

STAFFORDSHIRE MOORLANDS DISTRICT COUNCIL

RESOURCES OVERVIEW & SCRUTINY PANEL MEETING

Minutes

WEDNESDAY, 2 FEBRUARY 2022

PRESENT: Councillor G Heath (Chair)

Councillors C J S Atkins, J Davies, E Fallows, K Flunder, M Gledhill, N Hawkins, T Holmes, K Hoptroff, B A Hughes, K J Jackson, J T Jones, L A Malyon, I Plant, S E Ralphs MBE, T Riley, P Routledge, P Wilkinson and N Yates

IN ATTENDANCE:	N Rodgers	Executive Director (Place)
	J Betts	Interim Executive Director (Finance)
	S Hampton	Member & Community Services Officer
	P Trafford	Member & Community Services Officer
	A Stokes	Chief Executive
	T Cooper	Head of Organisational Development and Transformation
	K Pointon	Head of Finance
	K Lomas	Head of Customer Services

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

There were no substitute members.

38 **MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the minutes of the meeting of the Resources Overview & Scrutiny Panel held on 17 November 2021 be **APPROVED** as a correct record and signed by the Chair.

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

There were no urgent items.

40 **DECLARATION OF INTERESTS:**

Councillor Wilkinson declared an “Other” interest, in that he was in receipt of a Covid Business Support Grant.

41 **WORK PROGRAMME**

RESOLVED – That the Work Programme for the remainder of 2021/22 and into 2022/23 be **AGREED**.

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

Question received from Councillor Malyon:-

Could I ask for clarification as to why there are variables in the 12 monthly car parking charges:

Leek Vicarage Road £55

Buxton Road £220

Cheadle Well Street 12 months £320

Biddulph Wharf Road 12 months £250

With variables for 3 months and 6 months.

Response from Councillor Hart, Portfolio Holder for Property & Tourism:-

SMDC issue a number of permits on the long stay car parks to facilitate commuters, businesses and residents, however there are current variances in the charging rates for the permits as follows:

1. Leek Vicarage Road £55

These are residents and workers permits and were put in place 2012-13 at the request of the previous portfolio holder as this car park was underutilised at the time. It's been a success with over 100 permits sold each year. The NHS staff who occupy Moorlands House also benefit as approximately 90 permits a year are sold to them. The car park provides an important "overspill" to Moorlands House car park for the working week. It is anticipated that working practices are likely to change following the pandemic, and the Council will need to review the usage of the car park and its permits.

2. Buxton Road , Leek £220.

This permit was also put in place in 2012-13 at the same time as the above as an option for commuters and people working in Leek.

3. Leek long stay car parks 12 months £370

4. Cheadle Well Street 12 months £320

5. Biddulph Wharf Road 12 months £250

The rationale for the difference in these charges outdates the current parking staff, however we have been able to establish they have increased on an inflationary basis along with the general parking charges. We have looked back through old Cabinet reports but the rationale isn't explicit, although there is certainly an argument that permits would have been granted on car parks who were less utilised in order to encourage more use of them.

The new SMDC Parking Strategy is being presented to Cabinet on the 8th February. It contains an action for the permits to be reviewed to ensure that the aims of the Council and the strategy is being achieved. This includes the potential offer of more "flexible" permit types which would reflect the changing flexible/agile working habits which are anticipated following the recent pandemic. We will review the permits to ensure that they are fair and encourage the use of the lesser used car parks to ensure that the council is making the most of its assets.

By way of supplementary questions, Councillor Malyon asked:-

1. The Budget documents presented at this meeting still reflect the differences shown above. A level playing field was needed.
2. High Peak Borough Council residents had different permits available. Shouldn't this be across the Alliance?

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Work was ongoing to make permits within SMDC more equitable. The 2 councils were separate organisations. Written replies to both these questions would be provided within 7 days of this meeting.

43 2021/22 BUDGET & MEDIUM TERM FINANCIAL PLAN 2021/22 - 2024/25

Councillor Ralphs introduced the proposed Budget for 2022/23 to members, together with the Medium Term Financial Plan 2022/23 to 2025/26, the Capital Strategy, Fees & Charges and the Procurement Forward Plan 2022/23.

