

**FINANCE & PERFORMANCE SCRUTINY COMMITTEE
15TH MARCH 2023**

PRESENT: The Chair (Councillor Charles)

Councillors C. Harris, Howe, Ranson, 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) and Rattray (Cabinet Lead
Member for Business Support)

Director Customer Experience
Director Finance, Governance and Contracts
Transformation and Improvement Manager
Group Accountant (IA)
Democratic Services Officer (NC)

APOLOGIES: Councillor Miah, Fryer and Grimley

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.

30. MINUTES OF THE PREVIOUS MEETING

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

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

During the consideration of item 6, Car Parking Review update, and after receiving advice, Councillor Shepherd and Councillor Taylor disclosed an interest as members of Leicestershire County Council.

32. DECLARATIONS - THE PARTY WHIP

No declarations were made.

33. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16

No questions had been submitted.

34. CAR PARKING REVIEW UPDATE

A verbal update was provided by the Director of Customer Experience highlighting the position with reviewing the car parking strategy and next steps. She noted that the project team had recently agreed objectives and were working with external consultants to review past performance and customer behaviours post pandemic.

Attending the meeting to assist the committee with its consideration of this matter: Director of Customer Experience and the Cabinet Lead Member for Business Support.

Summary, points of discussion:

- the Council was working with specialist consultants to assess the current position. £20K had been assigned for this and was considered value for money.
- the importance of consulting relevant stakeholders such as parish councils. Once the consultants had collected data and reported back to the Council on the assets held by the Council, the strategy would be drafted and consultation would then proceed.
- this review would differ to car parking assessments completed in 2015 and 2017 due to the impact the COVID pandemic had on the operation of car parks and that the need for charging facilities for electric cars was more established. The current strategy was less robust so it was necessary to review best practice and consider the optimal use of the car parking assets held by the Council.
- numbers of car parking permits had been declining, partly due to the increase in agile working practices. The review would consider if there were other permit schemes better suited.
- if one of the aims of the strategy was to increase car parking revenue this could be in conflict with the Council's Climate Strategy. The review should consider transport links to service centres and increasing fees to park in towns would not necessarily encourage more customers. The project would not be completed in isolation, and would consider links with other corporate strategies and objectives. The aim was to determine how the Council wanted towns and car parks to look in the future and required a balance between priorities.
- the review would also include any technological advances that could be utilised going forward such as number plate recognition.

Further information requested of the Director of Customer Experience by:

- Cllr Shepherd regarding data held by the Council for car parks for Quorn.
- Cllr Ranson to confirm ownership of the Barrow-on-Soar train station car park and recent requests for electric charging points to be installed.

RESOLVED

1. that an update be provided at the Committee's meeting scheduled for 12th September 2023;
2. that the verbal update be noted.

Reasons

1. the Committee wished to receive an update regarding the progress of the review of the car parking strategy, noting the timescales provided by the Director of Customer Experience.
2. The Committee were satisfied with the information received.

35. PERFORMANCE MONITORING

Considered a report of the Head of Transformation, Strategy and Performance providing Quarter 3 performance monitoring information (item 7 on the agenda filed with these minutes).

Assisting with the consideration of the report: Director, Finance, Governance and Contracts and the Transformation and Improvement Manager.

The Transformation and Improvement Manager requested that the Annual Performance Report currently scheduled to be considered at its meeting on 12th September 2023 be moved to its meeting on 27th June 2023 to align with the end of year / Quarter 4 performance report. This was agreed.

The achievements and challenges for Quarter 3 performance were outlined. It was also noted that the corporate indicators and KPIs for the next financial year had been approved by Cabinet at its meeting on 9th March 2023. Since that meeting discussions had been in progress with officers to review the KPIs for waste management and recycle. Certain performance indicators were required to be reported to DEFRA but KI4a and KI4b (% of household waste sent for reuse, recycling and composting) performance data was distorted by the inclusion of composting, and its removal from these KPIs could present a clearer view of the Council's performance in this area.

