidents. Training for officers to use civil enforcement was underway and tended to be more successful as it used balance of probability as a criteria, differing from criminal enforcement which required beyond a reasonable doubt. Noted student ASB was challenging as the same problem would occur but with different perpetrators each year, a dedicated police officer was working with the University.

- concerns with resource demand on Community Safety team and linked costs for processing Community triggers and whether the money would be better invested in removing the community trigger rather than reducing it – the costs noted in the report were estimates and it was proposed to train more CSP partners and officers to handle community triggers. The Council’s strategy was seen as best practice for county and learnings would be implemented.
- the benefits of including local councillors to support ASB work as their knowledge of the local area was invaluable – the Police welcomed the opportunity to work with councillors and to complete a ‘patch’ walk.
- the Police’s short term and long term strategies were clarified in relation to drug abuse and working with the CSP. Longer term, force objectives would be progressed to prevent criminals entering the Borough.

It was requested that it be noted that Beat 59 did not reference Walton on the Wolds. This had been raised at the previous meeting when the CSP had been scrutinised. Inspector Stokes agreed to take this as an action to update the Beat profile and noted that it was important that all parts of the community felt represented.

The Committee thanked Inspector Stokes and Sergeant Else for attending.

RESOLVED that the Committee note the report.

Reason

Finance and Performance Scrutiny as been allocated the statutory responsibility to ensure that effective scrutiny of the work of the Community Safety partnership takes place in the absence of Directorate Scrutiny Committees.

26. CAPITAL MONITORING REPORT

Considered a report of the Head of Finance setting out the capital monitoring position for period 7 (agenda item 7 filed with these minutes).

Assisting with the consideration of this item: Cabinet Lead Member for Finance and Property Services, Cabinet Lead Member for Investment, Director, Finance, Governance and Contracts and the Head of Finance.

The Head of Finance apologised that Appendix 1 was missing from the published report and that it would be circulated after the meeting. She and the Cabinet Lead Member for Finance and Property Services in introducing the report explained that the executive summary had been divided into three sections, clarifying that place markers had been included for provisional schemes.

Summary, key points of discussion:

- Disabled Facility Grants (DFG) – slippage had occurred due to the backlog after the pandemic and there were some resource shortages. There had been delays in completing assessments but the funding was available and residents were encouraged to apply.
- the underspend in HRA Capital Budget was significant (25%) - there was funds available for improvements to bathrooms and kitchens but it had been challenging to find appropriate contractors to perform the work. Contractors had been in place between April and October but they had not been able to fulfil the contract as anticipated. The decision to appoint multiple contractors had resulted in the first half of the year being focussed on going out to tender but the work was beginning to be cleared. There would be an underspend of approximately 50% by year end and a Capital Plan Amendment report would be submitted to Cabinet at its December meeting.
- concerns regarding completion deadlines for housing stock improvements, whether there was a target to achieve this and when the backlog would be cleared - everything possible to speed the work along was being done despite the shortage of materials and it was important to procure appropriate contractors to complete the work to a satisfactory standard.

The Vice-Chair of the Audit Committee attended to present a statement of the Committee and noted that although it was not the role of the Audit Committee to scrutinise financial performance, it was within its remit to report issues of concern.

With reference to several reports between the Audit Committee, the Budget Scrutiny Panel and the Cabinet over the years 2015-2022 he highlighted the following concerns:

- that over the period of 2015-16 and 2021-22 the Statement of Accounts had stated that the Council would be spending £185,752,000 but had in fact spent just over 50% (£93,708,000). Although there were mitigating circumstances this appeared to show a systemic issue of either unrealism in creating the Capital Plan and/or ineffective management of projects.
- a request by Scrutiny that projects that were undelivered were dated so it could be monitored how long the projects were undelivered for had enabled unready and undelivered projects to be removed.
- that although a process for all projects applications to proceed through a robust mechanism to be included on the Capital Plan had been implemented there still appeared to be an issue.
- that concerns reported to Cabinet regarding significant underspends during the first seven months of 2019 had resulted in an increase of spending of 85% which was welcomed but there was still an underspend.
- that concerns were raised by the Budget Scrutiny Panel (2020-21) regarding the annual underspend and that it was important to ensure all projects were viable and deliverable before funding was allocated.
- that the Audit Committee were sympathetic to the challenges the Council had faced during the COVID-19 pandemic and wished to commend the Council and Officers for its hard work during this time
- that it welcomed the introduction of a new Capital Plan Senior Leadership Group meeting, but noted that there were concerns regarding the governance

of the group, the development of a Terms of Reference and the Audit Committee wished to clarify where and when the group would report back to Members.

The Vice-chair concluded his statement by asking the Finance and Performance Scrutiny Committee to recognise the long term and ongoing issues raised by the Audit Committee and to act as a critical friend to Cabinet. He noted that the projects identified in the Capital Plan could make a real difference to the communities in the Borough and by reporting its concerns the Audit Committee wished to ensure the Council continued to be trusted by the residents of the Borough.

