

# MINUTES OF COMMUNITIES AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

18 NOVEMBER 2019

## PRESENT:

**Members of the Committee:** Councillors Mahoney (Chair), Mrs A'Barrow, Mrs Allanach, Mrs Brown, Cade, Douglas, Eccleson and Leigh Hunt

**Officers:** Jon Illingworth (Financial Services Manager and Deputy Chief Financial Officer), Cindy Gleghorn (Housing Services Manager) and Veronika Beckova (Democratic Services Officer)

## 15. MINUTES

The minutes of the meeting held on 5 September 2019 were approved and signed by the Chair.

## 16. PARTNERSHIPS WORKING: THE COUNCIL'S RELATIONSHIP WITH REGISTERED PROVIDER PARTNERS

The Committee received a report (Part 1 – Agenda Item 4) concerning a light touch review of the Council's relationship with Registered Provider Partners.

The Housing Services Manager attended the meeting to present the report and answer questions. The report was discussed in detail at the meeting and the following additional points were made:

In terms of the Registered Providers (RPs), the Housing Services Manager was unaware of any Housing Ombudsman Service (HOS) cases involving the Council's tenants. In terms of the Council as a housing provider, the Housing Services Manager was unaware of any housing management issues investigated by the HOS.

Any findings of maladministration were published by HOS and reported to relevant organisations.

At the time of the meeting, in terms of their governance and viability, the RPs that the Council was working with were graded by the Regulator of Social Housing as follows:

- G1 – the provider meets the governance requirements as set out in the governance and financial viability standard. V1 – the provider meets the viability requirements as set out in the governance and financial viability standard and has the capacity to mitigate its exposures effectively. **OR**
- G2 – the provider meets the governance requirements but needs to improve some aspects of its governance arrangements to support continued compliance. V1 – the provider meets the viability requirements as set out in the governance and financial viability standard and has the capacity to mitigate its exposures effectively.

During the discussion, members of the Committee commented that they had experienced difficulties with contacting RPs when dealing with residents' queries and complaints. The Housing Services Manager informed the Committee that as part of the nominations review process, the Council could try to encourage RPs to simplify the process by introducing a single point of contact for councillors to raise their concerns.

#### **RESOLVED THAT –**

- (1) the Housing Services Manager be thanked for her attendance and report;
- (2) the Housing Services Manager to report back to the Committee at a future meeting on the outcomes of the review of nomination agreements.

#### **17. FINANCE AND PERFORMANCE MONITORING 2019/20 QUARTER 2**

The Committee had previously been requested to bring copies of the relevant Cabinet report from 4 November 2019 to the meeting.

The Financial Services Manager attended the meeting to present the report and answer questions.

#### **General Fund (GF) Revenue Budgets**

The total approved GF budget was **£17.355m**. Based on the September 2019 forecast, it was anticipated at 31 March 2020 there will be a pressure of **£0.039m**. This variance was made up of the following significant items:

- A pressure of **£0.151m** from GF portfolios – this was mainly due to a pressure of **£0.197m** within Environment and Public Realm arising from reduced income from car parking of **£0.085m** and overspends within waste services of **£0.030m**. There was a pressure of **£0.101m** within Corporate Resources partly due to consultancy costs of **£0.050m**. There was also a saving of **(£0.160m)** seen within Communities and Homes including reduced costs for temporary accommodation projecting a saving of **(£0.148m)** compared to budget.
- Following a review of corporate items, it was forecast that Net Cost of Borrowing will result in a saving of **(£0.172m)** compared to budget due to revisions in the use of cash-backed balances and more favourable interest rates.
- A recommendation was proposed to contribute **(£0.052m)** towards the 2019/20 Corporate Savings Target. A pressure of **£0.008m** was forecast against the Minimum Revenue Provision (MRP) budget for the repayment of debt.

#### **2019/20 Savings Target**

Total savings target of **(£0.603m)** was identified for 2019/20:

- Corporate, Salary and Digitalisation savings – at Quarter 2, **(£0.218m)** or 63% was achieved towards the **(£0.343m)** target. This included the proposed transfer of a proportion of the Net Cost of Borrowing savings. It was anticipated that this budget will be achieved by year-end.

- The remaining balance of planned savings in year was (**£0.260m**) - (**£0.155m**) or 59% were on track to be delivered. The saving in relation to kerbside recycling was currently rated non-deliverable due to a wider review of the waste service taking place. A supplementary budget was requested to reflect this pressure.

