

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Thursday, 25th June, 2020
Time of Commencement: 7.00 pm

Present: Councillor Mark Holland (Chair)

Councillors: Bert Proctor Kyle Robinson
Gillian Burnett Graham Hutton
Mike Stubbs Sarah Pickup

Officers: Jan Willis Interim Executive Director -
Resources and Support
Services and Section 151
Officer
Roger Tait Head of Operations
Daniel Dickinson Head of Legal & Governance
/Monitoring Officer
Denise French Democratic Services Team
Leader
Geoff Durham Mayor's Secretary / Member
Support Officer
David Elkington Head of Customer and Digital
Services
Martin Hamilton Chief Executive

Note: In line with Government directions on staying at home during the current stage of the CV-19 pandemic, this meeting was conducted by video conferencing in accordance with the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority Police and Crime Panel Meetings) (England and Wales) Regulations 2020.

1. **APOLOGIES**

There were no apologies.

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES OF LAST MEETING**

Resolved: That the Minutes of the meeting held on 16 January, 2020 be agreed as a correct record.

4. **CORONAVIRUS PANDEMIC UPDATE**

Consideration was given to a report providing the Committee with a Covid-19 update in terms of the issues arising and actions taken within the service areas that fall under the Committee's remit.

Members' attention was drawn to the appendix to the report which was a discussion paper with Covid-19 implications for this Scrutiny Committee.

The Leader, Councillor Simon Tagg introduced the report which covered the following areas:

Customer and Digital Services:

Prior to the lockdown, the Council had already invested to ensure that staff could work remotely if necessary. During lockdown, applications such as Teams and Zoom were utilised to enable remote meetings. The Leader praised the IT section for the work that they had done in setting up the meetings facility, customer helplines and ensuring that staff could work from home effectively. Members' attention was drawn to paragraphs 3 to 5 of the appendix which referred to the Contact Centre, Housing Benefit and Council Tax Reduction.

People and Organisational Development:

New policies had been developed to ensure fair and consistent practice across the workforce and to ensure everyone's safety. There had also been discussions with the Trade Unions.

Legal and Democratic Services:

The Group Leaders had met early on in the pandemic and had made a commitment to reconvene committee meetings virtually and Newcastle had been one of the first Council's in the country to hold a virtual Planning Committee.

There had been three Cabinet meetings and further meetings with Group Leaders to discuss the way forward.

Financial Impact:

The Council's financial position had been impacted upon by the pandemic, through a combination of lost income and additional costs. Car parks were now open and J2 would be re-opening some of its activities shortly which would help with the recovery process.

The Council had received almost £1.3m from the Government to help to support Covid related activity and the impact of the pandemic on the Council's income. The Council was lobbying the Government for further support.

Recovery:

The Cabinet had endorsed a recovery plan – 'Back on Track' to get the economy back to its pre-lockdown position as quickly and as safely as possible.

The Leader thanked all officers of the Council for the work that they had done throughout the pandemic and for what was being done for the recovery process.

The Chair echoed the Leader's comments and also thanked Council staff for how they had responded to the crisis.

Councillor Pickup stated that the waste operatives had done a great job and asked if there had been any Covid cases amongst them.

The Leader confirmed that there had been no Covid-19 cases amongst the operatives. Some had self-isolated, either because they had displayed symptoms themselves or a member of their family had displayed symptoms, but none had contracted the virus.

Councillor Pickup referred to paragraph 20 of the appendix and asked why the Council was losing £65,000 per month.

The Portfolio Holder for Finance and Efficiency, Councillor Stephen Sweeney stated that the Council had to hire more refuse vehicles to enable the collection of recyclable materials into one container. This incurred an additional cost as the materials had to be sent away to be sorted. This cost would reduce with the new recycling service now in place.

The Leader stated that this Council had made the conscious decision to continue with the garden and recyclable waste collections throughout lockdown adding that it was the right thing to do. The Council was aware of the cost implications but the introduction of the new system would reduce costs.

Councillor Hutton congratulated officers for everything that had been achieved and made reference to the recycling waste teams.

Councillor Stubbs made reference to a comment made earlier in the year by the Executive Director – Resources and Support Services, Jan Willis, that there was a possibility that a Section 114 Notice may have to be issued. Given what was now known, Councillor Stubbs asked what the position in respect of the Notice was now.

The Leader advised the position on this was receding as the Government had issued the grant. The budgets, going forward – not just for this year but the following two would be considered closely.

Ms Willis stated that the last Cabinet update said that the prospect of a Section 114 Notice had receded but it was difficult to say at this stage what the full financial impact would be as the continued extent of lockdown was still unknown and there could be further grants from Government.

