

## OVERVIEW & SCRUTINY COMMITTEE

Minutes of the meeting of the Overview & Scrutiny Committee held on Wednesday, 15 September 2021 in the Council Chamber - Council Offices at 9.30 am

<b>Committee Members Present:</b>	Mr N Dixon (Chairman)	Mr S Penfold (Vice-Chairman)
	Ms L Withington	Mr H Blathwayt
	Mr P Heinrich	Dr V Holliday
	Mr C Cushing	Mr A Brown
	Mr P Fisher	
<b>Members also attending:</b>	Ms V Gay (Observer)	Mr N Lloyd (Observer)
	Mr J Rest (Observer)	Mr E Seward (Observer)
	Mr J Toye (Observer)	Mrs S Bütikofer (Observer)
<b>Officers in Attendance:</b>	Democratic Services and Governance Officer - Scrutiny (DSGOS), Chief Executive (CE), Democratic Services Manager (DSM), Chief Technical Accountant (CTA) and Revenues Manager (RM)	

### 51 TO RECEIVE APOLOGIES FOR ABSENCE

Apologies were received from Cllr A Varley, Cllr N Housden and Cllr E Spagnola.

### 52 SUBSTITUTES

Cllr T Adams substituted for Cllr E Spagnola.

### 53 PUBLIC QUESTIONS & STATEMENTS

None received.

### 54 MINUTES

Minutes of the meeting held on 14<sup>th</sup> July 2021 were approved as a correct record and signed by the Chairman.

### 55 ITEMS OF URGENT BUSINESS

None received.

### 56 DECLARATIONS OF INTEREST

None declared.

### 57 PETITIONS FROM MEMBERS OF THE PUBLIC

None received.

### 58 CONSIDERATION OF ANY MATTER REFERRED TO THE COMMITTEE BY A MEMBER

None received.

**59 RESPONSES OF THE COUNCIL OR THE CABINET TO THE COMMITTEE'S REPORTS OR RECOMMENDATIONS**

The DSGOS informed Members that there were no responses to report, besides acceptance of the Committee's recommendations on cyclical reports.

**60 MANAGING PERFORMANCE QUARTER 1 2021/2022**

Cllr S Bütikofer – Leader of the Council introduced the report and informed Members that there had been significant progress made on the Corporate Plan objectives, despite the continued efforts required to respond to Covid-19.

Questions and Discussion

- i. Cllr C Cushing challenged the validity of aspects of the reporting, and suggested that too many green RAG ratings had been given without justification and little reference to project timeframes. He added that sixteen objectives had also been deferred by periods of up to a year, but there was no reference to this within the report. It was noted that there were also eight actions with past due dates, where red RAG ratings had not been listed and no justification provided. Cllr Cushing noted that he had also found examples of commentary that had not been updated from previous reports, and therefore stated that if only positive news was being reported, then it defeated the object. Cllr Bütikofer replied that whilst she had listened to concerns, she did not agree that only good news was being reported. She added that report represented a point in time three months ago, and since this time significant progress had been made. Cllr S Bütikofer accepted that improvements could be made to the report, and said that it was under review.
- ii. The CE stated that whilst he did not feel that Cllr Cushing's comments were inappropriate, several objective deadlines had been changed to reflect the decision to re-prioritise the Corporate Plan on 5<sup>th</sup> October 2020. He added that this reflected a degree of honesty in what was achievable, given the impact of responding to Covid-19. It was agreed that acknowledging this more clearly within the report would be helpful. The CE noted that an update was also being prepared on wider progress made outside of the eighteen key objectives agreed by Cabinet, such as work on the Housing Strategy, which would be reported in October.
- iii. Cllr C Cushing suggested that it would be helpful to include baseline objective completion dates in addition to the updated deadlines, in order to monitor how objectives had been delayed to apply context. The CE confirmed that he was happy to adjust reporting to reflect the changes in objective deadlines. He added that some projects such as the implementation of Policies or Strategies, were an ongoing process that did not warrant a specific completion date.
- iv. Cllr V Holliday raised the issue of benchmarking, and stated that LG Inform could be used to provide data for comparative analysis on issues such as household recycling rates. The CE replied that whilst this service was available, it would be difficult to find direct comparisons to NNDC, as several similar authorities had become Unitaries. He added that NNDC could make

comparisons with neighbouring authorities, though Members would need to take into account the different priorities between Councils. These would include NNDC's high number of public conveniences, blue flag beaches, retained leisure services and other discretionary services. Cllr Bütikofer stated that whilst comparison would be difficult, she hoped there would be some areas where comparisons and benchmarking data could be provided.

