

To: Cabinet

Date: 15 July 2020

Report of: Finance and Performance Panel (Panel of the Scrutiny Committee)

Title of Report: Integrated Performance Report 2019/20 Q4

Summary and recommendations	
Purpose of report:	To present Finance and Performance Panel recommendations concerning the Integrated Performance Report 2019/20 Q4
Key decision:	Yes
Scrutiny Lead Member:	Councillor James Fry, Chair of the Finance and Performance Panel
Cabinet Member:	Councillor Ed Turner, Cabinet Member for Finance and Asset Management
Corporate Priority:	All
Policy Framework:	Council Strategy 2020 - 24
Recommendation: That Cabinet states whether it agrees or disagrees with the recommendation made in the body of this report.	

Appendices
None

Introduction and overview

1. At its meeting on 07 July 2020, the Finance and Performance Panel considered the end of year Integrated Performance Report 2019/20, detailing the Council's financial, performance and risk measures.
2. The Panel would like to thank Nigel Kennedy, Head of Financial Services, for compiling the report and supporting the meeting, Helen Bishop for co-compiling the report, and Anna Winship, Management Accountancy Manager, for presenting the report and answering questions.

Summary

3. The Panel was introduced to the Cabinet report by Anna Winship, Management Accountancy Manager. The main financial, risk and performance headlines were outlined to the Panel with explanations provided for the main causes. In response, the Panel's areas of questioning focused primarily on the level of capital spending over the last year, levels of reserves and specific areas of significant variance between outturns and budgeted figures, the majority of which were bringing forward spend in multi-year projects.
4. The Panel makes one recommendation concerning service charge levels within the HRA.

Service Charge Levels

5. The Panel discussed in detail paragraph 19 of the Cabinet report, and specifically the favourable variances reported in relation to service charges and management and services within the HRA. In particular, the question was raised over how the Council might know if it were making a profit from service charges. It was noted that a significant majority of the favourable variance in service charge levels related to costs passed to leaseholders, a heavily regulated area designed to stop overcharging. It was also explained, however, that the mechanism for setting service level charges for tenants was considered within the broader context of contributing towards a balanced HRA and was not regulated in such defined terms. Panel members suggested that in light of the surplus shown in the HRA it was possible, therefore, (though not guaranteed) that the mechanism may not be working to ensure the charges levied to tenants matched the costs incurred. It is the view of the Panel that at the present time the Council's anti-poverty agenda is of particularly critical importance, and that the Council should make all efforts to satisfy itself that it is not charging financially vulnerable residents more than is necessary at the present time.

Recommendation 1: That the Council reviews the service charges it makes to Council housing tenants to ensure current levels reflect actual costs.

Further Consideration

6. The Scrutiny Committee has agreed to consideration of quarterly Integrated Performance Reports for the remainder of the civic year.

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Cabinet response to recommendations of the Finance and Performance Panel made on 07/07/2020 concerning the Integrated Performance Report 2019/20 Q4 report

A verbal response will be provided by Cabinet Member for Finance and Asset Management, Councillor Ed Turner

<i>Recommendation</i>	<i>Agree?</i>	<i>Comment</i>
<i>1) That the Council reviews the service charges it makes to Council housing tenants to ensure current levels reflect actual costs.</i>		

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