

Minutes

Scrutiny Committee

Venue:	Council Chamber - Civic Centre, Doncaster Road, Selby, YO8 9FT
Date:	Thursday, 30 June 2022
Time:	5.00 pm
Present:	Councillors W Nichols (Vice Chair), Councillor J Mackman and Councillor P Welch,
Officers present:	Karen Iveson, Chief Finance Officer, Keith Cadman, Head of Commissioning, Contracts and Procurement, Victoria Foreman, Democratic Services Officer
Others present:	Councillor C Lunn, Executive Lead Member for Finance and Resources
Public:	0
Press:	0

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors K Ellis, S Shaw-Wright and R Sweeting.

Councillor J Mackman was in attendance as a substitute for Councillor K Ellis; Councillor P Welch was in attendance as a substitute for Councillor S Shaw-Wright.

Vice Chair Councillor W Nichols in the chair.

2 DISCLOSURES OF INTEREST

Councillor J Mackman declared a personal non-pecuniary interest in agenda item 7 – Financial Results and Budget Exceptions Report Q4 2021-22 and agenda item 8 – Treasury Management Quarterly Update Q4 2021-22 as he was Chair of the Selby District Housing Trust, but was not required to leave the meeting during consideration thereof.

3 MINUTES

The Committee considered the minutes of the meetings held on 17 February 2022 and 1 March 2022.

RESOLVED:

To approve the minutes of the Scrutiny Committee meetings held on 17 February 2022 and 1 March 2022 for signing by the Chair.

4 CHAIR'S ADDRESS TO THE SCRUTINY COMMITTEE

The Vice Chair reminded Members that a supplementary agenda had been circulated containing a revised version of the report at agenda item 8 – Treasury Management Quarterly Update Q4 – 2021-22, as the version in the main agenda was incorrect.

The Vice Chair informed the Committee that the order of the agenda would be amended to accommodate the attendance of Officers at the meeting.

5 UPDATE ON LEISURE SERVICES PROVISION (VERBAL)

The Head of Commissioning, Contracts and Procurement gave an update on the provision of leisure services, mainly covering the period January to March 2022.

Members asked questions on several issues, including health and fitness memberships, the use of the leisure centre, fitness class attendance, fee levels and income, the effect of inflation and increased energy prices, staff pay and training for safety roles such as lifeguards.

Officers explained that the use of the leisure centres for fitness classes and memberships had increased, which had improved the income levels, but these were not at profit levels yet. The repayment of the subsidy given due to the pandemic was expected at the end of Quarter 1 2022-23; as well as footfall the effects of inflation and increases in energy costs had impacted the financial position of leisure services. Public confidence in leisure services was still damaged due to the pandemic.

Inspiring Healthy Lifestyles (IHL) had been training staff that were needed in safety roles but were having trouble recruiting the number of lifeguards required due to the rates of pay and role requirements. Members noted that this was an issue being experienced not just in the Selby District but around the country.

The Committee asked Officers to find out if leisure staff were on the real living wage and to report back to them after the meeting with that

information.

RESOLVED:

The Committee noted the update and asked Officers to follow up the query regarding the living wage.

6 ANNUAL REPORT 2021-22 (S/22/3)

The Democratic Services Officer introduced the Committee's Annual Report for 2021-22; 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 2021-22.

An update on the work of the Committee would be provided at the upcoming Council meeting in July 2022.

RESOLVED:

To approve the Scrutiny Committee Annual Report for 2021-22.

7 WORK PROGRAMME 2022-23

The Committee considered the 2022-23 work programme as presented in the agenda.

Members agreed that going forward, items of priority for consideration were Covid-19 in Selby district and housing voids.

RESOLVED:

That the committees' 2022-23 work programme be amended to reflect Members' suggestions as detailed above.

8 NORTH YORKSHIRE POLICE, FIRE AND CRIME COMMISSIONER

Zoe Metcalfe, the North Yorkshire Police, Fire and Crime Commissioner (PFCC), was welcomed to the meeting and gave an update on her role and the work of the police and fire services in the county.

The Committee discussed numerous issues with the PFCC, who gave updates on her recent work such as the development of the strategic Police and Crime Plan and Fire Plans, her focus on tackling the root causes of crime, precept consultations, a new victims centre in York, road safety, violence against women and girls and child protection.

Members asked the PFCC questions about the provision of fire services in Selby, dealing with gypsies and travellers, neighbourhood policing, speed limits in the district, cross border drug dealing 'county lines', the provision of night marshalls in Selby town and the waiting times and efficiency of both the 999 and 101 phone services.