Ms Willis added that the Council could still balance the books for this financial year. However, should the need arise to draw from the reserves, they would then need to be replenished. The option of a Section 114 Notice would be kept on the table until it was clear that it was no longer required. The Notice would not be helpful in the current circumstances as it would put a freeze on spending and the current position was due to the collapse of the Council's income and not from overspending.

The Leader advised that the Government were being lobbied and local MP's were fighting for more funding to enable the Council to carry on through the pandemic.

Cllr Stubbs stated that he was pleased that MP's were being lobbied and asked if more could be done such as the use of local press to promote the Council.

The Chair stated that the Council had been adequately compensated so far but agreed that the receipts could not look at future years.

The Leader advised that the Council was asking for an income guarantee for Business Rates and Council Tax as certainty was needed to enable the Council to plan its finances going forward.

Councillor Robinson congratulated officers for their work during the pandemic and stated that he had concerns about the finances, having seen in a recent Cabinet report that the reserves were low. He asked if there was a level for reserves and if they would have to be dipped into soon.

In addition, with the reduction in revenue, would it affect spending plans now or in the future and would any projects have to be put on hold?

The Leader stated that it had to be recognised that reserves had been raised and would need to be raised higher, adding that reserves were much higher than they were in 2017 under the previous administration.

Councillor Sweeney stated that a plan was being put into place to replenish and increase the reserves.

Ms Willis advised that, in addition to the General Fund reserves there were other reserves that could be used if needed.

The Council's Medium Term Financial Strategy (MTFS) did make provision for increasing the revenue balances in future years as part of a longer term strategy. The MTFS would be revisited by the end of the summer when there would hopefully be a greater clarity of Government funding.

Councillor Robinson stated that this was a difficult financial situation for the Council and referred to borrowing and projects.

The Leader stated that the Council would try to keep all projects on track as commitments had been made. A Capital Review Group had been set up and was looking at the projects which could be afforded at present.

Councillor Sweeney added that everything was under constant review.

Councillor Stubbs enquired if the Council had any ringfenced reserves and if so, would it be the Cabinet or Council who would un-ringfence them?

Ms Willis stated that there were some ringfenced reserves that could only be used for specific purposes but the majority of the Council's reserves could be used to support the budget if there was a need to.

Councillor Burnett stated that there was a need to look at support and recovery of local groups, for example community, school and church groups.

The Leader advised that a lot had been picked up in the grants scheme. Community Centres would be able to reopen from 4 July and those groups needed to be viable to continue as without such groups, a lot of volunteers would be lost.

The Leader added that he had provided funding to the scout group from his County Council Fund to help with their costs and stated that the Government did need to address support for community groups.

Councillor Robinson agreed with Councillor Burnett's comments and stated that the pandemic had helped to highlight the issue of social isolation and he hoped that the leadership and Council continues with the support to vulnerable people.

Many people who had been receiving help had said that it had been amazing and that it would be nice if they could get involved with something similar after the pandemic.

Councillor Sweeney agreed, stating that he had been involved in Zoom LAP meetings and everyone who had been offering help did not want to see it lost.

The Leader advised the Committee that this was included within the 'Back on Track' Recovery Plan and the Portfolio Holder for Community Safety and Wellbeing, Councillor Helena Maxfield was working on it. It was important that the Council continued to work with Support Staffordshire and the Realise Foundation who were doing online activities to keep connected with volunteers.

Councillor Robinson asked the Leader, in response to the Coronavirus the Government will have ideas for Local Authorities to move forward and manage better which could involve a reorganisation. If the County Council approached this Authority about unitisation, what would the response be?

The Leader advised that there was a White Paper coming out in the summer. The current model in Staffordshire works. Reference was made to the Minister for Regional Growth and Local Government, Simon Clarke MP who had stated that one size did not fit all and where authorities prove that they can deliver there is no need to change the structure.

Councillors' Hutton Stubbs and Proctor all agreed that moving to a Unitary Authority would be disastrous and would move democracy away from Newcastle.

The Leader agreed and stated that he did not expect any authorities in Staffordshire to go down that route and he was pleased to hear the comments of Simon Clarke MP who had said that authorities were different sizes and should work better together.

The Chair stated that there was nothing to feed back to the Cabinet as the Leader and Deputy Leader had been in attendance.

Resolved: That the report be received and the comments noted.

5. URGENT BUSINESS

There was no urgent business.

COUNCILLOR MARK HOLLAND
Chair

Meeting concluded at 7.50 pm