

FINANCE, ASSETS & PERFORMANCE SCRUTINY COMMITTEE

Thursday, 25th March, 2021
Time of Commencement: 7.00 pm

Present: Councillor Mark Holland (Chair)

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

Officers:	Roger Tait	Head of Operations
	Sarah Wilkes	Head of Finance / S151 Officer
	Geoff Durham	Mayor's Secretary / Member Support Officer
	Jordan Ibinson	Apprentice - Infrastructure Technician

Also in attendance: Portfolio Holder – Finance and Efficiency

Note: In line with Government directions on staying at home during the current stage of the CV-19 pandemic, this meeting was conducted as hybrid with 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 A PREVIOUS MEETING**

Resolved: That the Minutes of the meeting held on 18 January, 2021 be agreed as a correct record.

4. **UPDATE FROM CABINET**

There was no update from Cabinet.

5. **FINANCIAL AND PERFORMANCE REVIEW REPORT THIRD QUARTER (OCTOBER TO DECEMBER) 2020 - 21**

Consideration was given to a report seeking comments on The Financial and Performance Review report for the third quarter of 2020-21.

Councillor Stubbs stated that it was good to see that the Council was forecasting to break even. The Council was looking at approximately £5m adverse variances and although there had been support from the Government, this would not fully cover the amount. An officer was asked to update Councillor Stubbs from where the shortfall would be made up.

The Portfolio Holder for Finance and Efficiency, Councillor Sweeney advised that the Government had paid out grants of almost £5m which had made a huge difference to the Council. The Council's Head of Finance/S151 Officer, Sarah Wilkes advised that the Government had helped councils out with various grants throughout the pandemic. This Council had received an income loss grant of just over £2m. Grants had also been received to help with additional expenditure incurred such as the social distancing aspect in respect of waste collection operatives where extra vehicles and staff had to be put onto the collections. The costs associated for this were also covered by the grant from the Government. As some services had to be closed due to the restrictions, some expenditure had reduced slightly such as J2 not using as much heating/lighting for the building. In respect of Council Tax and Business Rates, the Government had offered incentives to claim back a proportion of those losses and had smoothed out the losses that the Council may have incurred through non-payment of the rates over a three year period. All of the factors mentioned would enable the Council to reach a balanced outturn at the end of the current financial year.

Councillor Sweeney stated that, in addition, the 'One Council' programme would be done over the next couple of years which would help to put the Council on a more sustainable footing in the future.

The Chair thanked Councillor Sweeney and Sarah Wilkes for the report and moved on to the Performance Indicators. Members' attention was drawn to Priority 1: Local Services that work for Local People - point 1.7 relating to unmet demands to the Contact Centre. It was reasonably fair to accept that there had been a large increase in contacts as a result of the pandemic. Councillor Sweeney agreed that this was a fair point. There had been a lot of people phoning up. In addition, Councillor Sweeney praised the bin men for the recycling service and said that they deserved great credit for their efforts in maintaining the service so well.

Councillor Stubbs agreed with Councillor Sweeney with regard to the waste service. In respect of point 1.7, Councillor Stubbs asked, given that the number of calls had been so high, would measures be put into place to mitigate that happening again in the next quarter and in future? Whilst the current pandemic would begin to lessen its impact throughout the summer and into autumn, there would still be a need for people to continue to apply for various things in the near future. The Government had today agreed to extend Coronavirus measures for at least six months. Had this been taken into account looking forward? Councillor Sweeney believed that it had. The reports on the agenda were three months out of date and it would be interesting to see the final figure next Wednesday. Once known, Members would be informed. A request was made to see this as an update from Cabinet at the next meeting.

Priority 4 – A Town Centre for All. Councillor Sweeney advised that the Markets Officer was poised to reopen the market with a full programme of events and speciality markets.

- Resolved:**
- (i) That the information be received.
 - (ii) That Cabinet be requested to update this Committee with

the measures that had been or would be put in place to ensure that high numbers of calls were not experienced by the Contact Centre, as previously, especially within the next 6 months.

6. COMMERCIAL STRATEGY UPDATE

Consideration was given to a report updating Members on the Commercial Strategy.

Councillor Sweeney stated that the Commercial Strategy had not changed. It was a well written and clear Strategy. A Commercial Investment Advisor had carried out a review and the recommendations from the review were set out at paragraph 2.8 of the report. Sarah Wilkes advised that the Strategy had been approved in October, 2019 and that, due to Covid-19 some areas of work had been paused. A Commercial Portfolio Review had been completed, looking at all Council assets and advising whether they were still useful to keep and actually generating income; whether anything better could be done with those assets and, looking at the planned maintenance of all of those assets. Part of the work that was identified was that a Capital Planned Maintenance Strategy be established and also that sustainable energy solutions be investigated. Part of the Council's ten year Capital Programme, which was approved by Council in February, contained the maintenance programme for those assets for the next ten years. In addition, sustainable energy had been considered and the Council was exploring those areas such as solar panels and a boiler replacement programme which was included in the Capital Programme, and Carbon Management which were all works in progress. As other areas were explored, they would be fed back to this Committee for comment.

Councillor Sweeney stated that the aim of this was to make the Council sustainable in the long term.

Councillor Hutton stated how pleased he was that, looking at assets, the Strategy looked at those giving a good return and disposing of those that were not. The Council would want to be carrying out the best management practice possible.

Councillor Stubbs stated that the Council needed to ensure that it invested in local infrastructure as well as what was going to give the biggest return. Councillor Stubbs referred to the first bullet point under paragraph 2.8 and said that he would like to know what was being considered for disposal and if such information could be brought to this Committee and similarly for the diversification of assets and investments. He would not like for the Council to invest all of its money in stocks and shares, in London for example. A spread portfolio would be preferred. Councillor Stubbs asked for this to be a standing item on the agenda every six months to keep the Committee informed as to what was happening in the investment portfolio.