Member queries were raised as follows (*responses in brackets*):-

- Could a breakdown of 'Earmarked Reserves' be provided? (*Yes, will do*);
- 'Headroom' figure was excellent. Could there be small incursion(s) where ambitions required? (*Risks associated with Covid recovery, inflation, the economy and Government led national review of local authority funding must be borne in mind*);
- Local procurement – limited ambition shown? (*The Council's procurement team worked hard to encourage local suppliers to tender for work. Bidding was open for all*);
- When were the Car Park Meters to be replaced? (*Within 12 months*);
- LED lighting on Car Parks – better if movement-sensitive? (*Caution required regarding pedestrian safety*);
- Climate Change was referred to throughout the documents. It would be good to see the effect on Carbon Footprint and the direction;
- Was the work on redundant mills to include Albion Mill, Biddulph? (*Yes. This strategy would eventually bring in extra revenue*);
- Poor bus service in rural areas meant there was a need to keep parking charges in Cheadle unchanged to encourage visitors to the town. (*This was under consideration by Cabinet. SCC were introducing a new bus service from end of February 2022*);
- Fair Funding Review and New Homes Bonus changes – when expected? (*Information awaited from Government. These matters were under consultation but no national timetable had been published yet*);
- No Capital Expenditure on Industrial Units until 2025/26. This was a worry.
- £10m loan to Ascent. What was SMDC getting out of it? (*The primary gain was the continued financial support for the provision of Social Housing in the district, secondary gain – income from interest charged on the loan*);
- Disabled Facilities Grants reserve now £4.2m. Were we still not spending our allocation within year? (*The Better Care Fund introduced the means testing system. The Facilities Management Joint Venture would give SMDC greater control, subject to contracts*);
- Communal electric vehicle charging points needed re the number of properties unable to install their own. (*This was being looked at. Suitable land was sought. Caution needed as fast-chargers required 3-phase electricity which was very expensive*).

RESOLVED - Notwithstanding the ongoing consideration by Cabinet regarding parking charges in Cheadle and subsequent potential changes to the proposed Budget, members were able to support the recommendations to Council:-

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- **Approval** of the General Fund Budget for 2022/23 as detailed in Appendix A (section 9);
- **Approval** of the revised Medium-Term Financial Plan (2022/23 to 2025/26) as detailed in Appendix A, including the revised Capital Programme (attached at Annex A);
- **Approval** of the Capital Strategy 2022/23 as set out in Appendix B;
- **Approval** of the proposed Fees and Charges for 2022/23 as detailed in Appendix C;
- **Approval** of the proposed Procurement Forward Plan for 2022/23, providing the authority to procure based on procurement activity detailed in Appendix D;
- **Approval** of a Band D Council Tax of £163.14 for 2022/23 (an increase of 2.99% from 2021/22);
- **Approval** of a Band D Council Tax of £52.92 for Leek and £10.64 for Biddulph for 2022/23 (no increase from 2021/22) in respect of Special District Expenses;
- **Note** the Chief Finance Officer's view that the level of reserves were adequate for the Council based on this budget and the circumstances in place at the time of preparing it (Appendix A Annex E).

44

THIRD QUARTER FINANCE, PROCUREMENT & PERFORMANCE REVIEW 2021/22

The report provided members with the Council's overall Performance, Financial and Procurement position at the end of the 3rd Quarter 2021/22 (31 December 2021) with headlines as follows:-

Subject	Headline	Reference
Finance	<p>The Finance headlines for the Third Quarter were: <i>Performance against Budget</i></p> <ul style="list-style-type: none"> • At the Third Quarter stage the General Fund projected outturn for 2021/22 was an underspend of £1,749,210 including £0.906m in Section 31 grants, which needed to be placed into reserves at year-end for distribution via the Collection Fund in future years. <p><i>Efficiency Programme</i></p> <ul style="list-style-type: none"> • At Quarter Three £633,000 in savings had been taken against the 2021/22 general fund efficiency target of £830,430. It was anticipated that there would be a £160,000 shortfall in the year. <p><i>Capital Programme</i></p> <ul style="list-style-type: none"> • The revised Capital Programme budget for 2021/22 was £4.83m including the carry forward of capital underspends from 2020/21. The projected outturn for the year at Quarter Three was £13.96m' an overspend of £9.13m. This reflected a £10m loan to Your Housing Group in relation to the provision of affordable housing in the District. <p><i>Treasury Management</i></p> <ul style="list-style-type: none"> • Cash investments held at 31 December 2021 totalled £18.7m. The Ascent loan and debenture stood at £17.15m; • Council borrowing at 31 December 2021 totalled £8m (relating to the Ascent loan); • The Council's net interest income receipts for the year was forecast to exceed the budget by £2,130 at the Quarter Three stage. <p><i>Revenue Collection</i></p> <ul style="list-style-type: none"> • 83.07% of Council Tax was collected by 31 December 	Appendix A

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	<p>2021 compared to 83.03% for the same period last year (43.92% in 2019/20);</p> <ul style="list-style-type: none"> • 76.34% of Business Rates was collected by 31 December 2021 compared to 801.61% for the same period last year (80.45% in 2019/20); • At the end of the Third Quarter debt that was over 60 days old was £46,727 which compared with £71,620 at 31 December 2020. 	
Procurement	<p>The Procurement headlines for the Third Quarter were:</p> <ul style="list-style-type: none"> • 13 procurement activities were completed; • The Procurement forward plan included 41 procurement activities for completion in 2021/22 (either SMDC only or joint); • At 31 December 2021, 50% of procurement activity undertaken was on the forward plan. 	Appendix B
Performance	<p>The Performance headlines for the Third Quarter were:</p> <ul style="list-style-type: none"> • 74% of the key performance indicators were on track; • The Council received 47 complaints, 142 comments and 35 compliments; • Priority Actions – 13 green, 2 amber, 1 completed, 16 grey. 	Appendix C

