

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

RESOURCES OVERVIEW & SCRUTINY PANEL MEETING

Minutes

WEDNESDAY, 25 NOVEMBER 2020

PRESENT: Councillor A Hart (Chair)

Councillors C J S Atkins, J Davies, M Gledhill, N Hawkins,
B A Hughes, K J Jackson, J T Jones, I Plant, T Riley, P Roberts,
P Wilkinson and N Yates

ALSO PRESENT: Councillors D A Hall, K Hoptroff, S E Ralphs and L Swindlehurst

APOLOGIES: Councillors T Holmes and D Shaw

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

Councillor P Roberts attended as substitute for Councillor T Holmes.

2 **MINUTES OF THE PREVIOUS MEETING**

Councillor Hawkins confirmed that she had tendered her apologies for the meeting but that they were not recorded.

RESOLVED – That, with the above amendment, the minutes of the Resources Overview & Scrutiny Panel held on 23 September 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.

4 **DECLARATION OF INTERESTS:**

Councillor Wilkinson declared an “other” Interest, in that he had received a COVID-19 Business Support Grant.

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

Question from Councillor Atkins:

Q1. Which budget is being used to fund the Leader’s rural bus initiative? How much has been allocated for this project? What funding is available for other such pilot projects and how has this budget been used over each of the last five years?

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Response from Councillor Ralphs, Leader of the Council:

“A specific budget for the pilot was originally going to be assigned from the 2019/20 underspend. However, COVID-19 happened and obviously other priorities took over in the interim.

Rural bus provision remains a priority of the Council and therefore costings will be assessed and budget assigned as part of the 2020/21 budget setting process. Other pilot projects can be considered based on the outcomes they provide with regard to Corporate Plan ambitions and within the limitations of the Council’s financial plans.”

By way of a Supplementary Question, Councillor Atkins asked specifically how much had been allocated, and how much over the last five years?

“The original intention had been to allocate £25,000. The pilot project would continue after COVID-19. There had been no other applications for any projects. Any member was able to apply.”

As a 2nd Supplementary Question, Councillor Atkins stated that Biddulph Town Council was paying £35,000 per annum for an hourly bus service around the town. What was the future of the rural bus service given the current overspend?

“The intention of the project was to run it for 1 year to see if it was viable on a ‘use it or lose it’ basis. A report was to be released to confirm the details.”

6 EMPTY HOUSING STRATEGY - PRESENTATION

A presentation was given for members of the panel by Jeff Plant, Director of Operations at EPIC Housing (**E**mpowering **P**eople, **I**nspiring **C**ommunities) giving details of the organisation’s history and purpose in relation to the Council’s Empty Housing Strategy.

Their background was in neighbourhood transformation, having been founded in 1998 following the transfer of 925 flats in Bentilee from Stoke on Trent City Council, at a time of high vacancy rate, a major investment requirement for modernisation of the stock and high rates of crime and ASB.

£1.4m had been invested into Staffordshire Moorlands, buying 13 empty properties (8 in Leek, 4 in Biddulph and 1 in Cheadle) out of 33 that were seen as viable. They operated the Rent2Buy product as funded by Homes England’s Affordable Homes Programme, giving a 5 year assured tenancy with 20% rent discount to enable tenants to save for a deposit to then buy the property after the 5 years. The programme was originally scheduled to end in 2021 but had potentially been extended to March 2022 due to COVID-19. Projected growth in the Staffordshire Moorlands would take them to 67 properties by 2024/25.

Response to member queries was as follows:-

- Arrears were shown at 1.52%. What was the trend? (*Arrears increased to 2.27% at 30 September 2020 but were now back down to 1.96%. The increase was mainly attributable to delays in administering Universal Credit.*)
- What was the impact of the ‘enforced’ rent reduction of 1%? (*Staff hours were reduced to reduce costs. The organisation worked on very low management costs and was robust enough to sustain the reduction.*)

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- Was there a role for local councillors, given their local knowledge? (*Direct contact from local councillors was always welcomed.*)
- Michelle Costello – Housing Strategy Technical Officer – welcomed any members onto the Empty Property Working Group.

Members thanked Jeff for his attendance and presentation.

7 ANNUAL REPORT 2019/20

Vanessa Higgins – Information Business Partner – presented the report which compared Staffordshire Moorlands' performance and costs with councils in the West Midlands region and nationally, highlighting further action where needed.