### **Housing Revenue Account (HRA) Revenue Budget**

The total approved HRA budget was **£17.177m**. Based on the September 2019 forecast, it was anticipated that the year-end variance at 31 March 2020 will be a surplus of (**£0.374m**). This variance was made up of the following significant items:

- An income shortfall of **£0.363m** predominantly related to the decant of properties at the Rounds Gardens site. As at 25 September 2019, 74 flats were empty. It was anticipated that all properties at the site will be vacated by 31 March 2022 but the timing of the decant process will be driven by variable dynamic factors including the availability and suitability of alternative accommodation for tenants.
- A reduction in security costs at the Biart Place / Rounds Gardens sites of (**£0.331m**).
- Additional investment income/reduction in interest payment costs attributable to the HRA of (**£0.358m**) was forecast based on revised projections of interest rates and cash-backed balances.

### **Capital**

The latest approved capital programme (GF and HRA) was **£35.616m**. The forecast outcome as at 30 September 2019, prior to the adoption of carry-forward requests, was a variance of **£7.633m** against the budget.

#### **General Fund Capital – Overview**

The latest approved GF capital programme was **£18.808m**. The programme showed a forecast net variance, prior to carry-forward requests, to year-end of **£3.750m**. Explanations for in-year variances were detailed in Appendix 1 attached to the Cabinet report. The variance was made up of the following key items:

- Slippage of (**£0.347m**) relating to the Great Central Walk Bridges scheme to reflect specialist tendering for works in conjunction with Warwickshire County Council.
- Slippage of (**£0.261m**) relating to Corporate Property Enhancements whilst evaluations of future asset requirements were completed via the One Public Estate project.
- Profiling of (**£3.365m**) Housing Acquisition Fund expenditure moved to 2020/21 – it was currently anticipated that c. 70 homes will be acquired in 2019/20 followed by a further c. 30 homes in 2020/21.

#### **Housing Revenue Account – Capital**

The latest approved capital programme was **£16.808m**. The programme showed a forecast net variance, prior to carry-forward requests, to year-end of **£3.882m**.

Explanations for in-year variances were detailed in Appendix 2 attached to the Cabinet report. The variance included the following key items:

- **£1.155m** carry forward of Rounds Gardens capital budget to 2020/21 to reflect revised profiling of decant expenditure and ongoing design works.
- **£1.407m** carry forward of S106 housing schemes to 2020/21 to reflect profiling of practical completion of homes.
- A return to balances of **£0.900m** from energy efficiency phase 2 (external wall insulation) following the withdrawal of government subsidy and pending a review of other potential projects to deliver Carbon Management Plan outcomes.

Performance monitoring data is collated at the end of each quarter which can lead to timing delays for inclusion in the finance and performance report. Officers will report any updated information through future reports.

The Committee was informed that a progress update report regarding the General Fund Budget 2020/21 formed a part of the Cabinet agenda on 4 November 2019. It was highlighted that:

- The draft 2020/21 budget showed a deficit of £0.617m.
- The provisional finance settlement 2020/21 was delayed until early 2020.
- Officers were awaiting more clarity from central government regarding funding allocations.

**RESOLVED THAT** – the Financial Services Manager be thanked for his attendance.

## **18. SCRUTINY REVIEW OF THE SPECIAL EXPENSES SCHEME**

The Chair of the Special Expenses Scheme Task Group, Councillor Leigh Hunt, presented the report for the review of the Special Expenses Scheme (Part 1 – Agenda Item 6).

Due to a tight timescale, the review report was presented to and agreed by Cabinet on 4 November 2019. It was clarified that this was not part of the usual process but was unavoidable on this occasion.

**RESOLVED THAT** –

- (1) members of the Task Group and lead officers be thanked for their work; and
- (2) the report be noted.

## **19. COMMITTEE WORK PROGRAMME**

The Committee received a report (Part 1 – Agenda Item 7) concerning the progress of task group reviews within its remit and the forward work programme.

### Universal Credit

On 27 June 2019, the Committee received a report providing an update on the impact of Universal Credit within the borough. During wider discussions, it was

highlighted that there was a gap in assistance available to vulnerable people with mental health issues particularly around the application process as the Department for Work and Pensions was reluctant to allow telephone applications.

The Chair informed the Committee that these issues were now resolved.

#### Partnerships Working

Under this heading, members will undertake scrutiny of the Council's relationship with WCAVA and the Voluntary Sector at a future meeting. It was anticipated that a report will be presented to the Committee on 6 February 2020.

#### **RESOLVED THAT –**

- (1) the progress of scrutiny reviews be noted; and
- (2) the forward work programme be noted.

**CHAIR**