

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Monday, 14th December, 2020
Time of Commencement: 7.00 pm

Present: Councillor Mark Holland (Chair)

Councillors: Bert Proctor Paul Waring Sarah Pickup
Gillian Burnett Amelia Rout David Grocott
Andrew Fear Graham Hutton

Officers: Jan Willis Interim Executive Director -
Resources and Support
Services and Section 151
Officer
Roger Tait Head of Operations
Denise French Democratic Services Team
Leader
Martin Hamilton Chief Executive
Sarah Wilkes Head of Finance

Also in attendance: Councillor Simon Tagg,
Leader of the Council and
Portfolio Holder for Corporate
and Service Improvement,
People and Partnerships
Councillor Stephen Sweeney,
Deputy Leader of the Council
and Portfolio Holder for
Finance and Efficiency

12. **APOLOGIES**

Apologies for absence were received from Councillors A Kearon and M Stubbs.

13. **DECLARATIONS OF INTEREST**

14. **MINUTES OF A PREVIOUS MEETING**

Resolved: that the minutes of the meeting held on 17th September 2020 be agreed as a correct record subject to an amendment to the Work Programme item that the Procurement item be reconsidered informally in May 2021 as to the availability of resources to provide a report and the timescales for any future report.

15. **UPDATE FROM CABINET**

The Leader, Councillor Simon Tagg, reported that all items were covered as separate matters on the agenda.

16. **MEDIUM TERM FINANCIAL STRATEGY 2021/22 TO 2025/26**

The Portfolio Holder for Finance and Efficiency, Councillor Stephen Sweeney, introduced the report on the Medium Term Financial Strategy (MTFS). The report had been endorsed by Cabinet on 11th November 2020 when a budget 'gap' of £1.790m was predicted in respect of the budget 2021/22. This gap would need to be closed to produce a balanced budget and how this would be achieved was the subject of the next item on the agenda.

The Council had received significant additional support from Government in terms of Covid grants as well as a compensation scheme for lost income from fees and charges. The impact of Covid-19 remained uncertain as did the support for local government funding. The Council had developed scenarios to enable planning along with a full risk assessment of the Council reserves. The 10 year capital strategy approved in February 2020 had been reviewed and updated. Councillor Sweeney explained that key priorities would be progressed including the refurbishment of Kidsgrove Sports Centre and the town centre regeneration schemes; for which the Council had Advanced Town Deal funding in the sums of £1m for Newcastle and £0.75m for Kidsgrove.

Members raised queries and issues as follows:

- Could an explanation be given as to why there were increased costs for employees listed for 2021/22? The Committee was advised that staff would still receive increment rises where applicable and this was reflected in the additional cost figure.
- A figure of £430,000 was listed for 'pressures' and an outline was sought of what these pressures referred to. Members were advised that this figure included Microsoft licences, housing benefits which accounted for £300,000, additional costs towards provision for homelessness – it was expected that additional funding would be received from Government towards homelessness support so the figures would be revised as necessary.
- It was noted that the figure for Business Rates reserve had greatly increased from the position at 31 March 2020 and an explanation requested. The Committee was advised that this was a forecast figure and as the position with the pandemic progressed into next year and the situation with Business Rates and Council Tax became clearer then this figure would be revised.
- Members asked whether the Council could reclaim all the costs of housing benefit support and why was the figure so high? It was explained that this related to homelessness support for which the Council needed to make some allowance as the total amount could not be recovered. The Council paid an amount to providers of temporary accommodation but there was a gap between this figure and the amount that could be recovered from Government. This situation had been ongoing for a number of years but in the past it had been possible to meet the gap from elsewhere within the Council's budget but there was now less room for manoeuvre alongside increased demand. The Council had received some grant funding towards homelessness costs and additional funding had been announced as part of the Comprehensive Spending Review for homelessness costs but the full details were awaited. The Chair noted that a draft Temporary Accommodation Policy had been considered by Health, Wellbeing and Partnerships Scrutiny Committee and asked whether this was taken into account in the MTFS. It was thought this was the case but it would be checked.

Resolved: that:

- (a) the Medium Term Financial Strategy 2021/22 to 2025/26 be noted;
- (b) the funding gap of £1.790m in 2021/22 and £5.911m over the 5 year period covered by the MTFs be noted; and
- (c) the current uncertainty regarding the medium term impact of Covid-19 and local government funding and the need for scenario planning and identification of savings options for best, worst and medium case scenarios, be noted.

