

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

RESOURCES OVERVIEW & SCRUTINY PANEL MEETING

Minutes

WEDNESDAY, 23 SEPTEMBER 2020

PRESENT: Councillor A Hart (Chair)

Councillors C J S Atkins, E Fallows, M Gledhill, T Holmes,
K J Jackson, J T Jones, L A Malyon, I Plant, T Riley, P Wilkinson
and N Yates

ALSO PRESENT: Councillor K Flunder, K Hoptroff and L Swindlehurst

APOLOGIES: Councillors J Davies and D Shaw

1 **NOTIFICATION OF SUBSTITUTE MEMBERS, IF ANY**

Councillor Wilkinson substituted for Councillor Malyon for part of the meeting.

2 **MINUTES OF THE PREVIOUS MEETING**

DECIDED – That the minutes of the meeting of the Resources Overview & Scrutiny Panel held on 15 July 2020 be **APPROVED** as a correct record and signed by the Chair.

3 **URGENT ITEMS OF BUSINESS, IF ANY (24 HOURS NOTICE TO BE PROVIDED TO THE CHAIRMAN)**

There were no urgent items of business.

4 **DECLARATION OF INTERESTS:**

There were none.

5 **QUESTIONS TO PORTFOLIO HOLDERS, IF ANY**

No questions to Portfolio Holders had been received.

6 **1ST QUARTER 2020/21 FINANCIAL, PERFORMANCE & PROCUREMENT REPORT**

Keith Pointon – Acting Head of Finance, introduced a report which informed members of the Council's overall performance and financial position for the period ended 30th June ("First Quarter 2020/21").

Detailed analysis was provided in Appendix A (Finance), Appendix B (Procurement) and Appendix C (Performance).

The position was summarised as below:

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Subject	Headline	Reference
Finance	<p>The Finance headlines for the First Quarter were:</p> <p>Performance against Budget</p> <ul style="list-style-type: none"> At the First Quarter stage the General Fund projected outturn for 2020/21 was an overspend of £345,160 (net of Government Covid funding) <p>Efficiency Programme</p> <ul style="list-style-type: none"> At Quarter One no savings had been taken against the 2020/21 general fund efficiency target of £519,000. <p>Capital Programme</p> <ul style="list-style-type: none"> The revised Capital Programme budget for 2020/21 was 6.6 million which included the carry forward of capital underspends from 2019/20. The projected outturn for the year was £3.1million; a variance of £3.5 million – mostly in respect of programme slippage due to Covid19. <p>Treasury Management</p> <ul style="list-style-type: none"> Cash investments held at 30 June 2020 totalled £15.4 million. The Ascent loan and debenture currently stood at £19 million. Council borrowing at 30 June 2020 totalled £12 million (related to the Ascent loan) The Council’s net interest income receipts were projected to be £55,210 surplus above budget. <p>Revenue Collection</p> <ul style="list-style-type: none"> 28.76% of Council Tax was collected by 30 June 2020 compared to 29.38% for the same period last year. 22.30% of Business Rates was collected by 30 June 2020 compared with 28.62% for the same period last year. At the end of the First Quarter, sundry debt that was over 60 days old was £97,395 which compared with £82,560 at 30 June 2019 	Appendix A
Procurement	<p>The Procurement headlines for the First Quarter are:</p> <ul style="list-style-type: none"> 12 procurement activities were completed The Procurement forward plan included 57 procurement activities for completion in 2020/21 (either SMDC only or joint) At the 30 June 2020, 97% of procurement activity undertaken was on the forward plan and the Council paid 97% of its invoices within 30 days during the year 	Appendix B
Performance	<p>The Performance headlines for the First Quarter are:</p> <ul style="list-style-type: none"> 69% of the key performance indicators on track (33% of which were better than the previous year) The Council received 10 complaints and 22 compliments in the First Quarter. 10 projects on track, 16 not yet commenced, 1 completed, 1 Red rated and 2 Amber. 	Appendix C

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Discussion took place around projects being re-profiled and the need for the Council to focus on and develop its Tourism Strategy in an innovative way. As Covid-19 had prevented travel abroad, there was a demand for 'staycations' and an increase in the number of motor homes had been noticed. Due to this, members suggested that the Council could generate income by the creation of specific space to provide facilities for motorhomes. Members also commented that the Council should encourage and assist owners of caravan sites in relation to the interpretation of planning policy.