- v. Cllr J Toye stated that whilst discussion had focused on how performance was being reported, it was important to recognise that improvements were being made, and that objectives were being achieved. Cllr L Withington added that there were many instances in the report where explanations had been given for delays, and that despite the ongoing impact of Covid-19, progress was being made on objectives.
- vi. It was proposed by Cllr C Cushing and seconded by Cllr A Brown that consideration be given to including baseline completion dates alongside updated objective deadlines, and that benchmarking data is included in the report, where possible.

## **RESOLVED**

- 1. To note the report and endorse the actions being taken by Corporate Leadership Team detailed in Appendix A – Managing Performance.**
- 2. To recommend to CLT that consideration is given to including baseline completion dates alongside updated objective deadlines, and that benchmarking data is included in the report, where possible.**

## **ACTIONS**

- 1. That ongoing consideration is given to improving the format and presentation of the performance report data.**

## **61 DEBT RECOVERY 2020-21**

Cllr E Seward – Portfolio Holder for Finance and Assets introduced the report and informed Members performance on Council Tax collections over the past year was slightly down, though this was to be expected given the situation. He added that during the initial outbreak of Covid-19 the Council had taken the decision, similar to other authorities, not to pursue Council Tax arrears, though this had now resumed as a priority.

### Questions and Discussion

- i. Cllr L Withington referred to the debt analysis, and asked whether any analysis of the types of businesses in arrears had been undertaken. It was suggested that this data could be used to determine whether there was any particular sector that was suffering, which could help the Council to support these types of businesses. The RM replied that whilst this type of analysis hadn't been undertaken previously, the information was available and could be reviewed with the Economic Growth Team, if required. The Chairman asked that the RM review the proposal and report back to the Committee.
- ii. It was proposed by Cllr P Heinrich and seconded by Cllr H Blathwayt that the report be recommended to Council for approval.

## RESOLVED

1. To recommend that Council approve the annual report giving details of the Council's write-offs in accordance with the Council's Debt Write-Off Policy and performance in relation to revenues collection.

## ACTIONS

1. Revenues Manager to review whether Business Rates debts relate predominantly to any particular economic sector, to uncover any potential issues.

## 62 BUDGET MONITORING REPORT 2021/22 - PERIOD 4

Cllr E Seward introduced the report and informed Members that it was the first budget monitoring report of the year, which would not provide the level of insight that could be expected from later reports. He added that overall the Council was expecting to deliver a balanced budget, with the current position being a small underspend of approximately £90k. It was reported that the underspend related to delayed waste collection invoices, in addition to parking income being above budgeted figures.

### Question and Discussion

- i. Cllr C Cushing asked what the main risk would be to delivering a balanced budget at year end. The CTA suggested that there were two main risks, and referred to the table in section 2.1 of the report, which showed the estimated full year effect including the current best estimate of annual interest. It was noted that this could be affected by changes to the BoE base rate, and was also dependent on externally managed pool funds, which had been relatively volatile during Covid-19, and could be considered an ongoing risk. The CTA stated that secondly, increased revenue from parking was dependent on continued high visitor numbers, which could become a risk if visitor numbers declined significantly. She added that the main risks therefore related to income generation rather than expenditure. Cllr E Seward added that the number of homelessness cases the Council dealt with had been rising, and whilst the Council had invested in temporary accommodation to avoid non-recoverable costs, further increases could reduce any potential savings.
- ii. Cllr J Rest said that he had heard the predicted annual rate of inflation could reach as high as five percent, though the BoE were not expected to increase the base rate, and asked whether this would have an impact on the Council. The CTA replied that the biggest danger to the Council with regards to CPI inflation, would be contractual obligations linked to the inflation rate. She added that this could lead to increased costs, that would impact the Council's finances. Cllr E Seward noted that contractor costs in the building trade had also risen, and increased costs had therefore been added to projects such as the toilets in Fakenham and Wells, which presented an additional risk to the Council.

