

**FINANCE & PERFORMANCE SCRUTINY COMMITTEE
28TH JUNE 2022**

PRESENT: The Chair (Councillor Charles)
The Vice Chair (Councillor Miah)
Councillors Fryer, Grimley, K. Harris, Savage and
Shepherd

Councillor Barkley (Cabinet Lead Member for
Finance and Property Services) *VIRTUAL*

Strategic Director; Environmental and Corporate
Services

Head of Financial Services
Organisational Change Officer
Democratic Services Officer (NC)

APOLOGIES: Councillor C. Harris, Popley, Taylor and 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.

1. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting of the Committee held on 1st March 2022 were confirmed as a correct record and signed.

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

No disclosures were made.

3. DECLARATIONS - THE PARTY WHIP

No declarations were made.

4. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16

No questions had been submitted.

5. REVENUE MONITORING POSITION (GENERAL FUND AND HRA) OUTTURN 2021/22

Considered a report of the Head of Financial Services setting out the revenue outturn position for 2021-22 (item 6 on the agenda filed with these minutes).

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

The Strategic Director, Environmental and Corporate Services tabled information shared at a previous Cabinet briefing to provide a summary of the overall position of the General Fund and HRA account. The Head of Finance provided further detail.

Summary, key points of discussion:

- whether the minimum reserve limit should be raised from £2.2mill. It was currently calculated to cover 6 weeks of Council expenditure but this was perceived as not a long enough time period. The calculation was based on risk and local government good practice. As the financial situation was volatile, when the Medium Term Financial Strategy (MTFS) was reviewed for submission to Cabinet and Full Council in February 2023 the minimum reserve could be re-assessed at that point.
- setting the Council's yearly budget was challenging as the Government settlement was rarely known until December of each year, however the estimated budget for 2021-22 had been close to the actual budget at outturn.
- clarification was sought regarding the transfer of £2,945K to the HRA Financing Fund. The fund had been created approximately 3 years previously to enable repayment of the debt and was advantageous for ensuring the budget was available to fund the Capital Plan. Savills UK (Financial Service) were advising the Council and had provided a 30 year business plan. One member wished to note that this seemed a significant amount of money to transfer that could have been spent on improving tenant's properties.
- whether the HRA reserve and Financing Fund should be separated into two accounts. The Statement of Accounts did separate the HRA Reserve, Major Repairs Reserve and Financing Fund on the balance sheet.
- a member noted that Sheltered Accommodation was not in the Capital Plan and as the Council was losing money on voids, the balance of £14,576K in the Financing Fund could be used to improve sheltered accommodation and bring properties back into use. The Council's current housing stock was not entirely suitable for tenants and required upgrading but this could be challenging with older properties and required further investigation. The issue of rental loss and Voids (Key Indicator KI11) had been forwarded to the Scrutiny Commission for further scrutiny; there was no financial impediment to further work being carried out although it was noted that construction costs, labour and materials shortages could impact this activity.
- concerns raised why the Council had raised Council Tax charges for residents when the total reserves held by the Council amounted to £19.8mill. Although there was a healthy working balance, the actual usable balance was £6.6mill. There was a structural deficit in the General Fund and over the next few years Government contributions would decrease. There was £79mill of borrowing currently capped at a set interest rate which would likely rise over the coming period. The Council was in a good position for the next year but faced significant challenges in future years with rising inflation, income risks and higher costs of living.
- other revenue reserves included Town Deal funding which was earmarked for specific projects and the Capital Plan Reserves which supported Capital Plan

projects. The NNDR S31 Grant Reserve had been set up to offset future deficits.

The Committee wished to put on record its thanks to the Council for its hard work to ensure the budget and reserves were sufficient during trying circumstances and welcomed its prudent approach.

RESOLVED that the Cabinet report setting out the revenue outturn position for 2021-22 be noted.

Reason

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

6. CAPITAL MONITORING REPORT (CAPITAL OUTTURN 2021/22)

Considered a Cabinet report of the Head of Financial Services setting out the capital outturn position for 2021-22 (item 7 on the agenda 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.