Member enquiries were as follows (*responses in brackets*):-

- Leisure provision was very poor. What would happen to the reported £199,130 underspend? (*The budget was set to continue to support Parkwood Leisure throughout the year. The underspend occurred due to an early recovery from the effects of Covid. Any decision on the use of year end underspends would be made as part of consideration of the outturn report*);
- Why was £22,000 used from the Climate Change reserve for the Energy Audit? Could this not be funded from the £61,110 underspend in the Member Services budget? (*This was an un-budgeted exercise to baseline future energy savings resulting from climate change activity and was therefore a legitimate use of the reserve*);
- How much had been saved by the fact that large areas of Moorlands House had been under-occupied during Covid? (*The building had still been occupied by other partners during the pandemic and some staff were in most days, so heating and lighting savings were likely to be minimal. There had also been extra I.T. costs incurred*);
- What was the cost of the collection of Fly-Tipping? (*A breakdown would be provided*).

RESOLVED – That the Panel **NOTE** the Third Quarter 2021/22 financial, procurement and performance position as detailed in Appendices A, B and C and summarised at 3.3 of the report.

45 ACCESS TO SERVICES, DIGITAL AND ORGANISATIONAL DEVELOPMENT STRATEGIES

The report reflected the ‘New World’ which had been hastened by the Covid Pandemic, which had shifted the way the Council communicated with the public and vice-versa to be more self-service.

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Since the re-opening of the Council's 3 'One-Stop-Shops' in September 2021, footfall had been very low. Staff were continuing with flexible working.

Changes would be required in I.T., staff working, Climate Change provision, Management Team and other areas. Information Digests had been issued to members over the last 2 years. Each of the 3 strategies required an Action Plan, which would be amalgamated.

Members expressed concerns regarding the 'Digital Divide' – age-related, economic and geographic. Every effort was to be made to correct this in the strategy but it was stressed that this was not a total shift to digital communication, merely to make digital more available. Consultation with Parish Councils and the public would be carried out and further reports would be tabled.

RESOLVED – That the Panel recommended to Cabinet:-

- To **APPROVE** the Access to Services Strategy (Appendix A to the report);
- To **APPROVE** the Digital Strategy (Appendix B);
- To **APPROVE** the Organisational Development Strategy (Appendix C);
- To consider a combined action plan for delivery of the strategies at its April meeting;
- To delegate the consideration and approval of arrangements for external expertise to support the delivery of the strategies to the Leader and Portfolio Holder for Customer Services following the completion of the procurement exercise as outlined in section 12 of the report.

46 **FACILITIES MANAGEMENT JOINT VENTURE**

A presentation was given to members on Facilities Management in the Confidential section of the meeting.

47 **USE OF CONSULTANTS**

Following previous member requests, the report outlined the Council's use of external consultants. There was no ongoing budget for consultants as the cost was met from the budget of whichever specific project that it related to.

The cost of recent consultants was shown as:-

Company	Activity	Cost (£'000)
Parking Matters	Car Park Strategy	20
Trade Risks	Advice on debt arrangement services – proposed loan to Your Housing company	16.5
FMG Consulting	Strategy and options for future leisure provision	12.5
Bloom Procurement Services (*)	Leisure consultancy prior to formal review	32
Link Asset Services	Due diligence review of Ascent	6.5
CIPFA Solutions	Review of potential facilities management arrangements with Keir	15

(*) Commissioned jointly with High Peak Borough Council

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Further options to consider the impact of such expenditure were shown as:-

- Reasons for use of external support;
- Cost;
- Work produced;
- Benefits gained;
- An assessment of value for money;
- Lessons learned (if any).

Members expressed a wish to see the end result and value achieved by such exercises and highlighted examples where the outcomes had been less than favourable.

RESOLVED – That the Panel:-

- **NOTED** the outlined process whereby consultants were procured;
- **NOTED** the recent spend on consultancy services (and the issues related to any definition of “consultancy spend”);
- Identify any specific areas of spend for further analysis.

48 EMPTY PROPERTIES LEVY

John Betts (JB) – Interim Executive Director of Finance – updated members on the Council Tax Levies Policy which was to include a new charge on properties empty for at least 10 years and the circumstances where a levy may be waived. There were 60 properties which would become subject to the new levy with effect from 1 April 2022.

Members welcomed the report and queried whether similar arrangements were in place for commercial properties, also whether ‘Levelling Up’ funds could be used in conjunction?

JB confirmed that commercial properties came under a different framework. A Government White Paper was awaited on Levelling Up.

RESOLVED – That the Panel recommend Cabinet to **APPROVE** amendments to the current Council Tax Reductions and Levies Policy to cover:-

- A levy of 300% of Council Tax for properties empty for at least 10 years, from 1 April 2022;
- Clarification on circumstances where the levy may be waived.

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49 **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.

50 **EXEMPT MINUTES OF THE PREVIOUS MEETING**

The Exempt minutes of the meeting held on 17 November 2021 were considered.

The meeting closed at 1.15 pm

_____ Chairman _____ Date