Summary, key points of discussion:

- concerns raised regarding red indicators where the commentary stated there were capacity issues in various teams. This had affected certain service areas but the Workforce Board and senior officers were considering how recruitment and apprenticeship processes could be re-imagined to prevent capacity issues becoming a reoccurring issue.
- purchase of between 10 – 20 properties to meet housing needs was still red and appeared unlikely to hit its target of 10 by year end.
- whether the RAG rating of 4 Corporate Delivery Plan actions relating to IT systems (Modern.Gov, ASSURE, CRM and introduction of recruitment process) as red and overdue suggested 'back-office' inefficiencies within the Information Technology service.
- that the indicator KI11a and KI11b (percentage of rent loss from void properties) was still RAG rated red with a downward direction of travel. There had been no feedback to this Committee from the Scrutiny Commission after its consideration of this matter and there appeared to be no obvious progress. It was noted that a Board had been created to determine the actions required and to consider re-engineering the processes involved to expedite progress.

- that fly tipping was still perceived as an issue and if fly tipping cameras were going to be installed, the use of fines should also be considered.

Further commentary was requested as follows:

- from Head of Contracts, Leisure, Waste and Environment as to why a smart bin trial was being proposed, what this would involve and whether they would be value for money.
- from the Head of Strategic Housing as to why the purchase of properties to meet housing needs of the Borough using RTB receipts would not meet its target by year end and why the Council were behind in meeting this target.
- from the Head of Governance and HR regarding the delay to completing the rollout of report writing modules for Modern.Gov.
- from the Director of Customer Experience regarding the delay to completing the implementation of the ASSURE back-office system.
- from the Director of Customer Experience regarding the delay to developing options for the replacement of the CRM system.
- from the Information Technology Manager and Human Resources regarding the delay to introducing a recruitment process which would be attractive to applicants.
- from the Head of Strategic Housing regarding KI11a and KI11b and what progress was being made.

The Democratic Services Officer agreed to seek feedback from the Scrutiny Commission and officers after the scrutiny of percentage rent loss from void properties in December 2022 and what, if any, further scrutiny it was considering.

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

Reason

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

36. 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 period 9 (item 8 on the agenda filed with these minutes).

Assisting with the consideration of the report: Cabinet Lead Member for Finance and Property Services, Director, Finance, Governance and Contracts, and the Group Accountant.

The Cabinet Lead Member for Finance and Property Services introduced this report and noted that the year-end position was likely to show a HRA overspend and there was pressure on staff to meet the Council's housing needs. The Director, Finance, Governance and Contracts stated that generally budgets were showing an improvement but that quarter 4 could be challenging if unexpected costs arose.

Summary, key points of discussion:

- the principle payment direct to tenants of Universal Credit (UC) was welcomed but the ease of applications to DWP for switching payments to the Council was queried.
- clarification was given that delays in improvements and repairs to properties (showing a deficit) was not included in the HRA overspend forecast, but part of the Capital Plan. Noted that the rent losses and council tax payments on voids indicated in the HRA fund showed the urgency to resolve this matter as it was impacting the Council in multiple areas. There were plans in place to restructure the Housing Service and increase numbers of permanent roles, these staffing and costs had been approved by the Cabinet for the next financial year.
- whether there were more cost effective ways in supporting people who required accommodation than using B&Bs, which had incurred a significant overspend of £275K. This was a demand led service and if someone was eligible, they would be provided B&B accommodation. There had been an increase in numbers requiring this service and unfortunately not everyone would be eligible to move into void properties. The use of the Ramada Hotel for refugees had impacted the availability of accommodation, and local B&Bs were becoming full leading to the use of B&Bs located further away, increasing costs. The numbers had recently decreased, and an improvement should be seen in quarter 4 data.
- that significant agency overspends in Development Control was another example of capacity issues and how was this being resolved. Policies were being developed such as 'Golden Hellos' and 'Market Premia' to attract and retain staff, but noted that recruitment in local government for Planning posts was challenging, as private sector salaries were more attractive. Agency recruitment was closely monitored.
- the 'void loss as a percentage of Income Due' in garages was approximately 40% and indicated that garages were an underutilised asset of the Council.