17. REVENUE AND CAPITAL BUDGET 2021/22 - FIRST DRAFT SAVINGS PLANS

Councillor Sweeney presented the report which had been approved by Cabinet on 11th November. At that point there was a budget gap of £1.790m in respect of 2021/22. Since then the Comprehensive Spending Review had been announced and the gap had been reduced as outlined in the report including savings arising from the Comprehensive Spending Review (CSR) and public sector pay freeze; various Government support streams including towards the Council Tax collection fund deficit and Business Rates deficit; an extension to the Income Compensation Scheme for fees and charges for the first quarter of 2021/22 and further funding towards temporary accommodation costs.

The Council had commissioned a full organisational review which would identify significant changes to the way Council services were delivered which would recognise the impact of the pandemic and reflect the need to retain focus on the most vulnerable and disadvantaged in the community. This One Council Programme was expected to deliver £0.922m savings over a three year period and recurring.

The Capital Programme had been reviewed and updated and further updates would be presented to the Cabinet and Scrutiny Committee in January. The details in Appendix 1 showed how a balanced financial position for 2021/22 could be achieved. Members commended the staff involved in the work.

Members noted the importance of the digital delivery work and how this had been utilised during the pandemic. It was confirmed that the public sector pay freeze was part of the Government's CSR and that lower paid workers would receive a pay rise of £250.

Resolved: that:

- (a) the first draft proposals as set out in Appendices 1 and 2 to the report be noted; and
- (b) the Committee will give further consideration to the Revenue and Capital budgets 2021/22 at the meeting on 18th January.

18. FINANCIAL AND PERFORMANCE REVIEW REPORT SECOND QUARTER (JULY - SEPTEMBER) 2020-21

The Committee considered the Financial and Performance Review – Second Quarter, which covered the period July – September 2020. The Leader introduced the report which showed that out of 17 indicators monitored over the quarter, the proportion that had been met or were within tolerance levels was 82%. There were 3 indicators which were off target this quarter: Residual Waste per household; missed kerbside collections; and number of calls not answered as a percentage of total call volume.

The Waste and Recycling Service had been impacted by Covid with a need to adapt services to manage reduced workforce due to shielding or illness. The food waste collection had recommenced in August which had had a positive impact on levels of residual waste. There had also been an increase in recycling rates following the introduction of the new service.

The Contact Centre had seen an increased call volume of 25% partly due to queries arising from the pandemic and also due to the annual electoral register canvass taking place during the quarter.

Members noted the good performance in service areas, especially with processing planning applications. It was also noted that average number of days per employee lost due to sickness was within target. Members asked if the figures included those who had to self-isolate. The Committee was advised that so long as a staff member was well enough to work they would be able to do their job from home or given an alternate role that could be done at home.

The market had performed well particularly the specialist markets.

Resolved: that the report be received.

19. **WORK PROGRAMME**

The Committee considered the Work Programme. Councillor Holland noted that the next meeting in January would undertake pre-decision scrutiny of the budget, fees and charges and related matters.

Members raised an item relating to the Property Portfolio and an exercise to review the portfolio with a view to maximising income potential. The Committee was advised that the Commercial Portfolio had been reviewed and included consideration of assets and a repair schedule to ensure best use of the assets; the review of the Capital Programme referred to earlier included a planned programme of repairs and maintenance. Members asked that an update on this be provided to a future meeting.

In relation to the extension at Bradwell Crematorium, Members agreed to have an update on the outcome of the consultation to the March meeting of the Committee.

Members also discussed the item on Procurement raised under the Minutes of the previous meeting. It was noted that due to the pandemic it was unclear whether resource would be available to provide a report on the procurement service in time for the June meeting but this would be reviewed informally in May.

Resolved: that the Work Programme be updated to include an item on the review of the Commercial Portfolio and programme of repairs; the possible Procurement item and timescales; and an update report on the outcome of the consultation into works to Bradwell Crematorium to the March meeting.

20. **PUBLIC QUESTION TIME**

There were no public questions.

21. **URGENT BUSINESS**

There was no urgent business.

Chair

Meeting concluded at 7.52 pm