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Venue:	Microsoft Teams - Remote
Date:	Thursday, 24 September 2020
Time:	5.00 pm
Present remotely via Teams:	Councillors Shaw-Wright (Chair), W Nichols (Vice-Chair), R Sweeting, A Lee, N Reader and M Topping
Officers present remotely via Teams:	Suzan Harrington – Director of Corporate Services and Commissioning, Stuart Robinson – Head of Business Development and Improvement, Peter Williams – Head of Finance, Drew Fussey – Operational Service Manager, Keith Cadman – Head of Commissioning, Contracts and Procurement, Aimi Brookes – Contract Teams Leader, Angela Crossland – Head of Community, Partnerships and Customers, Victoria Foreman – Democratic Services Officer

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**13 APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**14 DISCLOSURES OF INTEREST**

There were no disclosures of interest.

**15 MINUTES**

The Committee considered the minutes of the meeting held on 13 August 2020.

**RESOLVED:**

**To approve the minutes of the Scrutiny Committee meeting held on 13 August 2020 for signing by the Chair.**

**16 CHAIR'S ADDRESS TO THE SCRUTINY COMMITTEE**

There was no Chair's address to the Committee.

## **17 WORK PROGRAMME**

The Democratic Services Officer presented the work programme for 2020-21 to Members.

The Committee considered the work programme and proposed and seconded that it be agreed.

### **RESOLVED:**

**The Committee noted the Scrutiny Committee Work Programme 2020-21.**

## **18 CORPORATE PERFORMANCE REPORT - QUARTER 1 2020/21 (APRIL TO JUNE) (S/20/5)**

The Committee received the report of the Head of Business Development and Improvement which asked Members to consider and comment on the performance information contained in the report.

Members noted that the quarterly corporate performance report provided a progress update on delivery of the Council's Corporate Plan 2015-20 as measured by a combination of: progress against priority projects/high level actions, and performance against KPIs.

Officers gave an overview of the report and detailed what had went well in Quarter 1, as well as aspects of performance had not been as good in some areas.

Members considered the report and asked Officers to relay the Committee's thanks to all staff that had been working particularly hard during the Covid-19 pandemic.

### **RESOLVED:**

**To note the Corporate Performance Report for Quarter 1 2020-21 (April to June).**

## **19 FINANCIAL RESULTS AND BUDGET EXCEPTIONS REPORT TO 30TH JUNE (S/20/6)**

The Committee received the reports of the Chief Finance Officer which asked Members to consider and comment on the financial information that covered Quarter 1 of 2020-21.

Officers explained that Covid-19 had substantially impacted the 2020-21 financial year. The Council had been reporting monthly to the Ministry of Housing, Communities and Local Government (MHCLG) and the Executive the estimated impacts on income streams and cost base, affecting both the General Fund and the HRA.

The Committee noted that at the end of Quarter 1, taking into account

Covid-19 and other issues, current estimated full year revenue outturn estimates indicated deficits of £1,164k for the General Fund and £374k for the Housing Revenue Account.

Officers explained that General Fund planned savings were showing a forecast shortfall of £603k, whilst the Housing Revenue Account was forecasting savings to be £195k lower. Much of this related to staff capacity at the Council to deliver savings this year where Covid-19 had led to a requirement for additional resources to deal with backlogs, where otherwise savings would have been expected to be made. There had been delays to negotiations on the environmental contract negotiations plus Covid-19.

Members acknowledged that the capital programme was currently forecasting an underspend of (£9,329k); (£3,641k) General Fund and (£5,688k) Housing Revenue Account. In the General Fund, the majority related to loans to the Housing Trust and the purchase of land whilst the HRA variance was due to much lower expected spend on the housing development and property improvement programmes in this financial year.

The report set out that Programme for Growth projects continued, but progress in terms of financial spend had been mostly staff cost in quarter 1.

Officers confirmed that the MHCLG return submitted for July indicated an overall estimated gross impact on Council finances of £3,759k across both the General Fund and HRA.