Councillor Sweeney agreed, stating that the fifth bullet point referred to the increased diversification of assets / investment base so that risk was spread across various sectors and geographies.

The Chair referred to paragraph 2.8 stating that all of the points seemed to be plausible but did seem to be intention. One bullet point was to hold fewer and better assets and another to increase the diversification of assets. The Chair asked Councillor Sweeney or Sarah Wilkes to give an example of an asset that the Council may not wish to hold or assets that the Council may wish to invest in. Councillor Sweeney stated that the best example for investment was industrial units. Sarah

Wilkes stated that there was a waiting list for units and that was something that the Council would be looking to expand upon in the future, particularly with the impact of Covid and getting businesses back on their feet. The Council had not got to the point of looking at disposing of any of the assets at present. The Council was taking a prudent approach to take stock of what was happening at present and how this had changed the different businesses and organisations and how everyone was adapting to practices during and post Covid.

Councillor Paul Waring stated that the benefits of industrial units were twofold in that the Council received income from them and the units helped the Council to promote small businesses and this was needed in order to bolster energy in the private sector.

- Resolved:**
- (i) That the information be received and the update noted.
 - (ii) That the Commercial Strategy update be placed on the agenda as a standing item to be brought back to this Committee on a regular basis.

7. **ASSET MANAGEMENT STRATEGY UPDATE**

Consideration was given to a report updating Members on the Asset Management Strategy.

Councillor Sweeney introduced the report and referred to paragraph 2.3 which showed three sites which were currently in progress. In addition, Appendix 1 showed the current position of other items. Reference was made to Eccleshall Road, Loggerheads. The money for this site was expected to be received by the end of the financial year, next Wednesday, which would be in excess of £2m. Sarah Wilkes confirmed that this was on target. Councillor Sweeney stated that the sale provided building land for bungalows.

The Chair stated that the sale of land assets were something that generated interest, both from Members and the general public.

Councillor Paul Waring stated that a number of public conveniences appeared to be being sold off and asked what commercial valued they would have. Councillor Sweeney was unable to provide a clear answer stating that there would not be much value. However, he would find out the estimated values of those and bring the information back to this Committee.

Councillor Hutton stated that in other areas, particularly London, disused public conveniences were converted into restaurants, night clubs and bars. Alternatively, art galleries were a possible use.

Councillor Stubbs stated due to the sizes of the three mentioned in the report, the uses were limited. The one in Kidsgrove had been suggested for demolition and rebuilding as an office.

- Resolved:**
- (i) That the current position in respect of the land disposal programme at Appendix 1, be noted.
 - (ii) That the current position in terms of the master-planning sites be noted.

- (iii) That the estimated commercial values of the public Conveniences being disposed of be reported back to the next meeting.

8. WORK PROGRAMME

Consideration was given to the Work Programme for this Committee. The Chair stated that there was now just twelve months before the next elections. The next meeting would be the first one of the final Municipal Year of this current Council and therefore the Committee could not look at programmes which would extend over a number of years. The usual items could be brought, such as the quarterly reports for finance and performance and the budget. Members were asked what they would like to see on the Work Programme in addition to those already determined.

Councillor Stubbs had mentioned the Commercial Strategy, commencing at the meeting after the next one (September). Councillor Hutton agreed with this stating that the Strategy would change as circumstances changed. Councillor Hutton stated that he would also like to look at the Procurement Strategy to ensure that it was integrated with all of the other work done to ensure that the Council was following good management practice.

Councillor Stubbs felt that a review needed to be carried out on how the Council handled the Coronavirus. This may be a cross – committee review or just sit with one. The purpose being that, should another pandemic come along in the future, the Council would react as it had this time, if not better.

The Chair asked Councillor Sweeney what the Cabinet's attitude was towards lessons learned and the recovery plan. What provisions did the Leader have in mind for scrutinising or reflecting on the processes that the Council had been through? Councillor Sweeney advised that Cabinet received a Covid update report at every month giving the current position.

The Council's Head of Operations, Roger Tait stated that the Economy, Environment and Place Scrutiny Committee had regular updates on the Council's recovery plan.

Councillor Stubbs stated that he was looking for a proper review. Going back to day one and looking at everything step by step so that, should the worst happen and another pandemic came along, there would be structures in place. He did not feel that the Council did all what was needed this time and this was not a criticism as nobody knew what was going to happen. What was done for businesses, the public and staff should all be looked at. The Chair agreed that this was a good point and stated that no amount of preparation could have prepared this or any other authority for the pandemic.

Councillor Fear agreed that something should be done in case a pandemic was to happen again. Councillor Paul Waring also agreed. Audit and Standards had already agreed to look at this in some depth.

In the changing society, it was imperative that all efforts needed in resurrecting society were not taken away, spending time looking back at what could have been done better although it was important to recognise those things. Concentration needed to be on making things right for the future.

Councillor Sweeney stated that this Council had responded superbly to the pandemic. £30m+ had gone out to businesses and the waste collection service were

examples of why the Borough Council should be very proud of how it had performed throughout a very difficult time.

- Resolved:**
- (i) That the Work Programme be received.
 - (ii) That Cabinet be asked to update this Committee on the provisions in mind to scrutinise/reflect upon the processes that the Council had used throughout the pandemic.
 - (iii) That Cabinet be asked for the best way to carry out a step by step review of the processes used during the pandemic to ensure that there was a strategy in place for future occurrences.

9. PUBLIC QUESTION TIME

There were no questions from the public.

10. URGENT BUSINESS

11. DATE OF NEXT MEETING

The next meeting will be held on Thursday 24 June, 2021.

Chair

Meeting concluded at 7.40 pm