Further commentary was requested of the Head of Strategic Housing as follows:

- regarding the ease of the process and the response time of the DWP to the Council when applying to switch payment of the housing element of UC.
- regarding the delays to repairs and improvements to properties and what actions were being taken to expedite this.
- why the overspend in B&Bs was high and what factors both locally and nationally was influencing this.

RESOLVED that the report be noted.

Reason

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

37. CAPITAL MONITORING REPORT

Considered a report of the Head of Finance setting out the capital monitoring position for period 9 (item 9 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 Investment, Director, Finance, Governance and Contracts and the Group Accountant.

The Cabinet Lead Member for Investment introduced this report and noted that there had been a Capital Monitoring Board created to monitor the underspend. The forecast had been made in 2021 during the COVID pandemic which had impacted some spending.

Summary, key points of discussion:

- whether the forecast made during the COVID pandemic had been optimistic in its expectation that business would pick up more quickly. Noted that the pandemic had exacerbated the ability of the Council to predict when projects would be delivered and that there had been a historical underspend, which would be closely monitored by the Capital Monitoring Board going forward.
- concerns raised in the Council's choice of contractors and whether moving to the use of multiple contractors had improved the delivery of work. Issues with contractors would occur whether employing one or multiple companies but the impact on delivery could be reduced if issues arose with one contractor as other contractors would continue to deliver. There was an operational impact in procuring multiple contractors as this would require more administration but it was anticipated that the benefits of using multiple contractors would be seen in the next three months.
- whether there were complexities arising from contractors sub-contracting work and therefore subsequent delays to the completion of work. It was noted that costs for materials and labour were increasing which could lead to delays.
- the Carbon Neutral underspend was significant. This was impacted by the pending decision regarding Council accommodation and whether refurbishment would be required, and the refurbishing of the Environmental Services fleet, both of which could not be progressed currently. The Climate Strategy was currently out for consultation.
- changing the Environmental Services Fleet would require a significant spend and a more environmentally carbon friendly product would be researched. The project would consider infrastructure requirements such as a new depot and was tied to the tendering of the new service contract. It was likely to be delivered 3-4 years in the future when the current fleet required replacing.
- why capital funds were sitting in the budget and not being spent, and whether there was a mechanism for funds to be transferred to relevant service areas to complete projects that would improve the carbon footprint of the council more promptly. The funds were allocated to specific projects and would be spent but there were challenges in progressing each project. The proposed solar farm had been investigated and during further discussions with the energy supplier it was not possible to progress. The projects were included within the Carbon Neutral budget as the required expenditure would be more than the individual Service budgets could manage.

Further commentary requested as follows:

- from the Head of Strategic Housing regarding whether contractors were sub-contracting out work and if this impacted the overall delivery of work, and what control the Council had over sub-contracting.
- from the Director of Housing and Wellbeing regarding whether other areas within housing were impacted by sub-contractors delaying the completion of work.
- from the Director of Commercial and Economic Development regarding more detail on the reasons for slippage within the Carbon Neutral Project, when the projects were predicted to start and the monies were going to be spent.

RESOLVED that the Capital Monitoring Summary position for period 9, 31st December 2022, for the General Fund and Housing Revenue Account be noted as per Table 1. 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.

38. 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).

It was noted that the Annual Performance Report currently scheduled to be considered by the Committee at its meeting in September 2023 required rescheduling to June 2023 to align with Quarter 4 performance reporting, and that a further update regarding the car parking strategy had been requested for consideration at its September 2023 meeting.

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 Barkley and Rattray attended the meeting virtually to assist the Committee with its consideration of agenda items only.

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