

Minutes

Scrutiny Committee

Venue:	Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Thursday, 1 July 2021
Time:	5.00 pm
Present:	Councillors S Shaw-Wright (Chair), W Nichols (Vice-Chair), N Reader, R Sweeting, K Ellis and J Chilvers
Officers present:	Peter Williams, Head of Finance, and Dawn Drury, Democratic Services Officer
Others present:	Councillor C Lunn (Lead Executive Member for Finance and Resources)

6 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A Lee and J McCartney.

7 DISCLOSURES OF INTEREST

There were no disclosures of interest.

8 MINUTES

The Committee considered the minutes of the meetings held on 25 March 2021 and 17 June 2021.

RESOLVED:

To approve the minutes of the Scrutiny Committee meetings held on 25 March 2021 and 17 June 2021 for signing by the Chair.

9 CHAIR'S ADDRESS TO THE SCRUTINY COMMITTEE

The Chair had no address for the Committee.

10 FINANCIAL RESULTS AND BUDGET EXCEPTIONS REPORT TO 31 MARCH 2021

The Committee received the report from the Head of Finance which asked them to consider the content of the report and make any comments on the Council's financial results and budget exceptions.

Members acknowledged that 2020-21 had been heavily impacted by the pandemic. A revised budget was set in year to help to address some of the shortfalls in budgeted income which were expected as some services and facilities remained closed for extended periods of the financial year. There had been challenges delivering some of the programmes of work in both the General Fund and the Housing Revenue Account (HRA), from the perspectives of both changing priorities of delivery in the year and ability to deliver works on the ground.

The Committee noted that each month a return to Government was completed, which detailed the latest forecasts of the impacts of Covid-19, including additional costs, delayed savings and income losses. The latest return showed losses as a result of Covid-19 of £2,873k in 2020-21, split between the General Fund £2.44m and HRA £433k. To date the Council had received (£1,168k) emergency Covid-19 funding from the Government, of which (£350k) had been allocated to the HRA. Additional (£245k) compensation for losses in sales, fees and charges income for the period April to November had also been received. A further application for the period December to March would be submitted in May for a value of £242k.

Officers explained that after carry forward requests, which were detailed in Appendix E to the report, the Council's year end results for 2020-21 showed a surplus of (£371k) on the General Fund against a budget surplus of (£43k); a variance of (£328k). There were a number of variances (positive and negative) which made up the surplus, including higher income from a number of sources for example, Covid-support grants, investment interest and services partly offset by increased costs on the trade waste, recycling, and leisure services.

The Committee also noted that the Housing Revenue Account showed a surplus of £6,532k against a budget surplus of £5,509k, which was a variance of £1,023k. This had been mainly driven by Covid support grants which were not budgeted, and a number of cost savings. This was partly offset by a shortfall in savings due to the delays in the implementation of the housing system. It was proposed that any surplus be transferred to the Major Repairs Reserve to help fund future capital expenditure. More detailed analysis of the General Fund and Housing Revenue Account variances could be found in the rest of the report at Appendix A.

Members recognised that planned savings were reduced as part of the revised budget integrated into service budgets. Most of the savings were achieved in 2020-21, but there was a £15k shortfall on two savings areas

in the General Fund; details of savings and their status could be found in Appendix B.

Officers also informed the Committee that capital programme spend was under budget, as a number of projects had experienced delays. £4,657k was spent on the General Fund programme in the year which was (£787k) lower than budget. £716k was proposed as a carry forward, leaving a saving of £70.8k generated from underspends at the end of completed programmes of work. In the HRA, £4,597k was spent against a budget of £6,072k, an underspend of £1,475k. Almost all of this was proposed to be carried forward to 2021-22. A summary analysis of the capital programme could be found in the report with more detail in Appendix C.

Lastly, Members noted that the Programme for Growth spend totalled £1,462k in 2020-21, against the latest approved Q3 estimate of £3,796k. After £2,334k was carried forward to 2021-22, £12,919k of approved budget remained to be spent in this multi-year programme.

Members had a number of queries about the report in relation to the HRA and General Fund deficits and the reasons for these, and in terms of the carry forwards, the reason that there was a two-year delay in the station lift project which was not expected to take place until 2022-23 at the earliest. It was further queried when the work to continue the car park improvement programme would recommence, and lastly, what level of savings were being made from recycling.

The report was noted by the Committee.

RESOLVED:

To note the Council's financial results and budget exceptions for Quarter 4, to 31 March 2021.

11 TREASURY MANAGEMENT - QUARTERLY UPDATE Q4 2020/21

The Committee received the report of the Head of Finance which asked Members to consider the content of the report and comment on the Council's borrowing and investment activity (Treasury Management) for the period 1 April to 31 March 2021 (Q4). The report also presented performance against the Prudential Indicators.

Members noted that with regards to investments, on average the Council's investments held in the North Yorkshire County Council (NYCC) investment pool totalled £74.91m over the year at an average rate of 0.48% and earned interest of £364k (£263k allocated to the General Fund; £101k allocated to the HRA) which was £104k above the total annual budget. This exceeded the Q3 estimated return of £331k by £34k, where it was noted that, whilst in-year performance was better than expected, the bank rate remained low, and a Brexit trade deal was still yet to be agreed.

Officers explained that in addition to investments held in the pool, the Council had £4.65m invested in property funds as at 31 March 2021. The funds achieved 3.69% revenue return and 0.72% capital loss. This resulted in revenue income of £169.9k to the end of Q4 and an 'unrealised' capital loss of £33.9k. 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 as at 31 March 2021, (£1.6m relating to the General Fund; £51.233m relating to the HRA), with interest payments of £1.992m having been paid in 2020-21, a saving of £2k against budget. The Council undertook no short-term borrowing in year.

Members considered and noted the report.

RESOLVED:

To note the Treasury Management Quarterly update for Quarter 4 2020-21.

12 ANNUAL REPORT 2020-21

The Democratic Services Officer introduced the Committee's Annual Report for 2020-21; Members were asked to approve the report and make any comments or suggestions as to how the format of the Committee's Annual Report could be improved for future years.

Members approved the Annual Report for 2020-21.

RESOLVED:

To approve the Scrutiny Committee Annual Report for 2020-21.

13 WORK PROGRAMME

The Committee considered the work programme for 2021-22 as presented to them by the Chairman.

One Member commented that he remained concerned with housing repairs and felt it should remain on the work programme. The Chairman explained that a special meeting on housing repairs had been held on 17 June 2021, at which time Members had praised the work of officers in their efforts to find solutions to the issues raised.

Members agreed the work programme as presented.

RESOLVED:

To note the work programme for 2021-22

The meeting closed at 5.26 pm.