Members welcomed Shephed Town Centre Development and Public realm project was going ahead.

Concerns were raised that as revenue contributions to the HRA Capital Programme were not required during 2021-22, whether this impacted repairs and upgrades to Council properties. Council properties were now at the Charnwood standard which was likely to reduce the need for repairs and upgrades. Referenced p33 of report indicating planned expenditure over three years for replacement bathrooms and kitchens. It was noted that these figures could increase due to current construction industry challenges. Funding was available to maintain properties to the Decent Homes Standard and noted that £22mill spent over last four years to bring properties in the Borough to a standard higher than the national level.

One member stated that it was not acceptable that the investment in Decent Homes was decreasing year on year and that further funding should be spent.

RESOLVED that the Cabinet report setting out the capital outturn position for 2021-22 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.

7. 2021-22 QUARTER 4 PERFORMANCE MONITORING REPORT

Considered a report of the Strategic Director, Environmental and Corporate Services providing Quarter 4 performance monitoring information (item 8 on this agenda filed with the minutes).

The Organisational Change Officer introduced the report and noted that KI 11 had been forwarded to the Scrutiny Commission for its consideration and that the COVID summary would not be included in future reporting for 2022-23.

Summary, key points of discussion:

- with reference to KI 13 and 14, that the performance targets were relatively low and indicators were not clearly defined.
- with reference to the COVID summary, with a fifth wave and new variants being discovered it was important for the Council's website information to continue to be updated and kept live, in particular the number of people being hospitalised.
- with reference to markets and fairs, members welcomed the green RAG rating, praised events that had been held and suggested that more events should be arranged in the villages in the Borough, alongside events held in Loughborough. It was noted that village events tended to be within the remit of local Parish and Town Councils, who could be encouraged to contact the Council's Comms team to advertise events in their areas.
- with reference to KI 12 (reduction in crime), although it was appreciated that reductions in certain categories of crime were noted in the commentary and that the direction of travel was upwards, it could be beneficial to also receive information regarding crime categories that had increased.
- with reference to total number of visits at Leisure Centres, the better than predicted performance was welcomed but clarification was required regarding whether the number of visits represented the number of people visiting.

Further commentary requested as follows:

- from the Head of Planning and Regeneration for KI13 and KI14 additional breakdown
- from the Head of Leisure and Culture to clarify if the total number of visits to leisure centres indicated the number of visits or the number of people visiting.
- from the Community Safety Manager for KI 12 to provide further details regarding categories of crime that have increased.

RESOLVED

1. that the Organisational Change Officer includes further commentary for KI12 regarding categories of crime that had increased in future performance monitoring reports;
2. that the Communications Manager be notified of the Committee's request that the COVID webpages on the Councils website be maintained and updated;
3. that the Committee noted the performance reports, associated commentary and the explanations provided.

Reasons

1. Members wished to receive additional information regarding the cumulative target – KI 12 – reduction in crime.
2. As the situation regarding COVID was volatile, the Committee considered it was important for the Council's website to continue to be updated and maintained in relation to this matter.
3. To ensure that targets and objectives are being met, and to identify areas where performance might be improved.

8. CAR PARKING FEES IN THE BOROUGH

The Strategic Director, Environmental and Corporate Services gave a verbal update regarding car parking fees in the Borough. He noted that there were a number of issues concerning car parking and that Cabinet members, on receiving a briefing, had agreed that car parking fees would not be increased in the near future pending a wide ranging review of car parks. This review was being initiated but at present there was little data that could be shared with the Committee.

RESOLVED that the Committee schedule a further update regarding car parking fees in the Borough at its meeting on 6th September 2022.

Reason

The Committee wished to receive information regarding this matter.

9. WORK PROGRAMME

Considered a report of the Strategic Director, Environmental and Corporate Services to assist the Committee in determining its work programme (item 10 on the agenda filed with these minutes).

It was noted that some invitee names required updating in the appendix.

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. These minutes are subject to confirmation as a correct record at the next meeting of the Finance & Performance Scrutiny Committee.