## RESOLVED

1. To note the contents of the report and the current budget monitoring position.

## 63 2020/21 OUTTURN REPORT (PERIOD 12 BUDGET MONITORING REPORT)

Cllr E Seward introduced the report and informed Members that despite the unprecedented circumstances, the Council had ended the year with a budget surplus of approximately £750k. He added that this showed the Council's finances were soundly managed, with money returned to, rather than taken from reserves. It was noted that there was an adverse balance in providing services, taking account of adjustments of approximately £1m, though this had been offset by the Fees and Charges Compensation Scheme provided by Central Government, to the sum of approximately £640k. Cllr E Seward stated that assistance from the Government on business rates collection had also provided funding in the region of £800k. It was noted that whilst the Council had been eligible for these grants, it remained in a strong financial position. Cllr E Seward stated that looking forward, uncertainty remained around the future level of Government support available, which could have a significant impact on future budgets. As a result, officers continued to progress the zero based budgeting exercise, in order to prepare for all eventualities. Cllr E Seward stated that it remained the aim of the Council to maintain all services without increases to Council tax beyond the annual cap, though this would be dependent on the level of continued financial support from Central Government.

### Questions and Discussion

- i. Cllr C Cushing referred to comments made at Cabinet regarding the £2.4m of financial support provided by the Government, and noted that without this funding, the annual surplus of £750k would be a £1.7m deficit. Cllr E Seward replied that he was grateful for the assistance provided by Central Government, and noted that if this support had not been provided to businesses and local authorities, there would have been significant issues across the Country.
- ii. The recommendations were proposed by Cllr H Blathwayt and seconded by Cllr Brown.

### **RESOLVED**

**To recommend the following to Full Council for approval:**

- a) The provisional outturn position for the General Fund revenue account for 2020/21;**
- b) The transfers to and from reserves as detailed within the report (and appendix C) along with the corresponding updates to the 2021/22 budget;**
- c) Allocate the surplus of £752,223 to the Delivery Plan Reserve;**
- d) The financing of the 2020/21 capital programme as detailed within the report and at Appendix D;**
- e) The balance on the General Reserve of Reasons for Recommendations: £2.326 million;**
- f) The updated capital programme for 2021/22 to 2024/25 and scheme financing as outlined within the report and detailed at Appendix E;**
- g) The outturn position in respect of the Prudential Indicators for 2020/21 as detailed in Appendix F and;**
- h) The roll-forward requests as outline in Appendix H are approved.**

## 64 TREASURY MANAGEMENT ANNUAL REPORT 2020/21

Cllr E Seward introduced the report and informed Members that as a result of the funds provided to administer business support grants, investments were considerably higher than normal. He added that long-term investments were approximately £32m, whilst short-term investments were approximately £10m. It was reported that the Council had received between £130m-£140m from Central Government to support businesses during the Pandemic, and only £4m remained with the Council at the end of July, highlighting the level of work that had gone into administering grant payments.

#### Questions and Discussion

- i. Cllr S Penfold asked whether the Council had a policy to determine how and where its money was invested, relating to 'ethical' investments. The CTA replied that officers were working with the Council's Treasury advisors Arlingclose on an ESG Policy to ensure that any new investments were made with counterparties that met certain ethical criteria. She added that the majority of the Council's investments were currently managed by external fund managers, though an overview where investments had been made was reported annually. It was noted that fund managers could be selected with ESG policies that reflected the Council's own, and that the Council's ESG Policy would be ready in the coming months.
- ii. The Chairman suggested that ESG investments carried an inherent risk of greenwashing, that should be carefully monitored.
- iii. The recommendation was proposed by Cllr P Heinrich and seconded by Cllr S Penfold.

#### **RESOLVED**

- 1. To recommend to Council that the Treasury Management Annual Report and Prudential Indicators for 2020/21 are approved.**

#### **65 OFFICER DELEGATED DECISIONS (MAY TO AUGUST 2021)**

The DSGOS informed Members that the DSM was available via remote attendance for any questions relating to the report.

