

**FINANCE & PERFORMANCE SCRUTINY COMMITTEE
12TH SEPTEMBER 2023**

PRESENT: The Vice Chair (Councillor Forde)
Councillors Baines, Campsall, Charles, S. Forrest,
D. Taylor and Westley

Councillors Ashcroft (Cabinet Lead Member for Finance, Customer & Support Services, Revenues and Benefits), Blackshaw (Cabinet Lead Member for Communities and Neighbourhoods), Hamilton (Cabinet Lead Member for Private Sector Housing) and Jones (Cabinet Lead Member for Climate Action, Net Zero, Property and Assets)

Director Finance, Governance and Contracts
Director Housing and Wellbeing
Head of Finance
Head of Regulatory and Community Safety
Head of Strategic Housing
Democratic Services Manager
Transformation and Improvement Manager
Sustainability Officer
Democratic Services Officer (NC)

APOLOGIES: Councillor Maynard

The Chair stated that the meeting would be recorded and the sound recording subsequently made available via the Council's website. She 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.

10. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 27th June 2023 were confirmed as a correct record and signed.

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

No disclosures were made.

12. DECLARATIONS - THE PARTY WHIP

No declarations were made.

13. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.16

No questions had been submitted.

14. 2023-24 QUARTER 1 PERFORMANCE MONITORING REPORT

Considered a report of the Head of Transformation, Strategy and Performance providing Quarter 1 performance monitoring information (item 6 on the agenda filed with these minutes).

Assisting with the consideration of the report: Cabinet Lead Member for Public and Private Sector Housing, Director of Finance, Governance and Contracts, Director of Housing and Wellbeing, Head of Finance, Head of Strategic Housing, Transformation and Improvement Manager.

Summary, key points of discussion:

- Healthy communities, housing – amber RAG rating related to Housing Strategy. The manager post had been vacant on and off for approximately three years, post had been filled with an agency interim manager who was prioritising the housing strategy work. Noted member concerns regarding interim nature of post and whether the corporate delivery actions should be RAG rated red. Existing strategy was still in place, but required refreshing, aim to agree new strategy by April 2024. Original delivery timeline was end Q4, time was required to consult relevant stakeholders and agencies to finalise strategy. The amber RAG rating was to flag to members the risk associated with the actions but at present the completion date had not been missed.
- both red and amber ratings were monitored identically and regularly by Senior Leadership Team, and Service requirements were checked to determine if any additional support required.
- noted that recruitment and retention would be discussed at its November meeting but update provided that a team had been set up, chaired by the Chief Executive to consider receiving CVs, and automating back office systems.
- with respect to KI11 a & b, additional budget had been agreed by Cabinet, 3 posts had been created to provide additional capacity on the repairs side. Recruitment was progressing for permanent positions with the Allocations team.
- why the open spaces commentary in the report appeared to be Loughborough centric, some village open spaces appeared to be neglected - majority of open spaces outside of Loughborough tended to be owned by Parishes, there were no formal parks outside of the town.

Further commentary was requested as follows:

- from the Head of Regulatory Services and Community Safety regarding the location of Air Quality Management Areas, whether the air quality had improved in Loughborough Town Centre since pedestrianisation, and decreased in Shepshed since the opening of the incinerator.
- from the Income Officer / Head of Finance why the quarterly collection rate for sundry invoices in Q1 was below target by 30%.
- from the Head of Contracts, Leisure, Waste and Environment further details regarding the number of open spaces outside of Loughborough that are maintained by the Council or parishes.

Information provided in item 12 from the Scrutiny Commission's review of K111 a&b was noted.

RESOLVED that the Committee note 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.

15. COUNCIL ASSETS UPDATE

Considered a report of the Head of Strategic Housing providing an update on Council assets, (item 7 on the agenda filed with these minutes).

Assisting with the consideration of the report: Director of Housing and Wellbeing.