The PFCC made a note of the issues raised by the Committee and thanked them for inviting her.

Members thanked the PFCC for attending the meeting.

9 FINANCIAL RESULTS AND BUDGET EXCEPTIONS REPORT Q4 - 2021-22 (S/22/1)

The Committee received the report of the Chief Finance Officer which asked Members to consider and comment on the Council's financial and budget exceptions for Quarter 4 of the 2021-22 year.

In attendance for the item was the Executive Lead Member for Finance and Resources.

Members noted that after carry forwards of £1,880.2k the full year revenue outturn in the general fund was a surplus of (£1,619k) driven primarily by favourable variances across a number of income streams. In the HRA, full year revenue outturn after carry forwards of £18.6k was a (£645k) surplus for the HRA, with lower borrowing costs and bad debt provision offset by lower rents.

The Committee were informed that the General Fund planned savings were £2k short of the (£184k) target. The £195k saving in the Housing Revenue Account for the housing system was not achieved this year as it was predicated on the implementation of phase 2 of the housing system which had been further delayed to next financial year.

Officers explained that the capital programme was underspent by (£1,243k) at the year end, with £500k related to the General Fund. The most significant underspends being on play area refurbishment, car park improvements and office reception alterations. This was offset by higher than expected spend on external grant funded Disabled Facilities Grants. It was proposed that all but (£72.7k) of the General Fund underspend be carried forward to enable projects to be completed in 22/23. There was an HRA underspend across a number of programmes totalling (£743k). It was proposed that £525k was carried forward and (£218k) taken as a saving as it was no longer required following the conclusion of the Empty Homes Programme.

The Programme for Growth spend was £6,629k in the year, which was £2,034k lower than budget. Of the in-year spend, £947k was staffing costs. There was significant spend reported in quarter 4 including £2.6m on the purchase of Selby Business Centre as part of the Transforming Cities Fund project which was completed in December and £2m invested into the Community Legacy Fund with Two Ridings.

Members asked a number of questions and expressed some concerns in relation to budget carry forwards and their uses, P4G project delivery, the Transforming Cities Fund (TCF) and use of the new housing software,

Officers explained that it had continued to be a difficult two years and as a result a significant amount of financial contingency had been made to protect against any issues caused by Covid-19 or Local Government Reorganisation (LGR). The TCF land assessment had begun, and whilst costs had increased significantly due to inflation, the final business cases were in progress. The combined authority had been supportive, and the project was looking promising as a significant project for Selby.

RESOLVED:

The Committee considered and noted the report.

**10 TREASURY MANAGEMENT - QUARTERLY UPDATE Q4 - 2021-22
(S/22/2)**

The Committee received the report of the Chief Finance Officer which asked Members to consider the report that reviewed the Council's borrowing and investment activity (Treasury Management) for the period 1 April 2021 to 31 March 2022 and presented performance against the Prudential Indicators.

In attendance for the item was the Executive Lead Member for Finance and Resources.

Officers explained that on average the Council's investments held in the NYCC investment pool totalled £82.11m over the year, at an average rate of 0.24% and earned interest of £201k (£136k allocated to the General Fund; £65k allocated to the HRA), which was £83k above the total annual budget. This exceeded the Q3 estimated return of £159k by £42k, an upturn in performance driven by the recent increases in Bank of England Base rate.

Members noted that in addition to investments held in the pool, the council had £5.46m invested in property funds as at 31 March 2022. The funds achieved 3.46% revenue return and 17.39% capital gain over the course of the year. This resulted in revenue income of £173.0k to the end of Q4 and an 'unrealised' capital gain of £809.0k for the year. The 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 31 March 2022, (£1.6m relating to the General Fund; £51.233m relating to the HRA) and interest payments of £1.922m were paid in 2021/22, a saving of £218k against budget. The Council undertook no short-term borrowing in year.

Officers confirmed that the Council's affordable limits for borrowing were not breached during this period.

Members were informed that, looking ahead to 2022/23, investment returns were expected to continue to rise due to the recent increases in

Bank Base Rate. Base rate was currently expected to continue to rise over the course of the year, with latest estimates showing an increase to 1.25% by March 2024. Property Fund performance in year had been driven by a recovery following an initial decrease in value as a result of the Covid-19 pandemic.

RESOLVED:

The Committee considered and noted the content of the report.

The meeting closed at 6.40 pm.