

THE SCRUTINY COMMITTEE

Wednesday, 4 September 2024

Attendance:

Councillors
Brook (Chairperson)

Wallace
Achwal V
Batho
Clear

Pett
Reach
Bolton

Apologies for Absence:

Councillor Laming

Other members in attendance:

Councillors Lee, Cook, Cutler and Tod

[Video recording of this meeting](#)

1. **APOLOGIES AND DEPUTY MEMBERS**

Apologies for the meeting were noted as above.

2. **DECLARATIONS OF INTERESTS**

Councillor Wallace declared a non-pecuniary interest concerning items upon the agenda that may be related to his role as a County Councillor.

3. **CHAIRPERSON'S ANNOUNCEMENTS**

The Chairperson advised members of an additional meeting of the committee that had been scheduled for the 3rd October 2024.

4. **MINUTES OF THE MEETING OF THE 29 JULY 2024**

RESOLVED:

That the minutes of the previous meeting held on 29 July 2024 be approved and adopted.

5. **PUBLIC PARTICIPATION**

Councillor Sue Cook addressed the Committee regarding item 6 (Q1 Finance & Performance Monitoring) and asked a number of detailed questions and points of clarification on a range of matters. A number of these points were subsequently raised during the meeting and the Chairperson asked Councillor Cook if she could forward her questions to officers for a response to be provided outside of the meeting.

Councillor Danny Lee addressed the Committee regarding item 6 (Q1 Finance & Performance Monitoring), item 7 (Housing Revenue Account outturn 23/24), item 8 (General Fund outturn 23/24) and item 9 (Forward Plan of Key Decisions) and asked a number of detailed questions and points of clarification on a range of matters. A number of these points were subsequently raised during the meeting and the Chairperson asked Councillor Lee if he could forward his questions to officers for a response to be provided outside of the meeting.

6. **Q1 FINANCE & PERFORMANCE MONITORING**

Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Performance introduced the report, ref CAB3469 which set out proposals for the Q1 2024/25 Performance Monitoring, (available here). The introduction included the following points.

1. He advised that following the recent corporate peer challenge, it was concluded that the City Council remained a high-performing authority. Financial management was noted as strong, mitigating immediate risks to the council.
2. The new direction for quarterly performance reporting was acknowledged as an opportunity to refocus performance management. This process would drive delivery and track progress on the council's corporate priorities.
3. Councillor Cutler highlighted that the new report presented information in a more streamlined format. Last year's quarterly reports averaged 115 pages, while this report was significantly reduced to around 40.
4. Key council priorities were set out in the report, along with a summary of progress achieved in the quarter and actions planned for the next quarter. These were broken down by Tier 1 projects and major programmes, with progress tracked using a red, amber, and green (RAG) status system.

Simon Howson, Senior Policy and Programme Manager advised the committee that the new report format aimed to provide essential data while significantly reducing its length, focusing on the Council Plan's five key priorities. He confirmed that financial performance data for both the General Fund and the Housing Revenue Account (HRA) was included.

The committee was asked to raise with the Deputy Leader or relevant Cabinet member any issues arising from the information in this report (CAB3469), which was being presented to Cabinet on the 11th of September 2024, and to consider whether there are any items of significance to resolve or to be drawn to the attention of Cabinet.

The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. Further information was requested about the council's policy for managing invasive species.
2. A question was raised about the carbon neutrality action plan, specifically asking for details on the "cargo bike last-mile delivery scheme."
3. Further information was requested about the rerouting of the waste and recycling rounds, and if ward members would be informed of the changes.
4. A question was asked about the amber RAG status for TCE1 and TCE2, particularly whether the status was due to outdated data or performance issues.
5. Regarding page 27, a question was raised about projects due for completion in July and August 2024, asking if they were finished as scheduled and if any delays would be reported.
6. A question was asked regarding the targets for TCE1, TCE2, TCE7, and TCE8 as it was felt that these targets had changed without explanation in the report.
7. A question was asked about whether the 80% target for clearing fly-tips was ambitious enough, given the perceived scale of the problem. Further information was requested regarding whether specific areas with frequent fly-tipping were receiving targeted attention from the council. A request was made for future reports to include footnotes specifying contract terms for fly-tipping clearance response times.
8. A question was raised about environmental concerns with solar panels, for example lead leaching and whether solar panels were the best option for renewable energy, given these environmental concerns, and whether alternatives were being explored.
9. It was noted that on page 35 regarding the New Homes programme the RAG status was amber, but the committee felt the supporting text did not align with this status.
10. A question was raised about the rising number of households on the housing waiting list, and whether this was due to increased demand or other factors. A follow-up question asked about comparing WCC's housing waiting list numbers to other local authorities.
11. Further information was asked about the rise in void properties and whether this was contributing to longer waiting times for housing.
12. A question was raised about the results of the tenant questionnaire on repairs and maintenance, and when the findings would be available for Councillors.
13. A question was asked regarding HFA4 and specifically in understanding the 365-day target.
14. Clarification was sought regarding the 2024/25 target for achieving an energy efficiency rating of C or above in council housing which appeared to be the same for 2023/24. A follow-up question was asked if the cabinet would review its housing energy efficiency targets to ensure they aligned with carbon neutrality goals.
15. Further information was requested about future investments in waste management infrastructure to support the upcoming route changes.
16. A question was raised about potential upgrades to the heating system in council offices to align with carbon reduction goals.