Summary, key points of discussion:

- the Garage Site Review had been drafted pre-pandemic (2019), work had stalled due to ongoing recruitment to the Housing Strategy Manager position. The role profile was undergoing review to increase focus on the housing development service, this was likely to be completed in three months. Garage sites linked into other Housing strategies.
- the number of garages was likely to have remained largely unchanged and rental income was significant. The rental charges had increased but investment in the sites had been limited with some being demolished.
- noted that the Council had a legal obligation to store ex-tenant possessions for a short period before disposing, but considered ineffective to use garage space, and the possessions could be given to charity.
- since 2019 there had been no further development of the garage sites, but sources of funding were the HRA and Homes England grant. Due to the time taken to develop a strategy, it was important to consider S106 agreements as the funds could be utilised to provide a 'quick fix' to this issue.
- the Committee had identified this as an important issue alongside Voids and that work should be expedited, but noted that work on sheltered accommodation had higher priority for the Service.
- that some of the void garages could be developed quickly and that the investment potential of the sites be considered.

Further commentary was requested from the Director of Housing and Wellbeing as to why two garage sites / parking areas were not in the Garage Site Review.

RESOLVED

1. that the Director of Housing and Wellbeing provide an update to the Committee after the meeting regarding garage numbers, income, development and investment potential, naming of garage sites that could be progressed quickly, what revenue could be generated to compare against keeping the sites as

garages, potential for letting to tenants for their own storage and use of S106 funding.

2. that the Committee considered the information provided.

Reasons

1. the Committee wished to receive updated information to support its scrutiny of the matter.
2. To note the Committee's consideration of the information.

16. REVENUE MONITORING POSITION (GENERAL FUND AND HRA)

Considered a report of the Head of Finance setting out the Revenue monitoring position at end of July 2023, Period 4 (item 8 on the agenda filed with these minutes).

Assisting with the consideration of the report: Cabinet Lead Member for Finance, Customer & Support Services, Cabinet Lead Member for Public and Private Sector Housing, Director of Finance, Governance and Contracts, Head of Finance.

Summary, key points of discussion:

- variance of £1005K for employers pension costs – this was reported as part of the breakdown of salary costs and currently the salary variance was an underspend of £212K overall. 4.75% increase for salaries had been included in the salary budget but depending on the agreed settlement this was likely to be updated for Period 7.
- with regard to agency costs, vacancy salary posts were used to pay these costs, and the 40% budget for on costs (Pension/NI), was used to pay agency costs as these were generally higher.
- noted a report scheduled for the Committee's consideration at its November meeting could explain the view held that agency expenditure appeared high, and would cover the actions taken to recruit and retain staff. The current situation for Local Government was challenging, as pay could not compete with the private sector, the number of technically suitable applicants for some services was limited and short term fixes such as market premia were being applied.
- how the percentage of agency costs compared to direct employee related costs, whether there was an upward trend and how it compared historically - this could be provided for the next quarter.
- efforts to market the Council as an employer were underway to provide a good benefits package to prospective applicants.
- B&B costs and the overspend on voids repairs did not appear to correlate – voids repairs was relatively steady with no significant reduction, B&B costs had reduced due to a number of factors, a large number of homelessness cases had been resolved, the 'Everyone In' initiative during Covid had ended which meant that older placements had closed. New placements were not coming through, and additional capacity in the team was enabling more proactive work.

- legal costs for disrepairs of £58K was due to an increase in number of claims and was occurring across all councils in the country. Members expressed concern and asked that this be closely monitored.
- a Car Parking Strategy Board had been established and would be considering fees and charges. A one-off service pressure had been included of £200K to cover effects of Covid which had not been fully utilised. This would be considered during the budgeting process of 2024-25, but some interim measures could be taken prior to the development of the strategy.
- garages rent (including void garage rent) and HRA non-dwelling rent figures were set as part of the annual budget and related to receipts received. When period 7 figures were available it would be beneficial to link the figures to the updated data requested during the previous item regarding garages.
- £0.5 million adverse figure was an early indication of potential mitigation measures and would be further clarified at end period 7 / outturn.
- annual Cyber insurance costs seemed high at £107K. It was unclear how this compared to other local authorities, but costs were increasing due to risks of cyber-attacks. Information regarding the insurance coverage could be provided, but further scrutiny regarding whether it was fit for purpose, training for employees on cyber disaster recovery mitigation strategies was under the remit of the Audit Committee as part of its consideration of the Council's Risk Register on a quarterly basis.

