

Informal notes of a meeting of the **JOINT PERFORMANCE MONITORING PANEL AND POLICY DEVELOPMENT PANEL** held virtually on Thursday, 27 January 2022 at 6.30 pm.

PRESENT

B Alcock	A C Cronin	J L Reynolds
J Avery	R A Gibson	G T D Rudkin
F Biggadike	M Hasan	J Tyrrell
H J W Bingham	J L King	S C Walsh
M D Booth	J D McLean	D J Wilkinson
C J T H Brewis	N H Pepper	A R Woolf
T A Carter	P A Redgate	

Apologies for absence were received from or on behalf of Councillors A C Beal, G P Scalese, S-A Slade and A C Tennant

In Attendance: Councillor A Newton, The Portfolio Holder for Finance, Commercialisation and Partnerships, The Deputy Chief Executive – Corporate Development, The Democratic Services Manager, The Democratic Services Team Leader, The Democratic Services Officer

**9. ELECTION OF CHAIRMAN**

Cllr Alcock was elected as Chairman for the duration of the meeting.

**10. DECLARATION OF INTERESTS**

There were none.

**11. 2022/23 DRAFT BUDGET, MEDIUM TERM PLAN AND CAPITAL STRATEGY (FOR CONSULTATION)**

Consideration was given to the report of the Chief Executive – Corporate Development, which asked the Joint Panel to consider and scrutinise the Draft General Fund and Housing Revenue Account 2022/23 revenue and capital estimates and the Draft Financial Medium Term Strategy.

The Joint Panel received a presentation from the Deputy Chief Executive – Corporate Development which highlighted the following main areas:

- Spending Review for 2021;
- Revenue Budget and Medium Term Financial Plan (MTFP);

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- Reserves;
- The Budget journey;
- Future options and risks;
- Ongoing budget reviews;
- Fees and charges;
- Housing Revenue Account (HRA);
- Capital Programme; and
- Treasury Management

Following consideration of the report and the presentation, the following issues were raised by the Panel:

- Members stated that the Internal Drainage Board (IDB) levy placed a significant burden on the authority and suggested that a change of classification to a precept would be financially beneficial to the district. Members were keen to assist with driving change in this regard.
  - The Deputy Chief Executive – Corporate Development confirmed that a significant Drainage Board levy affected only a few districts in the country, which included South Holland. While IDBs faced their own challenges, such as increased costs relating to fuel and energy contracts, the question remained as to whether a levy collected through Council Tax was the most appropriate funding mechanism. A change to a full or phased precept would have a significant positive effect on the budget.
- Members proposed that their support be sent to Cabinet to lobby for IDB funding to be collected by means of a precept.

Members asked whether the National Non-Domestic Rates (NNDR) notification had been considered advantageous to the Council, potentially indicating an improved situation than estimated in the report.

- The Deputy Chief Executive – Corporate Development expected the financial position to remain near to the forecasted figures stated in the report, with the following caveats:
  - the yield within the Collection Fund for business rates had been changeable throughout the year and it was therefore difficult to predict the yield at the deadline of 31<sup>st</sup> January 2022 when projections needed to be made;
  - whilst yield forecasting was difficult, the Council endeavoured to seek a realistic balanced position and utilised the Collection Fund and Reserves to

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- manage large fluctuations which resulted from the inward and outward flow of grants within the system;
  - the NNDR and Collection Fund had experienced unprecedented variables but this was balanced by the Volatility Fund over time; and
  - a permanent drop in yield, should it occur, would create a longer-term deficit gap which required funding through the utilisation of savings or cost-cutting measures.
  
- Members referenced the Housing Revenue Account (HRA) and commented that a write-off of SHDC's £67.456million loan from central government could result in a boost to the local economy.
  - The Deputy Chief Executive – Corporate Development could not comment on Government policy but stipulated that interest charged on the substantial debt needed to be paid, a corollary of which was a reduction of funds available for other areas.
  
- Members recognised that the New Homes Bonus was advantageous for the current year but concerns were raised for the period thereafter if funding ceased.
  - The Deputy Chief Executive – Corporate Development confirmed that the sum had not been embedded in the Revenue Account and therefore any future withdrawal of funds from this source would not pose a risk to savings. Nonetheless, the sum had enabled investment in projects and new initiatives and so any withdrawal would create a challenge for financing this type of activity in the future.
  