Members asked a number of queries about the report in relation to the HRA deficit, the adaptations budget, budgetary underspends and reasons for these, and the retail and hospitality grants issued by the Council during lockdown.

Officers explained that there were three main sources of funding for the HRA, and that in relation to the receipt of rents this was doing relatively well but would be monitored on a monthly basis. Savings across a number of budgets were due to the lack of staff in the offices due to Covid-19. Officers confirmed that they would provide further information to Members on savings and housing adaptations after the meeting.

In relation to retail and hospitality grants, Members noted that during the first round of such grants the Council was given some flexibility in how it could spend any residual funds left. Some of the £40k that remained was being spent on late grant applications for funding, and no definitive response had yet been received from the government about whether it could be used to support businesses in other ways.

The Committee were also informed that a new support scheme had been announced that would provide a £15,00 payment to businesses

in case of a local lockdown; no specific guidance had yet been received on how these funds could be used, but Officers would consider it carefully when it was.

**RESOLVED:**

**To note the Council's financial results and budget exceptions in Quarter 1 in 2020-21.**

**20 TREASURY MANAGEMENT - QUARTERLY UPDATE Q1 2020/21 (S/20/7)**

The Committee received the report of the Chief Finance Officer for Quarter 1 of 2020-21, which asked Members to consider and comment on the information contained therein.

The report reviewed the Council's borrowing and investment activity (Treasury Management) for the period 1 April to 30 June 2020 (Q1) and presented performance against the Prudential Indicators.

Members noted that on average the Council's investments totalled £75.0m over the quarter at an average rate of 0.77% and earned interest of £143.9k (£103.9k allocated to the General Fund; £40k allocated to the Housing Revenue Account (HRA) which was £22.7k above the year to date budget. Cash balances were expected to gradually reduce over the year, and interest rates were now at unprecedented low levels, so forecast returns could be in the region of £260k, a budget deficit of £225k. The Bank Rate of 0.10% was expected to remain in place for at least the next two years, and a Brexit trade deal was yet to be agreed. The position would be kept under review.

Officers explained that in addition to investments held in the pool, the Council had £4.69m invested in property funds at 30 June 2020. The funds achieved 3.59% revenue return and 2.91% capital loss. This resulted in revenue income of £41.7k to the end of Quarter 1 and an 'unrealised' capital loss of £136.6k. These funds were long term investments and changes in capital values were realised when the units in the funds were sold.

The Committee acknowledged that long-term borrowing totalled £52.833m at 30 June 2020, (£1.6m relating to the General Fund; £51.233m relating to the HRA). Repayment was made in May 2020 of £6.5m in HRA debt. Interest payments of £1.917m were forecasted for 2020/21, a saving of £0.871m against budget. This was due to HRA budgets allowing for borrowing to support housing delivery, which had not been required to date. The Council had no short term borrowing in place at 30 June 2020.

Lastly, Members noted that the Council's affordable limits for borrowing were not breached during this period.

**RESOLVED:**

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**The Committee endorsed the actions of Officers on the Council's treasury activities for Quarter 1 2020/21 and approved the report.**

**21 OUTCOME OF HOUSING CENTRE REVIEW BY TASK AND FINISH GROUP WITH RECOMMENDATIONS (S20/8)**

The Committee considered the report of the Operational Service Manager which asked Members to agree the recommendations for subsequent referral to the Executive for consideration and approval.

Officers explained that in March 2019 Selby District Council's Scrutiny Committee had agreed to establish a Task and Finish Group, to work in partnership with the Tenant Scrutiny Committee, in order to facilitate a review of Council-owned Housing Centres. This review took place between November 2019 and February 2020, with the aim of making recommendations to the Council's Executive as to the future management of the centres.

The recommendations of the Group were set out in the report and summarise by the Operational Service Manager.

The Committee considered the report and agreed that it had been useful to visit all of the Housing Centres in the district in order to inform the recommendations set out in the report. It was proposed and seconded that the report be referred to the Executive.