Further commentary was requested of the Director of Finance, Governance and Contracts to provide details of insurance cover for cyber-attacks.

RESOLVED that

1. a comparison from several previous years of agency costs and direct employee related costs be included in the Period 7 revenue monitoring position report at the Committee's meeting in November;
2. the Audit Committee be asked to review the Council's preparedness for cyber-attacks;
3. the Committee note the report.

Reasons

1. The Committee wished to understand trends for percentage agency costs compared to direct employee related costs.
2. In recognising that this fell under the remit of the Audit Committee, Members wished to ensure that in light of recently publicised cyber-attacks that the Council was fully prepared.
3. The Committee were satisfied with its contents.

17. CAPITAL MONITORING REPORT

Considered a report of the Head of Finance setting out the Capital monitoring position at end July 2023, period 4 (item 9 on the agenda filed with these minutes).

Assisting with the consideration of the report: Cabinet Lead Member for Finance, Customer & Support Services, Director of Finance, Governance and Contracts, Head of Finance.

Summary, key points of discussion:

- although no projects had been identified, setting aside £5 million for regeneration projects was a statement of intent. By including a provisional sum on the capital plan as agreed by Cabinet, this ensured the Council could react promptly if a regeneration project was to come online without proceeding through a lengthy democratic agreement process. It was agreed that this be called contingency going forward.
- a review of the Disabled Facilities Grant service was underway to identify options for when the Lightbulb project ended in March 2024. The review would consider how to maximise spend taking into account processes that were outside the Council's control such as OH assessment, and ways to streamline internal processes. The grant had been top sliced to allow for the creation of an Eco Scheme in Leicestershire. It was hoped the review would be completed by October 2023.
- activity in acquiring affordable housing appeared to be stalling considering the budget. Acquisitions in the past had been council properties offered back but recently ones offered required significant repair to bring up to the Council's standard. The Council was aiming to ensure that any properties purchased met the repair threshold of 10% of the value of the property. The policy was under review, and the Council was working with partners to improve this.
- the Senior Leadership Team monitored the operational activity for each capital project to review progress against target. However, more detailed information regarding whether projects were on target, what percentage of its budget was spent would be welcomed.

RESOLVED

1. that the Capital Monitoring position report scheduled for the Committee's November meeting includes more detail regarding whether projects were on target, what percentage of its budget was spent;
2. that the Capital Monitoring Summary position for Period 4, 31st July 2023 for the General Fund and Housing Revenue Account be noted as per table 1. The detailed Capital Monitoring Report is included in Appendix 1.

Reasons

1. the Committee wished to further understand the status of live capital projects.
2. To enable the information to be used as a monitoring tool when considering the future 3-year Capital Plan and Capital Strategy.

18. DELIVERY OF CLIMATE CHANGE STRATEGY

Considered a report of the Director of Commercial and Economic Development providing an update on the progress in implementing the Council's Climate Change Strategy, (item 10 on the agenda filed with these minutes).

Assisting with the consideration of the report: Cabinet Lead Member for Climate Action, Net Zero, Property and Assets, Democratic Services Manager, Sustainability Officer.