In response the Cabinet Lead Member for Finance and Property Services stated that:

- the General Fund Capital Plan had been divided into three sections covering live schemes, place markers for provisional schemes of £13million and S106 schemes, although the latter did require input from Town and Parish councils, to bring clarity to the Plan.
- the strategic leadership Capital Plan Board had been formed to review adjustments to the Plan, to monitor it closely and focus on the delivery of the schemes. The importance of ensuring that communities of the Borough could have confidence in the projects being delivered was recognised.
- Cabinet was very aware of the concerns raised and there was a real desire to deliver projects within the constraints mentioned at this meeting.
- the period during the COVID-19 pandemic had been very challenging and had significantly impacted the Council's finances and ability to deliver. All suggestions for ways to improve the situation were welcome.

The Committee thanked the Vice-Chair for his statement and attendance.

Further Commentary was requested from the Head of Housing as follows:

- more details regarding the underspend on HRA for bathroom and kitchen improvements, information regarding the programme for clearing the backlog and whether there was a target deadline to achieve this.
- more details regarding the completion of adaptations under the DFG, some properties had been waiting for multiple years for work to be carried out and should be prioritised, information regarding the programme for clearing the backlog, and whether there was a shortage of contractors to complete the work.

RESOLVED that the Capital Monitoring Summary position for period 7, 31st October 2022 for the General Fund and Housing Revenue Account as per table 1 be noted. The detailed Capital Monitoring Report is included in Appendix 1.

Reason

To enable the information to be used when considering the future 3 year Capital Plan and the Future Capital Strategy.

27. REVENUE MONITORING POSITION (GENERAL FUND AND HRA)

Considered a report of the Head of Finance setting out the General Fund and HRA Revenue monitoring position for October 2022 (item 8 on the agenda filed with these minutes).

Assisting with the consideration of the report; Cabinet Lead Member for Finance and Property Services, Cabinet Lead Member for Investments, Director, Finance, Governance and Contracts and the Head of Finance

The Head of Finance noted that the recently agreed pay award offer of £714K for the year had not been included in the data as this information became available after the end of period 7 accounting. £300K had been set aside so there would be an additional cost of £414K.

Summary, key points of discussion:

- the unexpected circumstances of the Ukraine War, cost of living crisis, increased homelessness and inflation had impacted the HRA fund for 2022. Inflation of over 10% had not been predicted when the budget was set in February 2022.
- concerns regarding the high overspend on B&Bs – a shortage in accommodation and the increase in refugees and asylum seekers partly due to the Ukraine War had resulted in the use of more expensive and some non-borough B&Bs. Some B&B users were having to stay in the accommodation for an extended period. The increase was being seen nationally and the Council had a legal duty to house homeless people. Long term solutions were challenging to determine and the increased numbers of people in the Borough would impact on other services of the Council. A new Head of Service had been appointed and would be monitoring the situation closely.
- concerns regarding the number of void properties, the type of properties and whether they could be re-developed – this was also a national issue and it was noted that some of the older council properties were unsuitable for improvement and were not popular. The number of void properties were a mix of empty bedsits and properties requiring refurbishment and there were some supply chain contractor delays. A project to re-develop accommodation at St Michaels was shortly to begin and it was hoped to use this as a template for future re-development. Some of the unsuitable properties could be sold but it was important to be sensitive to the tenants living in the properties and it was hoped to make the new development desirable to live in.

During this item Councillor Ward left the meeting. It was confirmed by the Democratic Services Officer that the meeting was still quorate.

Members were concerned that despite the issue with void rent losses being raised at several meetings the situation did not appear to have improved. The constraints facing the Council in resolving this matter were acknowledged but this was still a significant and urgent issue. It was welcomed that Scrutiny Commission would be reviewing the situation at its meeting in December.

RESOLVED that the report be noted.

Reason

The Committee's remit includes receiving regular financial monitoring reports and having noted its concerns were content to note the revenue position.

28. PERFORMANCE MONITORING

Considered a report of the Head of Transformation, Strategy and Performance providing Quarter 2 performance monitoring information, (item 9 on the agenda filed with these minutes).

Assisting with the consideration of the report: Director, Finance, Governance and Contracts and the Organisational Change officer.

The Organisational Change Officer drew the Committee's attention to the addition of Appendices providing contextual information for benchmarking the Council. She noted it had been agreed by Cabinet in April 2022 to remove indirect KPIs and to provide wider information on a six monthly basis due to availability of data sets. Once established the Council would be participating in an East Midlands Councils benchmarking group. Members of the Committee welcomed the additional information.

In response to a question it was clarified with regard to the purchase of only one property under the right to first refusal that there had been a changeover in staff and the transition was in progress. The new Head of Service would be focusing on voids and resources to purchase properties to meet the housing needs of the Borough.

Further commentary was requested as follows:

- from the Head of Contracts, Leisure, Waste and Environment with respect to undertaking mowing trials in some locations and how this would alter mowing frequencies.

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

Reason

To ensure that targets and objectives are being met, and to identify areas where performance might be improved.

29. WORK PROGRAMME

Considered a report of the Director, Finance, Governance and Contracts to assist the Committee in determining its work programme (item 10 on the agenda filed with these minutes).

RESOLVED that the Committee's work programme as set out in the report and with any amendments made at this meeting be agreed.

Reason

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. Councillors Baines and Barkley attended the meeting virtually to assist the Committee in its scrutiny.
3. These minutes are subject to confirmation as a correct record at the next meeting of the Finance & Performance Scrutiny Committee.