- Members noted a reduction in transport costs and asked whether this had included a reduction in officer related transport costs. Had the council maximised opportunities by moving meetings to a digital/virtual format which would remove/reduce the cost of travel?
  - The Deputy Chief Executive – Corporate Development responded that officer costs had been an area for review in the coming year in order to maximise collaborative opportunities whilst minimising the impact of travel. The figures had included some reductions which related to fewer officer journeys; and had incorporated the increased fuel costs necessary to run the Waste Fleet and

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Grounds Maintenance Fleet.

- Members highlighted the risks regarding pension deficits and asked whether this had been expected to rise in the future.
  - The Deputy Chief Executive – Corporate Development responded that figures would be known from the Actuarial Review in 2022/23 when the Council would decide how any deficit would be financed. A previous decision by the Council had ‘stepped up’ the payments but these could be implemented on a gradual basis. Either way, pressure would continue into the future.
- Members referred to the Capital Programme and stated that the increased allocation for Environmental Services, which would allow an expansion of the Garden Waste scheme, was welcomed.
- Members queried the increased allocation for Street Cleansing 2023/24 and therefore the indications for the future.
  - The Deputy Chief Executive – Corporate Development responded that regular contributions from Revenue Funding had been set aside into Reserves in order to finance capital items such as vehicles and equipment. At the point of need the funds would be transferred from Reserves to the Capital Programme.
- Members asked whether Pride Teams were to be continued.
  - The Deputy Chief Executive – Corporate Development replied that the Pride Teams were fully embedded within budgets.
- Members noted a number of expensive items in the Capital Programme, such as allocations for: the atrium heating and windows at the main Council offices; the South Holland Centre; and leisure facilities. Were these items in the current budget due to a lack of regular investment over the last five or ten years?
  - In response, the Deputy Chief Executive – Corporate Development stated that the activity mentioned would be classed as Enhanced Responsive Repairs and financed through the Revenue Account. The Capital Programme financed programmes which increased the life of the asset. Reassurance was given that buildings and

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equipment were regularly maintained.

- Members asked whether the £64K reduction in the homelessness budget had been realistic.
  - The Deputy Chief Executive – Corporate Development confirmed that this had represented a grant which had been included in error and had subsequently been removed.
  
- Regarding housing stock, members noted that the Council held 14 fewer properties than in 2020, however it was acknowledged that the number of properties would increase as a result of the Affordable Housing Programme. Members questioned whether any of the Right To Buy capital receipts were due to expire in the near future.
  - The Deputy Chief Executive – Corporate Development was unaware of any challenges to Right To Buy receipts being used in a timely manner but this would be checked. A large delivery programme was in place however it was acknowledged that the pace of delivery needed to increase to cover losses and any increases in Right To Buy activity.
  
- In respect of housing, members noted the delay in delivery and asked whether the Council had been confident that sufficient resources were in place to ensure successful and timely delivery.
  - The Deputy Chief Executive – Corporate Development stated that the Council carried a number of vacancies but that the employment market had been challenging. The Council was hopeful that vacancies would be filled.
  
- Members suggested that the Council considered external parties to ensure delivery occurred.
  - The Deputy Chief Executive – Corporate Development confirmed that external parties were used for the development of sites but that vacancies existed for internal roles relating to project management and planning for new housing. Significant competition for relevant skills existed with Housing Associations and private industry. It was recognised that internal skill sets needed to widen through Apprenticeship Schemes and Graduate Programmes and that skilled managers needed to be in place to lead on this development.
  
- Members proposed that it be recommended to Cabinet to

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ensure sufficient resources were in place by whatever means: internally, externally or through training schemes, in order to support the delivery of the Housing Programme.