**RESOLVED:**

**That the recommendations set out in the report be referred the Executive for consideration and approval.**

**22 INSPIRING HEALTHY LIFESTYLES - SELBY ANNUAL REVIEW 2019-20 AND VERBAL UPDATE ON URGENT DECISION TAKEN DURING COVID-19 RELATING TO LEISURE SERVICES MADE IN MAY 2020 (S/20/9)**

The Committee received the report of the Head of Commissioning, Contracts and Procurement which asked Members to consider and comment on the content of the Annual Review 2019-20, and note the information provided by Officers on the urgent decision taken during Covid-19 in May 2020 relating to the waiving of a portion of the management fees for the Leisure Services Contract.

Members noted that the review covered the period April 2019 to March 2020 inclusive. Inspiring healthy lifestyles (IHL) worked in partnership with Selby District Council (SDC) to deliver leisure facilities across the Selby district. Services included leisure centre management at Selby Leisure Centre and Tadcaster Leisure Centre, Selby Park and the development of sport and health interventions and outreach work through the Wellbeing team. 2019/20 marked the fifth full year of the extended 15-year contract.

Officers explained that this was the third year in which the annual review had been reported to Scrutiny Committee, and that the report contained information and examples of a number of positive achievements by IHL in 2019-20.

Members asked if Officers were aware of any financial difficulties being experienced by IHL in light of the current Covid-19 pandemic. Officers advised that there was weekly dialogue between the Council and IHL on this matter, and that in response to the reduced income the management fee had been waived by the Council between April and June 2020. Officers explained that they were working with IHL to establish how the service would operate in the coming weeks and months.

**RESOLVED:**

**The Committee considered and commented on the content of the Annual Review 2019-20, and noted the information provided by Officers on the urgent decision taken during Covid-19 in May 2020 relating to the waiving of a portion of the management fees for the Leisure Services Contract.**

**23 INFORMATION ON LOCAL GOVERNMENT REORGANISATION - DISCUSSION ITEM**

*The Chairman amended the order of business on the agenda to take the Local Government Reorganisation item next.*

The Committee were informed by the Director of Corporate Services and Commissioning that since the discussions at full Council on 22 September 2020, there had been no further developments on the government's proposed local government reorganisation.

The Committee agreed that an update should be given at a future Scrutiny Committee meeting when appropriate.

**RESOLVED:**

**To note the update.**

**24 NORTH YORKSHIRE SAFEGUARDING CHILDREN BOARD AND NORTH YORKSHIRE SAFEGUARDING ADULTS BOARD ANNUAL REPORTS 2018-2019 (S/20/10)**

The Committee considered the report of the Head of Community, Partnerships and Customers which asked Members to note the content of the annual reports for the North Yorkshire Safeguarding Children and North Yorkshire Safeguarding Adult's Boards.

Officers explained that consideration of the 2018-19 annual reports had been delayed due to the Covid-19 pandemic.

The Committee noted that the North Yorkshire Safeguarding Boards had

a statutory duty to publish annual reports, accounting for the activities of the Board for the previous year. The reports covered 2018/19 activity and provided evidence of the key areas of focus for the current year. Both reports discussed the governance arrangements across North Yorkshire, the work of the sub-groups and outlined the activity and partnership working in the Selby District.

Members were informed that the reports highlighted the governance changes agreed in 2018, and the timeframe for which they would be enacted. The changes included the following:

- Adults: New Multi-Agency Protocols (i.e. A reduction of the number of stages in the process, and shifting the focus to be person-centred, to 'Make Safeguarding Personal').
- Children: Following the changes in legislation, the Board would be revised and replaced by an Executive function by September 2019, with the co-ordination of children's safeguarding undertaken by all organisations that featured in the report.

Members discussed the reports and agreed that further scrutiny on the topic in the future could be worthwhile, perhaps as a half or full 'scrutiny in a day' session.

**RESOLVED:**

**The Committee noted the content of the annual reports for the North Yorkshire Safeguarding Children and North Yorkshire Safeguarding Adult's Boards.**

The meeting closed at 5.40 pm.