

To: Cabinet

Date: 8 February 2023

Report/Comments of: Scrutiny Committee

Title: Scrutiny Feedback to Cabinet – Budget Proposals

<b>SUMMARY OF REPORT CONSIDERED</b>	
<b>Report Title:</b>	General Fund Revenue Budget 2023/24 and Medium-Term Financial Strategy (MTFS) 2024/25 to 2026/27 Capital Programme 2022-2027 – General Fund and Capital Strategy 2023/24 Revenue Budget Proposals 2023/24 for Housing Revenue Account (HRA)
<b>Purpose/Description of Report:</b>	To provide Members with the draft budget proposals for the general fund revenue budget, MTFS, capital programme and the HRA revenue budget.
<b>Key Decision:</b>	No
<b>Scrutiny Lead Member:</b>	Cllr R Child, Scrutiny Committee Chairman
<b>Relevant Portfolio Holder:</b>	Cllr R de Burle, Portfolio Holder for Corporate Governance, Finance and Resources Cllr R Browne, Portfolio Holder for Housing and Landlord Services (Revenue Budget Proposals 2023/24 for HRA)

## 1. Introduction and Overview

The Scrutiny Committee met on 24 January 2023 to consider the following budget reports:

- General Fund Revenue Budget 2023/24 and Medium-Term Financial Strategy 2024/25 to 2026/27
- Capital Programme 2022-2027 – General Fund and Capital Strategy 2023/24
- Revenue Budget Proposals 2023/24 for Housing Revenue Account (HRA)

All Members were invited to attend the Scrutiny Committee meeting to ensure that no Member was excluded from providing feedback on the Council's Budget proposals for 2023/24.

Prior to the meeting on 24 January 2023, Scrutiny held a workshop in order to review the budget proposals on 3 January 2023.

## **2. Summary of Feedback/Recommendations for Cabinet Consideration**

- The Chairman asked the Director for Growth and Regeneration the reason for the backdated service charges relating to Parkside and Phoenix House and how that had arisen. The charges totalling £100k and £139k respectively, which is not included within the budget, is recoverable and had arisen due to how the charges were managed historically. When recovered, this will significantly improve the budget position and mitigate the budget deficit.
- The query was raised on whether the £142k NNDR cost recharge to the contractor for occupation of Lake Terrace under the terms of the lease would be paid. Members were informed that it is subject to ongoing discussion but were hoping for a positive response.
- The question was asked, in light of the challenging financial situation the Council finds itself, why was it deemed appropriate to create the post of Assistant Director overseeing the Shared Prosperity Fund. Members were advised that the role was necessary to ensure corporate oversight of the UKSPF plan and assured that the role is an amended role and does not represent an increase in head count. In addition, the difference is fully funded through the funds received from UKSPF.
- The issue of funding for staff vacancies was raised, as well as the impact of hiring interims to temporarily fill those vacancies was having upon the budget. The Committee were informed that the vacancies are budgeted for and, where interims are hired, budget considerations and affordability are taken into account. It was also highlighted that the sector is facing recruitment challenges in key areas like planning and environmental health and it was not prudent to simply repeat recruitment processes that had been unsuccessful previously. Consideration was therefore being given to different options, including shared arrangements, and whilst these were being developed interim arrangements would be maintained.
- Concern was raised regarding the cost to the Council of replacing vehicles. It was explained these had reached the end of their economic useful life and were now incurring higher maintenance costs. A replacement programme is in place based on estimated useful lives of vehicles. Concern was raised regarding employees taking vehicles

home each evening and the additional revenue costs in fuel and wear and tear this incurred. The Director for Housing and Communities and the Director for Growth and Regeneration have committed to review the situation and provide a detailed response.

- Following a comment regarding the underspend of Disabled Facilities Grants, Officers confirmed that any underspend may have to be returned to the grant provider, which could impact the total funds of £681k. Although Officers are going to look at innovative options for how these funds could be used, whilst remaining inline with the grant conditions.
- Concern was raised on the voucher scheme to provide tenants a one-off payment to assist with the cost of living and how this was to be managed and audit considerations. The Committee were informed that the Director for Housing and Communities and the Portfolio Holder for Housing and Landlord Services will spend time in reviewing and understanding good practice before developing a policy for the Council.
- The comment was made that the Council can and should be acting more decisively when recovering garage rent arrears which currently total £18k.
- A concern was raised on whether capital investments on Council-owned homes will provide sufficient reduction in energy use and carbon emissions. Members were informed that the Council is committed to achieving climate change targets that have been committed to but that there is a trade-off to be made between reducing emissions and reducing costs for tenants. It was also reiterated that the Council will only be able to mitigate the full carbon impact from its housing with the support of government funding. The Chairman asked that an action plan be developed in respect of climate change and presented to Scrutiny at their next committee meeting.

**Written by: Scrutiny Committee Chairman in consultation with Members of the Scrutiny Committee**