17. Further information was sought about the retrofit programme's progress and when the work would begin. A follow-up asked if the council had a formal system for inspecting completed retrofit work to ensure it met standards.
18. A question was raised about whether revenue from the Guildhall and Abbey House would be reinvested into their maintenance.
19. Clarification was sought regarding how the council would manage GDPR and data security risks in its potential use of AI for data summarisation.
20. A question was raised about whether waste and recycling guidance would be included in the council's event management toolkit.
21. Further clarification was sought about fluctuations in the percentage of revenue spend with local suppliers and if the council was encouraging local sourcing.
22. A question was asked if there were areas in the council's housing stock where energy efficiency work had stalled and how this was being addressed.
23. A question was raised about the council's collaboration with neighbouring authorities on carbon neutrality, specifically on energy efficiency improvements in housing.

These points were responded to by Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Performance, Councillor Martin Tod, Leader and Cabinet Member for Asset Management Simon Hendey, Strategic Director, Liz Keys, Director (Finance) Gilly Knight, Corporate Head of Housing and Simon Howson, Senior Policy and Programme Manager accordingly.

RESOLVED:

The committee agreed to ask the Cabinet Member to consider the following:

1. To provide an update to the committee regarding the council's approach and policy in preventing the spread of invasive plant species,
2. To clarify if/why the targets relating to TCE1, and TCE2, had changed between 2023/24 and 2024/25. If they had, to consider explaining at future Cabinet meeting and in future performance reports to explain any change.
3. To provide a response to the question regarding the heating system efficiency at the City Offices.
4. To consider providing further explanatory text to explain amber/red status within the report.
5. To consider the target relating to HFA1 (% of all WCC homes achieving energy efficiency rating of C or above) as it was believed that the target had not increased for 2024/25 despite progress in the previous year.
6. To review the target relating to HFA4 (Average time for homeless household to receive offer of a permanent home (days -365 days) and to provide further information to the committee regarding its calculation and use.
7. To consider whether issues around waste and recycling would be included in the event planning toolkit.

8. The committee expressed interest in a deeper analysis of fly-tipping data, specifically focusing on the 20% of cases that were not cleared within the set timeframes. The committee discussed potentially forming a task and finish group to investigate this issue further if, after more clarity in the Q2 report, it was still felt necessary.

7. **HOUSING REVENUE ACCOUNT OUTTURN 23/24**

Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Performance introduced the report, ref CAB3465 which set out proposals for the Housing Revenue Account (HRA) Outturn 2023/2024, (available here).

The introduction included the following points.

1. The HRA must be self-financing, ensuring that rents and service charges cover all expenditure.
2. Recent years have presented significant challenges due to economic and financial instability, affecting the HRA's cost base and borrowing costs.
3. Key achievements in 2023/24 included:
 - a. Acquisition of numerous temporary accommodation units through the Local Authority Housing Fund.
 - b. Significant progress in new builds at Winnall, Southbrook, and North Whiteley.
 - c. Increased focus on retrofitting properties to improve energy efficiency.
4. A staffing structure review was conducted, resulting in ongoing savings as outlined in the previous budget report.
5. Overall, the year-end outturn saw an overspend of £350,000 against the agreed budget, with notable cost pressures, especially in repairs and maintenance.
6. Reactive repairs saw an 8% increase in demand, coupled with contract inflation issues, leading to a £2,000,000 overspend.
7. Savings were made through borrowing at lower interest rates, resulting in a £1.6 million saving in interest charges.
8. The report concluded with a mention that future detailed budget planning for the HRA, including addressing the overspend in repairs, and would be part of the November budget options report.

The committee was recommended to scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3465, which was to be considered by the cabinet at its meeting on the 11th of September 2024. The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. Further clarification was sought regarding paragraph 11.2(b), specifically concerning the historic underpayment of cumulative inflation and its impact.
2. Relating to 1 above, further questions were asked about the possibility of broader contract management issues and inflation underpayments and the timespan for potential claims to come forward.
3. Clarification was sought on the status of fire safety provisions referenced in paragraph 11.6(c) of the report.

