

MINUTES of a meeting of the CORPORATE SCRUTINY COMMITTEE held in the Forest Room, Stenson House, London Road, Coalville, LE67 3FN on THURSDAY, 4 JANUARY 2024

Present: Councillor S Lambeth (Chair)

Councillors D Bigby, M Blair-Park, M Burke, K Horn, A Morley, R L Morris, S Sheahan, J Windram and J G Simmons (Substitute for Councillor M Ball)

In Attendance: Councillors J Legrys, T Eynon, P Moulton and C Sewell

Portfolio Holders: Councillors A C Woodman

Officers: Mr A Barton, Ms K Hiller, Mr T Devonshire, Ms J Rochelle and Mr P Stone

26. APOLOGIES FOR ABSENCE

Apologies were received from Councillor M Ball.

27. DECLARATION OF INTERESTS

There were no interests declared.

28. PUBLIC QUESTION AND ANSWER SESSION

There were no questions received.

29. MINUTES

Consideration was given to the minutes of the meeting held on 23 November 2023.

It was moved by Councillor S Sheahan, seconded by Councillor S Lambeth and

RESOLVED THAT:

The minutes of the meeting held on 23 November 2023 be approved as an accurate record of proceedings.

30. DAMP AND MOULD TASK AND FINISH GROUP REPORT

The Strategic Director of Communities introduced the report, before handing over to the Chair of the Task and Finish Group, Councillor A Morley, to present the work of the Group.

A Member asked when the standalone policy would be ready and when was the review of it planned; another Member hoped the recommendations would be implemented swiftly and asked when the stock condition survey would begin. In response, the Strategic Director of Communities advised that this would be presented to Cabinet on 31 January and work was hoped to begin soon after.

A Member noted that the Ombudsman report highlighted that this problem was more immediately obvious in Local Authority stock. The Member wanted to know how people suffering from Damp and Mould in the private rental sector could be helped. In response, the Strategic Director of Communities advised Members that Officers were examining this and it was also being considered by the Community Scrutiny Committee.

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A Member proposed reviewing this in 6-12 months. In response, the Strategic Director of Communities explained, procedurally, that first this policy had to be approved by Cabinet.

A Member asked how the lived experience of tenants was considered. In response, the Head of Housing said that she hoped for a real shift in how residents were treated and how monitoring was carried out. She set out Officer's process of assessing the causes of damp and mould. She hoped a standalone compensation policy could be brought before Cabinet soon, following tenant consultation.

The Chair asked if Key Performance Indicators had been set in this area. The Head of Housing advised that once the increase in capacity had been enacted they would be reviewed.

It was moved by Councillor S Sheahan, seconded by Councillor S Lambeth and

RESOLVED THAT:

1. The work of the Task and Finish Group be noted, and their efforts be thanked.
2. The recommendations that the Task and Finish Group wish to make to Cabinet, set out in paragraph 2.1, be agreed.
3. That if approved by Cabinet that the suggestion of this Committee is that the policy should be drafted within 4 months and an update report be brought back to this Committee six months after implementation.

31. DRAFT ROBUSTNESS OF BUDGET ESTIMATES AND ADEQUACY OF RESERVES

The Strategic Director of Resources presented the report.

A Member asked whether the Local Nutrient Mitigation Fund was addressing existing problems or future problems. The Strategic Director of Resources said that he would have to consult Planning Officers outside of the meeting and come back to the Member.

A Member asked whether staffing and corporate costs can be accounted for as capital as opposed to revenue expenditure. The Strategic Director of Resources advised that in certain circumstances some such costs could be accounted as capital expenditure, within stringent limits.

In response to a couple of Member questions, the Strategic Director of Resources explained what Investment Income referred to, and what Officers defined an overreliance on Business Rates Funding as.

The Strategic Director of Resources set out for the Committee some of the financial assumptions which were built into short and medium term plans. Some Members felt that they would have expected more growth than predicted. The Chair was concerned that if the projections had been miscalculated this might have serious cumulative impacts. The Strategic Director of resources was happy to provide further information on what the assumptions were.

A discussion was had around staffing levels and vacancy management. Members were concerned that about service provision and whether staffing costs were being transparently presented. The Strategic Director of Communities advised that vacancy management was a question of how resources were managed and was, categorically, not a policy of deliberately keeping vacancies open.

