

Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Wednesday 7 December 2022

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Committee members present:

Councillor Fry (Chair)

Councillor Jarvis

Councillor Latif

Officers present for all or part of the meeting:

Nigel Kennedy, Head of Financial Services

Bill Lewis, Financial Accounting Manager

Anna Winship, Management Accountancy Manager

Richard Doney, Scrutiny Officer

1. Apologies

No apologies were received.

2. Declarations of interest

No declarations of interest were made.

3. Finance and Performance Work Plan

The Panel noted its work plan without amendment.

4. Notes of Previous Meeting

The Panel approved the notes of the previous meeting. The Panel confirmed its expectation that a report on corporate assets and debts was to be received by the Budget Review Group and one on car parking and fees to be received by the Panel at its next meeting.

5. Integrated Performance Report Q2

In the interests of time, the Chair asked that no introduction be given to the report and, instead, the Panel raised questions. The Head of Financial Services, the Management Accountancy Manager, and the Financial Accounting Manager answered those questions.

The Head of Financial Services was fairly confident about the Council's assumption that the Leisure Management fee would be paid in full, as set out on page 18, given

that it was being billed and paid on a monthly basis. He reported that there was some hesitation because utilities bills were not being paid with the same ease.

It was explained that the corporate risk register showed leisure services as red on the corporate risk register but that was do with particular issues, primarily related to staffing and recruitment. This issue was raised regularly with client officers and was causing some operational pressures.

It was advised that the adverse variance relating to court cost income described in the paragraph 'Financial Services' on page 19 was compatible with 'successful arrears recovery' because the Council took a proactive approach to arrears. Whilst it had budgeted for income being achieved through the courts for non-payment, that was being achieved without the need to go through the cost of going to court.

The Council was not currently compliant with Payment Card Industry Data Security Standards (PCIDSS). PCIDSS compliance had proved a challenge for many councils but, with the new telephony contract, there was optimism that, from next financial year, it would be easier to achieve.

Slippage on the programme in Housing meant less borrowing on the HRA and that therefore less interest was charged. This was reported as an adverse variance on the revenue account but a favourable one on the capital account.

There was still uncertainty regarding variances with utility cost pressures. It was understood that the Council would not be getting Government support from March. £0.710 million remained the best estimate but had been through several different iterations given the volatility of the market. Looking at forward prices for next year was suggested by the Panel.

The efficiencies section at paragraph 8 showed that the larger savings were on track and the relevant officers were commended for that by the Panel.

'General Minor Works' is a large sum because it covers all repairs to Council homes. The Panel noted that, at £1.262 million, it was a large sum which represented 10% of the housing revenue repairs budget.

The slippage of the capital budget appeared to the Panel to be consistently one quarter of the budget and there was discussion as to the merits of planning for a lower capital programme. The Panel suggested that conversation might be had with the Head of Corporate Property about the matter.

The Panel asked for more detail on "Repairs to 2-4 Gloucester Street and 24-26 George Street" and whether a tenant was already arranged.

Dustcarts cost in the region of £200k and it was suggested that the size of the slippage of vehicle purchases might have related to that. The Panel asked for further information on this.

The Panel commended officers for bringing in the Oxpens Car Park with an underspend.

Information was requested about the slippage on Fire doors.

Members of the Panel expressed their view that terrorism ought not to be on the register as a red risk.

The Panel noted its concern about fire doors and commended officers for work on efficiencies but made no recommendations to Cabinet.

Information requested by the Panel:

- The slippage of £2.357 million on vehicle purchases in the General Fund.
- The slippage of £1.838 million on Fire Doors in the HRA.

6. Treasury Management Mid-Year Review for April – September 2022

The Panel thanked the Financial Accounting Manager for the clarity of the report. The Panel and officers regretted that no progress had yet been deemed possible on replacing investments that had been held in the Barclays Green Bond.

It was confirmed that the returns of 3-4% described in paragraph 27 were annualised rather than quarterly.

7. Medium Term Financial Strategy 2024-25 to 2026-27 and 2023-24 Budget for Consultation

The Panel noted the MTFS and Budget papers and agreed that it would share questions with the Scrutiny Officer by email for forwarding to officers for written response in advance of the work of the Budget Review Group.

8. Scrutiny Performance Monitoring

The Panel noted the performance monitoring update and, in doing so, the Panel expressed its concern with the presentation of the data submitted. The Panel considered that the information provided on the various KPIs was too variable to mean that the report as a whole was useful and noted that some information was absent. Some commentary was qualitative which the Panel considered less useful to monitor performance and some was quantitative.

The Panel requested fairly brief comment with clear numbers so that it could monitor performance. The Panel also explained that it would welcome benchmarks being provided too as well as an indication of whether progress was improving or declining.

The Scrutiny Officer and the Head of Financial Services agreed to meet to discuss this.

The Panel requested that information on Fusion and Leisure Services revenue be reported on at a future meeting.

9. Dates of Future Meetings

Members of the Panel agreed to meet virtually as the Budget Review Group on 04, 05, 10, and 19 January 2023.

The Panel will also meet virtually as the Finance and Performance Panel on 23 January and 28 March 2023.

The meeting started at 6.00 pm and ended at 7.15 pm

Chair
2023

Date: Thursday 26 January

When decisions take effect:

Cabinet: after the call-in and review period has expired

*Planning Committees: after the call-in and review period has expired and the formal
decision notice is issued*

All other committees: immediately.

Details are in the Council's Constitution.