

**BUDGET SCRUTINY PANEL
3RD JANUARY 2018**

PRESENT: The Chair (Councillor Miah)
Councillors Bebbington, Gerrard, Jukes, Parsons and
Seaton

Strategic Director of Corporate Services
Head of Finance and Property Services
Head of Landlord Services
Head of Strategic and Private Sector Housing
Group Leader Development Management (SS)
Democratic Services Manager
Democratic Services Officer (NA)

Councillor Barkley attended the meeting as the Cabinet Lead Member for Finance and Property Services.

7. MINUTES OF THE PREVIOUS MEETING

The minutes of the meeting held on 5th December 2017 were confirmed as a correct record and signed.

8. DISCLOSURES OF PECUNIARY AND PERSONAL INTERESTS

No disclosures were made.

9. DECLARATIONS – THE PARTY WHIP

No declarations were made.

10. QUESTIONS UNDER SCRUTINY COMMITTEE PROCEDURE 11.17

No questions had been submitted.

11. BUDGET SCRUTINY PROCESS/TERMS OF REFERENCE

The budget scrutiny process and terms of reference for the Panel agreed by the Scrutiny Management Board at its meeting on 29th March 2017 were submitted (item 6 on the agenda filed with these minutes).

RESOLVED that the budget scrutiny process and terms of reference for the Panel be noted.

Reason

To confirm the purpose of the meeting and the work of the Panel generally.

12. DRAFT GENERAL FUND AND HRA BUDGETS 2018/19

The purpose of the item was to consider the draft General Fund and HRA Budgets for 2018/19 submitted to the Cabinet meeting held on 14th December 2017. These had also been submitted to the Panel at its informal meeting held on 5th December 2017, at which specific issues to focus on had been identified. The Panel's report and recommendations would be submitted to the meeting of the Scrutiny Management Board to be held on 24th January 2018, prior to consideration by the Cabinet on 15th February 2018.

The Panel considered each of the issues identified in the submitted agenda papers, with the assistance of relevant officers invited to the meeting. The Strategic Director of Corporate Services and the Head of Finance and Property Services provided support to the Panel in its consideration of the item and gave the following responses to questions raised in relation to both the revenue budgets and the Capital Plan (2018/19):

- (i) The National pay proposals for 2018-2020 had been sent out to the workplace unions for consultation with their members.
- (ii) The financial settlement from the government had been received but the Council was still waiting to receive the finalised business rates figures.
- (iii) The Council was aware of the problems surrounding the introduction of Universal Credit and although no specific budget had been set aside there were provisions in place to support claimants. They included the Discretionary Housing Payment to help with rent payments. There would also be a review of the process to check how it was working.
- (iv) The Panel was advised that all the projects submitted to the Loughborough Special Expenses Panel had been included. It was noted that there was no set budget so the money spent was dependent on the projects that were submitted.

Income and Expenditure Amounts

The Group Leader for Development Management attended the meeting to provide an explanation of the figures given for the expected income received and the service restructure.

They gave the following responses to questions raised:

- (i) The government had issued a letter to advise that the planning fee increase would come into effect from 17th January 2018.
- (ii) The figures for the service restructure and the planning fee income increase were likely to correlate due to the restructure being informed at least in part by the expected rise in income fee. It was also clarified

that the income received could only be spent on the planning service which was the reason it was being used to fund the restructure.

- (iii) The restructure would look at the problems identified such as recruitment for certain posts and salary evaluation and make investment in those areas. The restructure would also create a more efficient service that could compete with neighbouring councils.
- (iv) There was a suggestion that there should be a review into why staff had left and the cost to the Council of recruiting new staff. Setting up a Panel was suggested to carry out the review and also look at the restructure of the service going forward.
- (v) The Panel was informed that there was a report going to Cabinet that would explain the restructure in more detail and there was a consensus to wait for the outcome of the report which could be scrutinised by the Overview Scrutiny Group before going to Cabinet for approval.

Homelessness Reduction Grant Funding

The Head of Strategic and Private Sector Housing attended the meeting to provide detail of how the grant would be used and an explanation of how the service would change. The following responses were given to issues raised:

- (i) The Homelessness Reduction Act was the biggest change seen in homelessness legislation for 20 years. It proposed several new duties and increased the Council's duty to homeless applicants which would cause a change in working practices and the need for additional resources. For example there was a requirement to issue a personal housing plan which created a "contract" between the applicant and the Council. It was anticipated that there would be a need for more staff as the work required was more intensive.
- (ii) The temporary accommodation budget for 2017/18 was expected to be overspent based on the current usage and the expected increase of residents requiring assistance. The Homelessness Reduction Act was expected to see a further increase in the need for temporary accommodation due to the anticipated rise of homeless applicants and accordingly the budget for 2018/19 had increased to reflect this. This was thought to be the case until the new duties had been embedded and accommodation had been procured to meet the requirements of the Act.
- (iv) The working balance for the properties within the HRA was worked out as £110 per property. This amount was available should the Council's other funds not be sufficient. The Panel was advised that more than this amount was being spent on the properties to ensure they met the "Charnwood Standard" in the normal course of business.

- (v) The HRA fund balance of £6.2m was assured to be sufficient for the Council's requirements. The debt repayments were scheduled at different times and at different amounts and were payable through the reserves available.
- (vi) The capital request for £1.9m was identified as being for the acquisition of properties to add to the Council's housing stock. The objective was to acquire preferably two bed accommodation and bungalows on sale on the open market to address the housing needs of households on the Housing Register. The acquisitions would be funded from Right to Buy sale receipts and Major Repairs funding.

Electrical Works Programme

The Head of Landlord Services attended the meeting to provide details about how the programme would operate and how the budget would be allocated.

They gave the following responses to issues raised:

- (i) The programme was for a period of 5 years and a rolling programme would now be put in place for all properties to conduct periodic electrical tests and carry out any appropriate works identified, therefore reducing the level of risk.
- (ii) The budgeted amount was for next year's works. It was listed as a one off amount as it was an estimate of how much was needed but next year would be listed as an ongoing cost.

Members of the Panel had a discussion before making the following resolutions:

RESOLVED

1. that the Cabinet be informed that alternatives should be investigated for the Loughborough Special Expenses arrangements in the future.
2. that the Cabinet be informed of the Panel's concerns regarding the use of Council reserves to meet the proposed budget. The Council have a history of underspending and the Panel was concerned how future requirements would be met if the funds were not available.
3. that the Cabinet be informed of the Panel's concerns regarding the consideration of the forthcoming report on the Planning Service Restructure. In particular to take note of the figures for the expected planning fee income for the service and the costs for the proposed restructure.

4. that the Cabinet be informed of the Panel's concerns regarding the number of people currently in temporary accommodation and the cost to the Council.
5. that the Cabinet be informed that the Panel thought the electrical works programme created by the Head of Landlord services was a prudent move and commended by the Panel.

Reasons

1. To explore how the money could be better spent in Loughborough and the surrounding areas.
2. To inform the Cabinet of the Panel's concerns.
3. The inform the Cabinet of the Panel's concerns.
4. To inform the Cabinet of the Panel's concerns.
5. To inform the Cabinet of the Panel's views.