

**EXECUTIVE OVERVIEW & SCRUTINY
COMMITTEE**

HELD: Tuesday, 6 September 2022

Start: 7.00 pm

Finish: 9.16 pm

PRESENT:

Councillors: A Owens (Chairman)
J Finch (Vice-Chairman) P Burnside
I Eccles A Fowler
S Gregson D Owen
E Pope D Westley
Howard J Thompson

In attendance:

Councillors: M Blake and J Upjohn

Officers: Heidi McDougall, Corporate Director of Place & Community
Simon Peet, Corporate Finance Manager (Deputy S151)
Paul Charlson, Head of Planning & Regulatory Services
Kathryn Sephton, Clean & Green Operations Manager
Tom Dickinson, Principal Solicitor
Christina Docherty, Customer Contact Centre Manager
Steven Faulkner, Planning Services Manager
Peter Gregory, Estates & Valuations Manager
Peter Quick, Group Accountant
Rebecca Spicer, Insurance and Risk Officer
Christine Whittle, Strategic Planning Manager

16 **APOLOGIES**

There were no apologies for absence received.

17 **MEMBERSHIP OF THE COMMITTEE**

In accordance with Council Procedure Rule 4, the Committee noted the termination of Councillors D Whittington and Councillor I Rigby and the appointment of Councillors J Howard and J Thompson for this meeting only, thereby giving effect to the wishes of the Political Groups.

18 **URGENT BUSINESS, IF ANY, INTRODUCED BY THE CHAIRMAN**

There were no urgent items of business.

19 **DECLARATIONS OF INTEREST**

There were no declarations of interest.

20 **DECLARATIONS OF PARTY WHIP**

There were no declarations of Party Whip.

21 MINUTES

RESOLVED: That the Minutes of the meeting held on 26 May 2022 be received as a correct record and signed by the Chairman.

22 PUBLIC SPEAKING

There were no items under this heading.

23 RELEVANT MINUTES OF CABINET

Consideration was given to the Minutes of Cabinet held on 7 June 2022 as contained on pages 157 to 164 of the Book of Reports.

The Chairman raised a comment in respect of Minute 9 – Council Tax and NNDR Discretionary Funding Schemes, in respect of the agreed comments of Executive Overview & Scrutiny Committee that were presented to Cabinet for their consideration. It was suggested there be a consistent approach for consideration of agreed comments of the Executive Overview & Scrutiny Committee at future Cabinet meetings.

RESOLVED: That the Minutes of Cabinet held 7 June 2022 be noted.

24 RISK MANAGEMENT FRAMEWORK & KEY RISK REPORT

Consideration was given to the report of the Head of Finance, Procurement & Commercial Services as contained on pages 165 to 182 of the Book of Reports which provided an update on the council's Risk Management Framework and presented the current key risk register.

The Risk & Insurance Officer outlined the report and advised that the framework has continued to operate effectively over the last 6 months. She informed that Annual risk refresher training for all staff commenced in June and Risk training for Members took place on 7th July. 'Lunch and Learn' Risk Management sessions continue, as does the council's risk newsletter 'Risk Roundup'. She informed that Zurich were commissioned to carry out a risk management health check which commenced in July 2022, the findings of the report will be presented to Members with the Annual Report in February 2023.

She informed that the Key Risk Register (Appendix A) gives a summary of the 14 risks assessed as being key risks. She advised that four new risks had been added to the Register and three risks removed. In relation to COVID-19, it was explained that this has been removed as a key risk but remains as a 'Service Risk' as Covid - 19 no longer represents a significant threat to the aims and achievements of the Council's objectives. Members were advised that there are currently no key risks that fall into the 'critical' category.

Comments and questions were raised in respect of the following:

- Tawd Valley Development Business Plan

- Recruitment and Retention of Staff
- Corporate Governance
- General Revenue Account budget position – Quarterly update
- Treasury Management
- Landlord Compliance & Regulatory Requirements (Health & Safety) – Work to lower risk rating
- Community Infrastructure levy (CIL) – A dedicated CIL Officer post has now been recruited
- Delays in preparation of new Local Plan – Staff resources

RESOLVED:

- A. That the progress made in relation to the management of the risks shown in the Key Risk Register (Appendix A) be noted.
- B. That the following agreed comment of Executive Overview and Scrutiny Committee be considered by Cabinet:
That the risk owner look again at the risk 'Delays In Preparation of new Local Plan' to change the rating higher than 'cautious'.

25 2022-23 QUARTER 1 REVENUE MONITORING GRA (GENERAL REVENUE ACCOUNT)

Consideration was given to the report of the Head of Finance, Procurement and Commercial Services as contained on pages 183 to 186 of the Book of Reports which provided a summary of the General Revenue Account (GRA) position for the 2022/23 financial year at quarter 1.