- Members noted £113K had been budgeted for CCTV for 2022/23 and sought clarification of which CCTV this related to.
  - The Deputy Chief Executive – Corporate Development confirmed that this item was being revisited by the relevant service and may not feature in the Capital Programme submitted to Cabinet.
- Members asked why the budget for staffing costs had reduced: was this due to the vacancies being carried, and did it reflect a risk to delivery of services across the authority?
  - The Deputy Chief Executive – Corporate Development explained that the effect of vacancies had been to reduce expenditure and that the budget remained unaffected. Reduction in staffing costs had been due to multiple factors, including:
    - the use of agency Waste workers; the expenditure of which would be shown on a separate accounting line;
    - the new Strategic Partnership and transition of management costs; and
    - decisions made regarding service delivery such as the South Holland Centre and Market provision which had resulted in a downward pressure on employee related expenditure.

Regarding the risk of delivery, The Deputy Chief Executive – Corporate Development commented that business cases had been submitted and the decisions made by members had been budgeted for. It was the responsibility of Service Managers to ensure delivery based on the implemented models.

- Members asked if the anticipated savings from the new Strategic Partnership had started to take effect and had they been reflected in the budget.
  - The Deputy Chief Executive – Corporate Development confirmed savings had been achieved and were reflected in the budget.
- Regarding the £55k per year budgeted for Footway Lighting over the next four years, members queried where this was located and why this had only commenced in 2022/23.

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- The Deputy Chief Executive – Corporate Development responded that the Council had responsibilities for footways in some of the estates. Members would be advised of the specific locations in due course.
- The Portfolio Holder for Finance, Commercialisation and Partnerships confirmed that the budget in question covered the commencement of a phased replacement of LEDs and defective posts.
- Members referred to the budget allocated for the Bus Depot Resurfacing and Car Park Resurfacing and highlighted that new legislation regarding the standards of private car parks and highways needed to be adhered to. Significant potholes at the Bus Depot needed attention.
- Members stated that the budget allocated to the West Marsh Road depot was substantial and asked whether an alternative site had been located in order to save money.
  - The Portfolio Holder for Finance, Commercialisation and Partnerships stated that investment in the resurfacing of the road within the West Marsh Road site was necessary for the operation of the Waste vehicles; and investment to upgrade the welfare facilities was also necessary. Other investment in the depot would be delayed pending the identification of a new site. Some of the larger allocations for the depot would therefore be removed/adjusted.
- Members referred to the risks associated with appeals against rateable values and asked whether the Council still carried any risks in this area.
  - The Deputy Chief Executive – Corporate Development confirmed that all longstanding risks had been addressed and specialist legal advice would be taken for any individual matters that arose.
- Members stated that they had been reassured by the Portfolio Holder for Finance, Commercialisation and Partnerships at the 19 January 2022 Full Council meeting that improvements to Leisure facilities would be investigated, however there was a lack of budget for this area within the report. Members were disappointed with the facilities offered by the current Leisure Service provider, especially the food offer, which had detracted from usage of the service. Had any improvements been identified?

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- The Portfolio Holder for Finance, Commercialisation and Partnerships stated that the current Leisure contract expired in two years and that the following work had been ongoing:
  - the Interim Deputy Chief Executive (Communities) was due to meet with the current Leisure service provider to discuss improvements; and
  - different options were being investigated for the future.
- Members queried why the allocation for toilet refurbishment had not covered public facilities in the whole of the district.
  - The Deputy Chief Executive – Corporate Development confirmed that the budget incorporated all of the toilets in the district which was covered through the Repair and Maintenance budget rather than the Capital budget.
- Members thanked The Deputy Chief Executive – Corporate Development for the presentation and explanation of the figures which had been helpful.
- Members thanked the Portfolio Holder for Finance, Commercialisation and Partnerships for his attendance.

**AGREED:**

- a) That the report, appendices and presentation be noted;
- a) That the following recommendations of the Joint Performance Monitoring Panel and Policy Development Panel be considered by the Cabinet:
  - i. To lobby for IDB expenditure to be charged as a precept.
  - ii. To ensure sufficient resources be in place to fulfil the Affordable Housing Programme. Recommended resources included: internal resources; utilising external parties; or through the introduction of training programmes such as Apprenticeships.



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**12. ANY OTHER ITEMS WHICH THE CHAIRMAN DECIDES ARE  
URGENT**

There were none.

(The meeting ended at 7.25 pm)

(End of minutes)