The Panel debated the Car Parking Review and the overspend due to the loss of income during the free car parking throughout the month of August. Members suggested that electric charging points could be installed in car parks and particular reference was made to the removal of car parking charges for a further period of time, to allow for a detailed survey to be carried out. Officers agreed that the Tourism and Parking Strategies were very important and the Council would review all options.

A vote was taken and the Panel agreed the following recommendation:-

DECIDED:

- 1) That **CABINET** be **RECOMMENDED** to consider the removal of the car parking charges for a further period of time, to allow for a pre-planned, systematic survey to be carried out on the uptake of free parking and footfall in the town centres.
- 2) The Panel **NOTE** the First Quarter 2020/21 financial, procurement and performance position detailed in Appendices A, B and C and summarised at 3.3 of the covering report.

7 REVISED PERFORMANCE FRAMEWORK 2020/21 DUE TO COVID

The Panel considered a report which provided information on the proposed amendments to the current performance targets for 2020/21, which had been made necessary because of the effects of the coronavirus pandemic on the Council's ability to meet its previously agreed targets.

The Council's 2019-2023 Performance Framework had been considered by the Resources Panel on 5th February 2020. It contained the Council's performance targets for the years 2020/21 through to 2022/23 and reflected the ambitions of the 4-year Corporate Plan adopted in October 2019.

The advent of a national lockdown on 23rd March 2020 had a dramatic effect on the Council's ability to carry out certain functions as previously planned and a major impact on the local economy and our communities. It had therefore been necessary to review the targets agreed pre-lockdown for 2020/21 and propose a revised set of targets for the areas affected. The usual service planning activity for 2021/22 would follow in due course with the involvement of this Panel at the appropriate stage.

Discussion took place in relation to the increased target for housing register applicants in priority need. This had increased due to an increase in demand for

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housing following the national campaign to find accommodation for homeless people.

A member of the Panel queried the number of Council owned business units listed within the appendix and this would be checked with the Assets Team after the meeting. He highlighted there being a greater need for small business units due to the number of job losses caused by Covid-19, and suggested Cabinet members took this into account when they considered the call-in of the disposal of Plot 12-15 Victoria Business Park.

The increased usage of social media was noted positively by members.

DECIDED: That the Panel **NOTE** the proposed amendments and comment accordingly.

8 MEDIUM TERM FINANCIAL PLAN

Claire Hazeldene - Interim Executive Director (Finance & Customer Services), presented a report which provided an updated summary version of the Medium-Term Financial Plan 2020/21 – 2023/24, with a forecast of the longer term impact the Coronavirus pandemic has had on the financial position of the Authority.

The budget setting and medium term financial planning process provided the Council with the opportunity to plan its delivery of public services in accordance with local priorities.

The Medium Term Financial Plan (MTFP) which set out the Council's finances over a four-year period, namely 2020/21 to 2023/24 had been formally approved in February 2020.

This resulted in a small surplus position of £17,840 on the General Fund by the end of 2023/24, with an overall contribution of £35,950 into reserves over the 4 year life of the plan.

However, since the MTFP was approved, the Coronavirus pandemic has had, and is likely to continue to have an adverse impact on the Council's financial position. The financial impact was arising from additional expenditure in dealing with the crisis both externally and organisationally, lost income and savings targets that may not be met within the same timeframe due to resources being diverted elsewhere.

The 2020/21 projected outturn (as per the Quarter 1 financial report) currently forecast a £0.35 million deficit. At the end of 2019/20, the Council established a Covid-19 earmarked reserve specifically to support with the financial impact of Covid-19 totalling £500,000 – which utilised part of the 2019/20 underspend generated. Therefore part of this earmarked reserve could be drawn to cover the projected 2020/21 deficit

The current four year MTFP had been updated to reflect Covid-19 related pressures and updated economic forecasts in order to begin to understand the medium term financial impact.