A discussion was had around the Transformation Plan. Members were concerned that this had not so far been communicated or appropriately scrutinised. Officers advised the

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Committee that the thoughts of the Corporate Leadership Team and staff were being synthesised, such as at Staff Road Shows; they were also planning to bring a report to the Corporate Scrutiny Committee in February. The Chair felt the views of Councillors should be solicited, and Officers said that these views would also be welcomed.

A discussion was then had around the 2024/5 pay award. Members were concerned whether the budget was sufficient to cover the likely pay award, especially as this had been underbudgeted in recent years. Members also queried how vacancy management was fed into projections. The Strategic Director of Resources advised that the budgeted 3% rise was based on OBR forecasts that inflation was coming down, although he accepted there was some risk involved in this. He also advised that yes, vacancy management was fed into projections, and he set out how this operated. He was happy to provide the Committee a sensitivity analysis on the 2024/5 pay award.

A Member noted that the report suggested that the HRA budget would not be fully spent; this would have adverse impacts. In response, the Strategic Director of Communities set out for the Committee how HRA was budgeted for and how it operated procedurally so that resources were appropriately directed.

The Chair emphasised the need to clear the backlog and spend the entirety of the HRA budget. He welcomed the administration's turn towards recognising future risk, and the Medium Term Financial Plan looked more robust; he also welcomed the recognition that the precept needed increasing. Nevertheless, he felt service provision was currently failing.

By affirmation of the meeting, it was

RESOLVED THAT:

- 1) Officers are to provide a sensitivity analysis on the impact of a higher staff pay award to the Corporate Scrutiny Committee.
- 2) A report on the Transformation project be brought to the next meeting of the Corporate Scrutiny Committee.

The Chair thanked Members for their comments, which would be presented to Cabinet on 9 January.

32. DRAFT CAPITAL STRATEGY, TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS

The Strategic Director of Resources presented the report.

The Meeting was adjourned at 19:48 for a convenience break, and the Chair reconvened the meeting at 19:58.

A Member asked whether we were approaching a position to have to begin paying back Right to Buy funds to central Government and the Strategic Director of Communities said the Council was not approaching any significant thresholds, but he would circulate the details for Members.

In response to a Member, the Strategic Director of Resources explained the procedure for assessing risk; he also agreed to provide for the Member the specific score for Stenson Square.

A Member asked how much headroom was available for further borrowing to increase Council housing stock. In response, the Strategic Director of Communities advised that

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this would be picked up in the next HRA business plan and Asset Management Plan workshop with all Members. The Strategic Director of Resources would also provide further details outside of meeting regarding headroom.

In response to a query from the Chair, Officers advised that the cost of consultancy from Arlingclose was about £10,000 and Officers were confident that this provided good value for money considering the value of the portfolios that they advised upon. The Chair felt this should be reviewed by the Audit & Governance Committee and fed back to the Corporate Scrutiny Committee and the Strategic Director of Resources was happy to do this.

The Chair thanked Members for their comments, which would be presented to Cabinet on 9 January.

33. DRAFT GENERAL FUND BUDGET 2024/25

The Strategic Director of Resources presented the report.

A Member asked for clarity on the Homelessness Strategy and the saving on it projected in the budget. In response, the Head of Housing advised that the new homelessness strategy would aim to reduce short term solutions which had been proved to be ineffective. This was actually predicted to save money as the Council would not be paying commercial rates to providers.

A Member asked about the Transformation Strategy and the role of the Change Consultant. In response, the Strategic Director of Resources advised that the proposed £500,000 for the Transformation Programme had been put aside but not yet allocated. Decision making authority would be delegated to the Chief Executive as part of the 2024/25 budget proposals. The Strategic Director then advised on the role of the Transformation lead. The Member remained concerned about the prospect of a cost-cutting consultancy exercise.

In response to several questions from Members, Officers set out some technical details with regards to the projected increases in both the Council Tax rate and the Council Tax base, the approach to projected future inflation, and the fact that the Local Government settlement appeared to have bridged the funding gap although Officers were still examining this.

A Member questioned several lines in the revenue budget in quite critical terms. In response, the Strategic Director explained that for some of this previous expenditure for the Training Budget the reason was that it had not been utilised, and he also offered to provide further information on various other queries.