#### **RESOLVED**

- 1. To receive and note the report and the register of officer decisions taken under delegated powers.**

#### **66 THE CABINET WORK PROGRAMME**

The DSGOS informed Members that despite it being on the Work Programme for October, the Medium Term Financial Strategy would come to the Committee for Pre-Scrutiny in January, and go to Cabinet for approval in February. He added that this was an approach being taken by many authorities across the Country. The DSM stated that the NEWS contract renewal was expected to go to Cabinet in November.

#### Questions and Discussion

- i. The Chairman stated that a Cabinet Working Party for projects was due to meet in the coming weeks and asked whether any update could be provided on how this

would operate alongside the Scrutiny Panels. The DSGOS referred to the Scrutiny Panel Terms of Reference agreed some months ago, and noted that the introduction of the Panels had been put on hold until it was known how the Cabinet Working Party would operate. It was noted that the Cabinet Working Party would allow the Executive to oversee its projects and provide the necessary governance structure previously provided by individual project boards, which had been criticized for their lack of transparency. The DSGOS stated that due to the limited workload, it was likely that only one Scrutiny Panel would be required, and now that the first Cabinet Working Party meeting had been scheduled, informal discussions would take place to determine how the Scrutiny Panel would operate.

- ii. The CE raised concerns regarding potential repetition, and noted that the Committee already reviewed reports on the Council's major projects. He added that he was in the process of reviewing working practices to ensure that parallel Working Parties would be the best use of time and resource to generate added value. The Chairman noted that there had been caution amongst Committee Members in taking this approach, and it would be helpful to agree a way forward prior to proceeding. He added that it would also be helpful for the Committee to feed into appointments to any future Panels.
- iii. Cllr S Penfold reiterated concerns of repetition as the Committee already actively monitored two of the Council's major projects. He added that it was important for the Committee to retain its ability to question Portfolio Holders directly on their projects. The Chairman noted that it would be prudent for the Committee to agree in advance what it was comfortable for the Panels to review.
- iv. The CE informed Members that a Changing Places initiative was being launched by Central Government that the Council had submitted an expression of interest to. He added that this programme could be of great interest to the Committee in the months ahead.
- v. Cllr L Withington referred to the Committee's beach huts and chalets monitoring, and suggested this would be a good topic for the Scrutiny Panels. The DSGOS informed Members that the beach huts and chalets review had been completed by an O&S Task and Finish Group prior to the election, over the course of six-months. He added that the report would provide an update on the implementation of the outcomes of that review, taking into account that the management of the service had changed, following the Council's restructure.

## **RESOLVED**

**To note the Cabinet Work Programme.**

## **67 OVERVIEW & SCRUTINY WORK PROGRAMME AND UPDATE**

The DSGOS informed Members that the MTFs would not come forward in October as previously mentioned, and noted that the Beach Huts monitoring report had already been delayed for full summer occupancy levels to be included. He added that discussions had also taken place on the waste contract monitoring report, with Serco invited to attend the October meeting.

On the planning performance report, it was noted that discussions had taken place with the relevant officer, and performance updates were already being provided to the Development Committee that could be adapted for O&S.

### Questions and Discussion

- i. Cllr A Brown referred to the implementation of the Uniform Planning system, and asked whether an update would be provided in future. The DSGOS replied that this had been raised during a previous performance monitoring report, and suggested that it could potentially be included as part of the planning performance review. Cllr A Brown confirmed that he would be happy to proceed in this manner, so long as the issue was not forgotten. The Chairman suggested that if this update raised any issues, then the Committee could potentially review the implementation in more detail.
- ii. Cllr J Rest asked for an explanation on the new role of the Corporate Business Manager. The CE replied that the role was established to manage both the Corporate PA Team and the Corporate Delivery Unit to focus on improvements to performance management and project governance.

**RESOLVED**

**To note the Work Programme.**

**68 EXCLUSION OF THE PRESS AND PUBLIC**

The meeting ended at 10.51 am.

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Chairman