There was little impact from COVID-19 as the report covered the period to 31 March 2020.

Highlights from the report were:-

- Over 32% of the area was classed as rural;
- Ageing population, 65 + years expected to become the largest resident group possibly in 10 years' time;
- Higher than average levels of unqualified residents;
- Health outcomes – issues with alcohol related illness and under 18's conception rates;
- Indices of Multiple Deprivation – low overall but geographic and thematic pockets;
- Employment – higher than county average unemployment;
- Covid recovery – Staffordshire 15th highest economic vulnerability out of 26 areas.

Member queries were as follows:-

- What was being done to bring the many redundant mills back into use? (*The Council's Industrial Strategy was a Corporate Priority. A report was being prepared, with a Work Programme around delivering the strategy.*)
- Reference to Climate Change within the report was weak. (*More detail around climate change was coming in and an Action Plan was under construction. There was benchmarking work to do and a the council was joining a networking group for the East Midlands on Climate Change.*)
- Staffordshire Moorlands was shown as the lowest in the region for instances of Fly-Tipping. Were we making it easier to enforce? Also, charging for disposal of certain types of waste at Recycling Centres was perceived to have increased instances of Fly-Tipping. (*There had been a nation-wide increase in Fly-Tipping during 2019/20 and onwards. There would be more detail to follow.*)
- Was there a plan to introduce Concessionary Parking Permits, as already existed in High Peak? (*This was being looked at, with a consultancy firm having been commissioned and a Working Group was being set up.*)

DECIDED – That the findings of the benchmarking exercises and the small refocus of the Corporate Plan for the following 12 months be **NOTED**.

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8 2ND QUARTER 2020/21 FINANCE, PROCUREMENT & PERFORMANCE REVIEW

Keith Pointon (KP) – Acting Head of Finance – informed members of the Council’s overall performance and financial position for the period ended 30 September 2020 (2nd Quarter 2020/21).

Detailed analysis was provided in Appendices A (Finance), B (Procurement) and C (Performance) and the position was summarised as follows:-

Subject	Headline	Reference
Finance	<p>The Finance headlines for the Second Quarter were:</p> <p><i>Performance against Budget</i></p> <ul style="list-style-type: none"> • At the Second Quarter stage the General Fund projected outturn for 2020/21 was an overspend of £106,130. <p><i>Efficiency Programme</i></p> <ul style="list-style-type: none"> • At Quarter Two £137,000 in savings had been taken against the 2020/21 general fund efficiency target of £519,000. It was anticipated that there would be a £380,000 shortfall in the year. <p><i>Capital Programme</i></p> <ul style="list-style-type: none"> • The revised Capital Programme budget for 2020/21 was £6.67 million including the carry forward of capital underspends from 2019/20. The projected outturn for the year was £2.91million; a variance of £3.76 million – mostly in respect of programme slippage due to Covid19. <p><i>Treasury Management</i></p> <ul style="list-style-type: none"> • Cash investments held at 30 September 2020 totalled £16.3 million. The Ascent loan and debenture stood at £19 million; • Council borrowing at 30 September 2020 was forecast to total £16 million by the year end (£14m related to the Ascent loan); • The Council’s net interest income receipts was projected as a £43,700 surplus above budget. <p><i>Revenue Collection</i></p> <ul style="list-style-type: none"> • 55.60% of Council Tax was collected by 30 September 2020 compared to 56.34% for the same period last year; • 50.32% of Business Rates was collected by 30 September 2020 compared with 55.57% for the same period last year; • At the end of the Second Quarter debt that was over 60 days old was £101,700 which compares with £67,310 at 30 September 2019. 	Appendix A
Procurement	<p>The Procurement headlines for the Second Quarter were:</p> <ul style="list-style-type: none"> • 9 procurement activities were completed; • The Procurement forward plan included 53 procurement activities for completion in 2020/21 (either SMDC only or joint); • At 30 September 2020, 76% 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

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Performance	The Performance headlines for the Second Quarter were: <ul style="list-style-type: none">• 83% of the key performance indicators on track (40% of which were better than the previous year);• The Council received 23 complaints, 70 comments and 53 compliments;• Priority Actions - 7 green, 2 completed, 1 red rated, remainder yet to commence.	Appendix C
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Discussion took place regarding the Ascent scheme. KP confirmed that Ascent was still operating financially. The changes to the New Homes Bonus Scheme had been delayed due to COVID-19, announcements were awaited. The Local Plan had now been agreed and the Affordable Housing Strategy was entwined within it. The Regeneration Team were working with Your Housing Group to promote it.