The Group Accountant outlined the report detailing the following.

- That the quarter 1 forecast outturn position shows a £240k overspend
- The £240k overspend relates to the on-going underachievement of the investment income target of £500k set at the time of SORP
- The current Local Government pay offer for 2022/23
- Escalating energy costs, an estimation of the impacts currently shows a £200k energy cost pressure is expected in 2022/23.

The Chairman welcomed the quarter one position monitoring report and informed that it was found helpful.

RESOLVED:

- A. That the 2022/23 GRA quarter 1 position be noted.
- B. That future GRA Revenue Monitoring reports be considered by the newly established Budget/Council Plan Committee, unless there are specific recommendations for this Committee and Cabinet to consider.

26 2022-23 QUARTER 1 CAPITAL MONITORING GRA (GENERAL REVENUE ACCOUNT)

Consideration was given to the report of the Head of Finance, Procurement and Commercial Services as contained on pages 187 to 194 of the Book of Reports which, provided the Revised General Revenue Account (GRA) Capital Programme for 2022/23 and an update on the progress of capital schemes at quarter 1.

The Corporate Finance Manager outlined the report detailing the following:

- The capital programme for 2022/23 now totals £15.295m including the re-profiling from 2021/22.
- The on-going exercise of reviewing capital schemes had identified £4.551m to be re-profiled into future years at quarter 1.
- 20 council house sales had been achieved at quarter 1 and the 50 target is expected to be met.

RESOLVED:

- A. That the revised Capital Programme, including the re-profiling, virements and budget adjustments contained within Appendix A to the report, and the progress against the Revised Capital Programme at Quarter 1 be noted.
- B. That future GRA Capital Monitoring reports be considered by the newly established Budget/Council Plan Committee, unless there are specific recommendations for this Committee and Cabinet to consider.

27 2022-23 QUARTER 1 REVENUE AND CAPITAL MONITORING HRA (HOUSING REVENUE ACCOUNT)

Consideration was given to the report of the Head of Finance, Procurement and Commercial Services as detailed on pages 263 to 272 of the Book of Reports, which provided a summary of the Housing Revenue Account (HRA) and Housing Capital Programme positions for the 2022/23 financial year.

The Group Accountant outlined the report and referred to the following:

- Employee expenses – Staffing vacancies, Pension fund
- Dwelling rents – TVD stock increases
- Response repairs and revenue voids work outturn
- Gas costs - District Heating Service
- Proposed budget adjustments identified - To move £50k budget from central administration to electrical testing; and £30k from contributions to bad debt provision to central heating servicing.

RESOLVED:

- A. That the 2022/23 HRA and Housing capital programme positions and the proposed budget adjustments identified in paragraphs 4.3 and 4.4 of the report be noted.

- B. That future HRA and Housing capital programme monitoring reports be considered by the newly established Budget/Council Plan Committee, unless there are specific recommendations for this Committee and Cabinet to consider.

28 MEDIUM TERM FINANCIAL STRATEGY UPDATE 2022/23-2024/25

Consideration was given to the report of the Head of Finance, Procurement and Commercial Services as detailed on pages 273 to 288 of the Book of Reports, which presented to members the updated Medium-Term Financial Forecast (MTFF) for 2023/24 to 2025/26.

The Corporate Finance Manager outlined the report which informed of the latest forecast budget gap for the three years of £3.014m, comprising:

- £0.539m in 2023/24
- £1.474m in 2024/25
- £1.001m in 2025/26

Detailing the following:

- The graphical presentation of the budget gap in section 5.2 split between net budget and funding, that highlights the forecast funding levels are not increasing at the same rate as the net budget.
- Section 5.5 highlights the notable funding assumption of the business rates baseline reset and reforms are assumed to be implemented for 2024/25 and this potentially reduces funding received from business rates by c.£2m.
- Section 9.2 the proposed timeline for the 2023/24 budget setting.

RESOLVED:

- A. That the report, setting out the latest Medium-Term Financial Forecast (MTFF) for 2023/24 to 2025/26 and the latest reserves position as at, 31 March 2022, be noted.
- B. That the annual budget setting process for 2023/24, detailed in paragraph 9 of the report, be endorsed.

29 2022/23 TREASURY MANAGEMENT & PRUDENTIAL INDICATORS

Consideration was given to the report of the Head of Finance, Procurement and Commercial Services as contained on pages 195 to 202 of the Book of Reports which, provided the 2022/23 Treasury Management and Prudential Indicators Quarter 1 Monitoring.