A Member queried the planned £2 million investment in Stenson Square. She was particularly concerned with this expenditure because of cuts planned elsewhere and, she felt, the lack of transparency around the planned project. She wanted a pause on this until further information was available.

In response to a couple of questions from Members, Officers advised on the technicalities of moving money between the General Fund and Special Expenses, and between Parished and non-Parished areas.

Members discussed the £3.7 million investment in Council owned land, some were concerned and wanted to know how much of the £3.7 million had been allocated and signed off by Officers. The Strategic Director of Resources clarified that this was all subject to further business cases being brought forward.

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A couple of Members expressed concern whether lines in the budget had received appropriate impact assessments and whether they had been adequately communicated to the public. In response, the Strategic Director of Resources advised that this was a draft budget and formal consultations with the public would begin on 10 January. The final budget will include appropriate impact assessments.

By affirmation of the meeting, it was

RESOLVED THAT:

- 1) Cabinet are recommended to pause all work on the Stenson Square project pending further information on the nature of the project to be presented to the Corporate Scrutiny Committee.
- 2) Cabinet are recommended to not take forward the £1,500 cut in the grant to Ashby Museum.
- 3) Officers are to provide a response to Members concerns regarding the impact of inflation upon the budget.
- 4) Officers are to provide a more detailed explanation and clarification with regards to the nature of the £3.7 million investment planned in Council owned land within the budget, and what if any money had so far been spent on this.
- 5) Officers are to provide the Committee with a rationale for £7,330 cut to the AgeUk grant, as set out within the draft budget.
- 6) Officers are to provide clarification on the £280,000 increase in the leisure contract, as set out within the draft budget.
- 7) Officers are to provide more detail on the general fund budget amendments to the MTFP.
- 8) Officers are to provide a review of the funding for the demolition of the Hermitage Recreation Ground.

The Chair thanked Members for their comments, which would be presented to Cabinet on 9 January.

34. DRAFT HOUSING REVENUE ACCOUNT (HRA) BUDGET AND RENTS 2024/25

The Strategic Director of Resources presented the report.

A Member acknowledged the logic behind the 7.7% rent rise, but would like to understand the profile of tenants would be worst affected by this. The Head of Housing assured the Committee that efforts were being made to find track this impact, but it was not something officers can confirm at this time.

A Member asked how the envisaged efficiency savings of £1.85 million be achieved, as the figure sounded rather large. The Head of Housing assured the Committee that some budget lines from last year were being reevaluated and that this was all aligned with the proposals for the HRA overall and would be addressed in future years by the developing new Asset Management Plan.

A Member found some discrepancies which the Officers were happy to correct in the final budget.

A Member asked what had happened to Fleet Replacement Programme. In response, the Strategic Director of Communities advised the Committee that trials were currently ongoing for new vehicles, although there should probably have been an indicative figure for future years, and this would be considered in the final budget.

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A Member expressed concern about the reduction in the Carbon Reduction budget. In response, the Head of Housing advised the Committee that the impacts of work so far done needed to be more robustly assessed than they had been up to this point, and there were also issues in utilising resources.

By affirmation of the meeting, it was

RESOLVED THAT:

- 1) Officers are suggested to update the final budget to include future years proposed Fleet Replacement Programme.
- 2) Officers are to provide a rationale for the cuts to the Zero Carbon component of the HRA Budget.
- 3) Cabinet are recommended to review the new Housing supply programme, and consider the staff costs and additional borrowing required to deliver the additional Council Housing.
- 4) Officers to consider if it is possible to provide a profile of Council tenants with regards to income and housing benefits, so the impact of the rent charges which have been levied can be assessed.

The Chair thanked Members for their comments, which would be presented to Cabinet on 9 January.

35. ITEMS FOR INCLUSION IN THE FUTURE WORK PROGRAMME

The Chair felt that a report on the Transformation Programme should become a standing agenda item, that an update of the Zero Carbon programme should be provided, that a review of the Council's expenditure on external consultants should be undertaken, and that a report on the provision of public toilets in Ashby de-la-Zouch should be presented to the Community Scrutiny Committee.

The Strategic Director of Communities assured the Committee that he would work with the Chair, to see where these suggestions slotted into reports already on the Work Programme, and to examine what new reports needed to be produced for the Committee.

The meeting commenced at 6.30 pm

The Chairman closed the meeting at 9.20 pm

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