SMDC were assisting Parkwood with fixed costs relating to the Leisure Centres due to the COVID-19 lockdown enforcing their closure. This included costs associated with the Furlough scheme.

DECIDED – That the Second Quarter 2020/21 financial, procurement and performance position be **NOTED**.

9 MEDIUM TERM FINANCIAL PLAN 2021/22 - 2024/25 UPDATE

Claire Hazeldene (CH) – Interim Executive Director & Chief Finance Officer – advised that the previous update in September 2020 showed that £345,000 was to be drawn from the council's reserves as a result of COVID-19. This update took the form of its usual annual update and rolled 2024/25 into the plan, updated regarding inflation and interest rates. There was now rumour of a public sector pay freeze. An increase of 1.9% on Council Tax was anticipated.

The position was similar to that shown in September, with £1.8m to be drawn from the council's reserves over the course of the plan. Work was under way to set the 2021/22 budget set, however, no assumption was made regarding government financial support during that year.

DECIDED – That the updated Medium Term Financial Plan be **ENDORSED** and recommended for Cabinet to **APPROVE**.

10 INFORMATION GOVERNANCE UPDATE

Vanessa Higgins – Information Business Partner – advised members on how the Council continued to embed good information management practices through its ASSURED framework. The Information Governance Group, chaired by Mark Trillo, promoted these good practices and oversaw the Council's approach to good information governance.

The Council had made significant progress in its approach to information governance including the use of asset registers, impact assessments, breach reporting and an ongoing action plan to ensure that training was at the heart of this approach.

DECIDED – That the report be **NOTED**.

11 **JOINT VENTURE PARTNERSHIP TO DELIVERY FACILITIES MANAGEMENT SERVICES**

Neil Rodgers – Executive Director (Place) – introduced the report to confirm that an engagement was under way with Norse Group Ltd to develop a joint venture partnership for Facilities Management Services and to provide a vehicle for securing commercial opportunities to offer such services to other public and private sector organisations in Derbyshire and Staffordshire.

Norse was wholly owned by Norfolk County Council and already had 30 such agreements primarily with local authorities. The venture would be set up in a similar way to AES in that it would be co-owned by both the Alliance Councils and Norse.

The pre-existing contract with Derbyshire County Council, who had themselves moved over to VERTAS, had lapsed. This had led to a very difficult situation to manage. An early exit was required.

Also in line with AES, the partnership would be for 10 years and would bring a number of benefits, including a potential for growth and additional social value by utilising local businesses.

Members queried aspects of the report, including:-

- How many of the existing staff would be transferred over? (*Staff would be transferred under 'TUPE' arrangements, though the number was still to be determined. A local staff base was required. Such details would be clarified at the next step in the process.*)
- Could ongoing reports be presented to the Resources Panel? (*Noted.*)
- Would there be a 'break-out' clause relating to performance? (*Yes, Performance management would be dealt with by a 'Liaison Board'.*)
- Would there be any local Sub-Contracting? (*Yes, it was very likely, but the aim was to do as much as possible 'in-house'.*)
- Would Green Solutions be sought? (*Yes, this was seen as fundamental.*)

DECIDED – That the report be **NOTED**.

12 **WORK PROGRAMME**

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

13 **EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED:

That, pursuant to Section 100A(2) and (4) of the Local Government Act, 1972, the public be excluded from the meeting in view of the nature of the business to be transacted or the nature of the proceedings whereby it is likely that confidential information as defined in Section 100A (3) of the Act would be disclosed to the public in breach of the obligation of confidence or exempt information as defined in Section 100 I (1) of Part 1 of Schedule 12A of the Act would be disclosed to the public by virtue of the Paragraphs indicated.

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14 **2ND QUARTER FINANCE, PROCUREMENT & PERFORMANCE REVIEW
2020/21 - APPENDIX D**

Members considered a schedule of write off balances which were deemed as non-recoverable.

The meeting closed at 12.00 pm

_____ Chairman _____ Date