The Corporate Finance Manager outlined the report which provided an updated position on the Treasury Management activity and Prudential Indicators performance for the first quarter of 2022/23, detailing the following:

- That Quarterly Monitoring is now mandatory under the revised Prudential Code.
- The tables in section 4.3 and 4.4 show the latest forecast interest and borrowing rates.
- The table in section 5.3 shows a reduction in Treasury Investments of £7m over the first quarter, from £28m at 31st March to £21m at the end of Qtr1.
- Section 5.6 identifies that the Council is currently holding one-off funding of c.£10m that is awaiting to be paid out and will reduce the investment balances to c.£11m.
- The table in 7.3 shows current borrowing of £88m, whilst the Capital Finance Requirement at 31st March was c.£112m, resulting in a £24m under-borrowed position, due to financing the Capital Programme through internal borrowing.

The Chairman welcomed the quarter one position monitoring report and informed that it was found helpful.

RESOLVED:

- A. That the Treasury Management activity and Prudential Indicator performance for the first quarter of 2022/23 be noted.
- B. That future Treasury Management monitoring reports be submitted to the newly established Budget/Council Plan Committee, unless there are specific recommendations for this Committee and Cabinet to consider.

30 CUSTOMER CONTACT CENTRE CALL HANDLING - WL108 PERFORMANCE INDICATOR

Consideration was given to the report of the Corporate Director of Housing, Transformation and Resources contained at pages 203 to 208 of the Book of Reports, regarding the Customer Contact Centre Call Handling – WL108 Performance Indicator.

The Customer Contact Centre Manager provided Committee with an overview of the report, and level of resources required to enable the target for WL108 average answered wait time for calls to the contact centre to reduce to 60 seconds.

Comments:

- Current answer time of 145 seconds is very reasonable
- No formal complaints been received
- Quality of service more important

RESOLVED:

- A. That Committee note the report and support the recommendation to Cabinet that WL08 remains at 145 seconds.
- B. That Staff be thanked for their hard work and compliments be passed on with regard to no complaints received.

31 CORPORATE PEER CHALLENGE

Consideration was given to the report of the Corporate Director of Housing, Transformation and Resources contained at pages 209 to 244 of the Book of Reports, regarding the Corporate Peer Challenge and draft action plan

The Corporate Director of Place & Community, provided members with an overview of the report and action plan, welcoming comments to pass to Cabinet, for approval.

RESOLVED:

That the Draft Action Plan be noted and passed to Cabinet for approval.

32 CIL FUNDING PROGRAMME FOR 2023/24

Consideration was given to the report of the Corporate Director of Place and Community contained at pages 289 to 332 of the Book of Reports, regarding Community Infrastructure Levy Funding Programme 2023/24.

The Head of Planning and Regulatory Services provided Committee with an overview of the report which sought approval of a temporary suspension of part of the Community Infrastructure Levy (CIL) Funding Programme 2023-2024.

RESOLVED: That the content of the report be noted and the temporary suspension of part of the CIL 2023/24 Funding Programme, be endorsed.

33 PLANNING SERVICE REVIEW - UPDATE

Consideration was given to the report of the Corporate Director of Place and Community contained at pages 333 to 338 of the Book of Reports, regarding the Planning Services Review update.

The Head of Planning and Regulatory Services provided members with an update of progress made on the Planning Services review, including background, achievements and relevant issues and risks for the future delivery of the plan in order to achieve the best realistic outcomes for the Council.

Following discussion it was felt that regular updates on progress was appropriate via Executive Overview and Scrutiny Members Updates to enable Members to 'Call In' the matter if required. Given the complexity of the review and what is still to be achieved, the Committee also felt that a further in-depth report should be presented

to the Committee. In doing so, the Committee were satisfied that Officers were also able to submit a report to an earlier meeting of the Committee should any risk and/or issue warrant such action in the meantime.

RESOLVED:

- A. That the Update on progress with implementing the recommendations of the Planning Services review be noted.
- B. That future progress reports be reported via the Overview and Scrutiny Committee Members Update, unless there are specific recommendations that need consideration by this Committee and Cabinet, and
- C. That, a further detailed update report be submitted to Executive Overview and Scrutiny Committee in May 2023.

34 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED

That under Section 100(A) of the Local Government Act 1972, public be excluded from the meeting during consideration of the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 part 1 of Schedule 12A outweighs the public interest in disclosing the information

35 **DEVELOPMENT OPTIONS FOR LAND AT NEW COURT WAY, ORMSKIRK**

Consideration was given to the report of the Director of Transformation, Housing and Resources as contained at pages 255 to 262 of the Book of Reports, in respect of development options for land at New Court Way Ormskirk.

The Estates & Valuations Manager outlined the report and responded to comments and questions raised by Members of the Committee.

RESOLVED:

That the report be considered and noted and passed to Cabinet for their consideration.

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Chairman