It was extremely difficult to forecast how long the recovery period would be and also what impact the economic recession would have. The report detailed the assumptions that had been made at this point (as well as the risks), which would be

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continually under review as new information became available and the 2020/21 position developed

At this stage, the updated MTFP highlighted a required use of reserves over the 4 year period of £1.8million in order to balance. Utilising the Covid-19 recovery earmarked reserve and re-designating the pensions earmarked reserve, would result in a required drawdown from contingency reserves of £883,220.

Consequently, at the end of year 4 of the plan (2023/24) there would be an estimated balance of £1.535million in General Fund Contingency reserves – £0.435 million above the required £1.1 million minimum required balance as set out by the Chief Finance Officer in the MTFP approved in February 2020.

The updated MTFP illustrated a requirement to draw from reserves in year 4 of the plan 4 (2023/24) whereas the position at February 2020 was a small surplus position at that stage. At the next iteration of the MTFP, an additional year would be added to the plan to understand if the Council was back to a balanced budget position at that point.

If reserves were utilised as forecast to fund the deficit position, a plan would need to be put into place in to rebuild reserves over the longer term.

The next iteration of the MTFP was due towards the end of the calendar year and then again alongside the presentation and setting of the Budget 2021/22 in February 2021.

Members and the Chair thanked the officers involved for the comprehensive report.

Due to the current financial position of the Council, some members were of the opinion that the Council's assets would start to deteriorate. The importance of benches and bus shelters being maintained to a high standard by the Council and not community groups was stressed. In particular, there was concern around value for money for the cleaning of the public conveniences and the cost of this service was requested. These figures would be provided after the meeting. It was confirmed that the current facilities management arrangement was under review and options being considered included; a Council owned company arrangement, collaborative working with other authorities and the use of local businesses. The Panel would receive a report on this in the near future.

Discussion also took place around irrecoverable income loss of car parking fees. The Panel was advised that the loss of only certain income streams could be claimed for, and as the free car parking in August was a local decision, it would not be covered by this scheme.

DECIDED: That the Resources Overview & Scrutiny Panel **NOTE** the forecast updated MTFP position.

9 **OVERVIEW AND SCRUTINY ANNUAL REPORT 2019-2020**

Members gave their consideration to a report which provided a summary of the work undertaken by the Council's Overview and Scrutiny Panels during 2019 – 2020.

During 2019/20, the Council's Overview and Scrutiny Panels continued to scrutinise performance internally/externally, held the Cabinet to account and contributed to

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policy development. The range of work and issues considered by each Panel during 2019/20 was summarised in sections 6 - 9 of the report. Appendix A of the report contained the terms of reference of each Panel and its membership.

The following comments were made and noted:-

- Concern in relation to the duration of the last meeting of the Health Overview and Scrutiny Panel and that it had not met since the start of the pandemic;
- The special meeting of the Panel held on 22nd July 2020 at which members received details on the Covid-19 Local Outbreak Control Plan was beneficial;
- An improvement in the level of scrutiny had been seen and the number of questions to Portfolio Holders had increased;
- Cabinet members should be present at meetings;
- That Information Digests should be included on the agenda for the relevant scrutiny panel;
- It was difficult to manage external partners

DECIDED:

- 1) That the report be **NOTED**;
- 2) For a summary of the questions to Portfolio Holders be included in the next annual report.

10 **WORK PROGRAMME**

Members requested that the items listed were scheduled in for specific dates and instances of poor work carried out by Millbrook were discussed. The item on Disabled Facilities Grants would be scheduled for the meeting on 3rd February 2021 and Councillor Yates requested that the Empty Property Strategy was prioritised and included a presentation from Epic (Empowering People Inspiring Communities Ltd).

Councillor Gledhill suggested that a study into the facilities for motor homes be added to the Work Programme.

DECIDED – That the Work Programme for the remainder of 2020/21 be **AGREED**.

The meeting closed at 12.00 pm

_____Chairman _____Date