

## OVERVIEW SCRUTINY GROUP – 3RD JULY 2017

### Report of the Cabinet

#### ITEM 7 OVERVIEW SCRUTINY GROUP PRE-DECISION SCRUTINY - CABINET RESPONSE

##### Purpose of Report

To set out the Cabinet's responses to the recommendations of the Group on pre-decision scrutiny items.

##### Action Requested

To note the Cabinet's responses to the recommendations submitted by the Group on items considered for pre-decision scrutiny.

##### Policy Context

One of the principles of effective scrutiny, identified by the Centre for Public Scrutiny, is "provide a constructive critical friend challenge to the Executive".

##### Pre-decision Scrutiny

Since the June meeting of the Group, the Cabinet has considered the following items on which the Group undertook pre-decision scrutiny:

A. General Fund and HRA Revenue Outturn Report 2016/17

B. Capital Plan Outturn 2016/17

Details of the Group's consideration of the items as reported to the Cabinet on 15th June 2017 are set out in the appendix to this report.

The Chair of the Group, Councillor Smidowicz, attended the Cabinet's meeting on 15th June 2017 to present the Group's reports to the Cabinet.

##### Cabinet Response

The Cabinet considered the Group's reports and acknowledged the work undertaken and the views of the Group. In particular, the Cabinet responded as follows to the reports:

##### General Fund and HRA Revenue Outturn Report 2016/17

The Cabinet adopted the officer recommendations, which the Group had supported.

##### Capital Plan Outturn 2016/17

The Cabinet adopted the officer recommendations, which the Group had supported.

## Report Implications

The following implications have been identified for this report:

### *Financial Implications*

None.

### *Risk Management*

No risks have been identified in connection with this report.

Background Papers:       None

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GENERAL FUND AND HRA REVENUE OUTTURN REPORT 2016/17

Recommendation of the Overview Scrutiny Group

That the Cabinet be informed that the Group supports the recommendations as set out in the report of the Head of Finance and Property Services.

Reason

Having considered the report and asked questions of the Strategic Director of Corporate Services on the matter, the Group concluded that it would be appropriate to approve the recommendations as set out in the report.

Meeting Discussion

Following questions from the Group, the Strategic Director of Corporate Services (and the Chief Executive) provided the following responses:

- (i) the Group questioned reason 2 in the report which covered potential future discretionary payments and was advised that this covered any carry forward requests.
- (ii) the Group noted the interest on balances was still low. This was explained as being due to the ongoing low level of interest rates.
- (iii) the General Fund carry forward requests were requests from services which had been considered by the Senior Management Team as reasonable. This included a number of one off projects that had been approved but not been completed in the financial year. The money had been approved so was still available therefore the service had requested a carry forward. The Group was advised that ongoing progress of projects and prospective completion dates were monitored by the Senior Management Team where any slippage was identified. The Group was also advised that most of the projects were expected to be completed by the end of the calendar year.
- (iv) the Working balance of £7,655K was of concern to the Group who felt it was a large sum. They were advised that a balance of £2M was the minimum deemed necessary by the Section 151 officer but having a balance of over £7M allowed the Council to maintain services over the next couple of years.
- (v) the Group highlighted a couple of individual cases where they had been informed that funds were not available to complete work on properties for residents. They questioned why money could not be transferred to other budgets to allow the work to take place. The Group was advised that there was a mechanism in place to transfer funds to other budgets. The Group was advised on individual budgets and how the approved funds may already have been spent.
- (vi) the level of underspend was questioned by the Group and they were advised that this was in part due to the level of project work and the carry forward

amounts for uncompleted projects as well as uncertainties that develop. The Council took a very prudent approach to budgets.

- (vii) the level of rent arrears was identified by the Group as cause for concern. They were advised that at present there were no plans to change the process for dealing with rent arrears and were advised of the possible underlying reasons. The Group was advised that if there were concerns about the rent arrears policy and its application that could be considered as a separate matter.
- (viii) the Group asked how much money needed to be kept in balances to cover events such as redundancies or project failures and was advised that the Council followed best practice which advised having at least 6 weeks of funding available in the General Reserve.
- (ix) the Group asked whether the underspend in the Leisure and Culture service was in part due to projects not going ahead. Detailed explanations of the reasons for individual variances were not available at the meeting.

## CAPITAL PLAN OUTTURN 2017/17

### Recommendation of the Overview Scrutiny Group

That the Cabinet be informed that the Group supports the recommendations as set out in the report of the Head of Finance and Property Services.

### Reason

Having considered the report and asked questions of the Strategic Director of Corporate Services on the matter, the Group concluded that it would be appropriate to approve the recommendations as set out in the report.

### Meeting Discussion

Following questions from the Group, the Strategic Director of Corporate Services (and the Chief Executive) provided the following responses:

- (i) the Group was advised that the report was an outline of facts in terms of the money spent and the carry forward requests for this year. They were also advised that the expenditure for the Capital Plan and the HRA Fund were both lower this year.