4. A question was asked on how inflation increases had been addressed in the budget, seeking further information on the broader implications for future financial planning.
5. A question was raised regarding external income, particularly how it was classified and what specific sources contributed to the £1.4 million positive variance.
6. Further details were requested on the depreciation figure in paragraph 11.3(h), specifically why the depreciation charge had been significantly underbudgeted for.
7. A question was raised about vacant staff posts and the progress in recruiting property professionals, especially considering the recruitment challenges mentioned in section 11.6(b).

These points were responded to by Simon Hendey, Strategic Director, Liz Keys Director (Finance), Neil Aitken, Service Lead: Finance, and Kevin Harlow, Finance Manager: Housing accordingly.

RESOLVED:

That the Cabinet Member and officers note the committee's comments.

8. **GENERAL FUND OUTTURN 23/24**

Councillor Neil Cutler, Deputy Leader and Cabinet Member for Finance and Performance introduced the report, ref CAB3464 which set out proposals for the General Fund Outturn 2023/2024, (available here). The introduction included the following points

1. The General Fund revenue budget for 2023/2024, approved in February 2023, was balanced. However, quarterly monitoring throughout the year forecasted a small surplus, culminating in a final outturn surplus of £900,000, up from the previously reported £530,000 in the Q3 report.
2. The final net service surplus was transferred to the transitional reserve to support the Council's transformation programme (TC25), which aims to save £3 million over the next three years, addressing the budget gap identified in the medium-term financial strategy.
3. The surplus was attributed to both baseline (ongoing) variances in core service budgets, as outlined in Section 13 of the report, and one-off budget variances for projects during the financial year, detailed in Section 14 of the report.
4. The capital programme outturn was also presented, with a spend of £6.2 million against a revised budget of £10 million. Councillor Cutler noted that it is not uncommon for large-scale capital projects to experience slippage due to the difficulty in estimating the timing of works.
5. Key capital projects completed in 2023/24 included the opening of the new pavilion at King George V Playing Field; £1.6 million worth of home adaptations for disabled residents; the demolition of the Friarsgate Medical Centre and creation of interim open space; and the completion of the King's Walk refresh.

In addition, Liz Keys, Director (Finance) advised the committee of the use of outturn information to inform the medium-term financial strategy and the development of the 2025/26 budget.

The committee was recommended to scrutinise and comment on the proposals within the attached draft cabinet report, ref CAB3464, which is to be considered by the cabinet at its meeting on the 11th of September 2024.

The committee proceeded to ask questions and debate the report. In summary, the following matters were raised.

1. A question was asked regarding the definition of unusable reserves as mentioned on page 90, paragraph 12.3.
2. Further clarification was sought on the visibility of property and asset management as discussed in Section 5 of the report, particularly whether councillors should receive more detailed and regular updates on these matters.
3. A question was raised about how the council's assets were performing compared to benchmarks, with a suggestion that more comparative data would help the scrutiny committee evaluate asset performance.
4. A question was asked about what qualifies for "one-off budgets" and how these differ from regular budgets.
5. Clarification was sought regarding the General Fund Capital Spend, which showed a difference between the original budget and the outturn, and whether there were specific reasons for this.
6. A question was raised about Section 14, noting that some budgets were underspent, particularly those related to the climate emergency and transformation programme.
7. Further clarification was sought on whether anything specific was causing slippage in these budgets and projects.
8. A question was asked about Appendix 5, specifically regarding the reference to the "Bone Store" and its significance.
9. A question was raised concerning Appendix 1 and whether the reserves-related movements reflected an addition of £5.6 million to the reserves instead of the previously anticipated use of £0.9 million.
10. A question was asked about the energy management projects in Appendix 4, specifically regarding the transfer of £125,000 for solar PV at Meadowside Leisure Centre and the details of these projects.

These points were responded to by Simon Hendeby, Strategic Director, Liz Keys Director (Finance), and Neil Aitken, Service Lead: Finance accordingly.

RESOLVED:

1. The committee agreed to ask the Cabinet Member to consider the following:
 - a. a possible benchmarking of asset management performance in line with question 3 above.
 - b. To provide a Member Briefing, potentially as part of a wider TC-25 briefing regarding council assets.
2. That the Cabinet Member and officers note the committee's comments.

9. **TO NOTE THE LATEST FORWARD PLAN OF KEY DECISIONS**
RESOLVED

That the October to December 2024 Forward Plan of Key Decisions be noted.

10. **TO NOTE THE LATEST VERSION OF THE WORK PROGRAMME.**
RESOLVED:

That the latest version of the work programme (which can be [found here:](https://democracy.winchester.gov.uk/mgPlansHome.aspx?bcr=1) <https://democracy.winchester.gov.uk/mgPlansHome.aspx?bcr=1>) be noted.

Chairperson