Summary, Key points of discussion:

- welcomed that the Council had reduced its CO2 emissions in 10 years.
- although the plan appeared to be Loughborough centric, a Green Living Partnership created with the County Council was working with the wider borough and had prepared a toolkit for parish councils. Going forward these activities would be included in the refreshed strategy which was welcomed by members.
- whether the new strategy took into account that 70% of the land identified in the draft Local Plan was building on green spaces – the Local Plan included a chapter on climate change and relevant policies which were referenced in the new Climate Change strategy. This included energy efficiency in new properties and e-charging points.
- noted that the climate change strategy impacted all services of the Council, but it was challenging given the available resources for this impact on other Council strategies and policies to be reviewed. Some tensions between policies were clear, and committee report templates included sections where climate impact should be considered.
- the actions had not been fully costed and impact assessed on residents financially. The Council was considering what could be done practically, its biggest savings would be with the renewal of the refuse fleet and the council office accommodation, both projects due to complete in 2030. Individual projects would be scrutinised as part of the budgetary and committee process. Noted that technology was continually developing which challenged the application of costs.

Members were concerned about the timing of its scrutiny of this report as the actions in the plan submitted to this Committee were closed and would not be transferred to the new strategy. Noted that the new strategy would be considered by Cabinet at its meeting scheduled in October and that Scrutiny Commission had requested to pre-scrutinise it. The Committee were content to consider the performance of the new strategy at its regular annual review the following year.

RESOLVED that the Committee considered the content of the report.

Reason

To ensure that progress on the Climate Change Strategy Action Plan is monitored in accordance with the Committee's work programme.

19. CAR PARKING STRATEGY UPDATE

Considered a verbal update from the Head of Regulatory Services and Community Safety regarding the Council's' car parking strategy (item 11 on the agenda filed with these minutes).

Assisting with the consideration of the matter: Cabinet Lead Member for Communities and Neighbourhoods, Head of Regulatory Services and Community Safety.

The Head of Regulatory Services and Community Safety explained that phase 1 of the project had commenced in August, a project plan was in place and it was on target to meeting its deadlines. The review would consider car parking data from 2018-19 to 2022-23 and be reviewed by Senior Leadership Team (SLT) and members before commencing phase 2 of the project which would involve the development of a final strategy.

Summary, key points of discussion:

- the Phase 1 review would be completed by end October and Phase 2 involving the development of a new strategy would be completed within 4 weeks. The new Car Parking Strategy would be submitted to Cabinet by end of 2023/24.
- the strategy would be available for the Scrutiny Commission to consider as part of its pre-decision scrutiny prior to the submission of the strategy to Cabinet. Once the plan had been agreed this Committee could monitor its performance.

RESOLVED that the Committee note the verbal update.

Reason

The Committee were satisfied with the information received.

20. FPSC WORK PROGRAMME

Considered a report of the Director of Finance, Governance and Contracts to assist the Committee in determining its work programme, (item 12 on the agenda filed with these minutes).

The Committee confirmed that it wished to receive a Car Parking Strategy update at its meeting scheduled on 5th March 2023 and was content to receive an updated garage site review outside of the meeting. Also noted that the Treasury Management Financial Statement would be reviewed by the Audit Committee and Budget Scrutiny Panel.

The Chair asked the Committee to consider what questions it may wish to ask prior to the next meeting as it had a full agenda and could be a lengthy meeting. She noted that questions should be of a strategic nature and not specific ward related.

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. Councillor Cory-Lowsley attended the meeting virtually. Decisions were taken only by members physically present at the meeting.
2. The following Cabinet Leader Members and officers listed as present attended this meeting virtually: Cabinet Lead Member for Finance, Customer & Support Services, Revenue & Benefits, Cabinet Lead Member for Public Sector and Private Housing, Cabinet Lead Member for Climate Action, Net Zero, Property and Assets, Director of Finance, Governance and Contracts, Head of Strategic Housing, Head of Regulatory Services and Community Safety, Transformation and Improvement Manager, Sustainability Officer.
3. 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.
4. These minutes are subject to confirmation as a correct record at the next meeting of the Finance & Performance Scrutiny Committee.