

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 15TH JULY, 2019

PRESENT: Councillor M Harland in the Chair

Councillors G Almas, P Carlill, D Chapman,
S Firth, H Hayden, D Jenkins, J McKenna,
M Robinson, S Seary and E Tunnicliffe

13 Declaration of Disclosable Pecuniary Interests

There were no declarations.

14 Minutes - 10th June 2019

RESOLVED – That the minutes of the meeting held on 10 June 2019 be confirmed as a correct record.

15 Financial Performance - Outturn financial year ended 31st March 2019

The report of the Head of Democratic Services informed the Board of the Council's financial outturn position for 2018/19.

A copy of the report submitted to Executive Board on 26 June 2019 was appended.

The following were in attendance for this item:

- Councillor James Lewis, Deputy Leader of the Council
- Victoria Bradshaw, Chief Financial Officer

In response to Members' comments and questions, the following was discussed:

- *Existing level of reserves* - it was reported that there was a planned £3m contribution to the Council's general reserve, which meant that the level of general reserve at 31st March 2019 was £28m.
- *Future management of reserves* – it was noted that the Council was coming to the end of a four year financial settlement from the Government. The level of reserves and balances will be considered when Full Council set the Revenue and Capital Budgets in February 2020. A risk assessment will be undertaken to inform the level of reserves required. This would then go to Full Council as part of the budget setting process.
- *Business rates pool* – particular reference was made to plans for utilising the provisional 2018/19 surplus of £1.5m linked to the former Leeds City Region Business Rates Pool.

- *Strategic and Central Account* – it was noted that whilst the £7.5m underspend was linked to a number of key variations, a particular factor was linked to PFI lifecycle costs.
- *Minimum Revenue Provision (MRP)* – the Board noted that there would be a report going to Executive Board in July which would further detail issues regarding MRP.

RESOLVED – That the report be noted.

16 Treasury Management Outturn for 2018/19

The report of the Head of Democratic Services provided Board Members with details of the Council's Treasury Management Outturn position for 2018/19.

A copy of the report submitted to the Executive Board in June 2019 was appended to the papers.

The following were in attendance for this item:

- Councillor J Lewis, Deputy Leader of the Council
- Victoria Bradshaw, Chief Financial Officer
- Bhupinder Chana – Head of Finance

The report reflected that the strategy had been undertaken in line with what was set in February 2018. It was noted that the net external debt was £2,063m, which was £63m lower than forecast and that this level of debt should be viewed in context of the Local Authority holding assets of £5.6 billion valued as at 31st March 2019. The Council had remained within their authorised and operational boundary as approved by Council. It was also reported that savings of £539k had been generated against the original budget, principally as short term borrowing had been undertaken reducing the cost of the debt and the use of internal balances.

In response to Members' comments and questions, the following points were also raised:

- The Board noted that a review of the capital programme was being undertaken which would include future borrowing requirements.
- A 0.25% rise in interest rates, dependant on the capital programme, would have an annual cost impact of £1.4 million.
- It was noted that if all the Councils debt was converted to long term borrowing, this would cost the Council a further £8 million per year.
- It was clarified that the assets of £5.6 billion included schools that were under control of the Council.

RESOLVED – That the report be noted.

17 Embracing Digital Technology Solutions - formal response to scrutiny recommendations

The report of the Head of Democratic Services presented a formal response to the recommendations arising from the previous Scrutiny Inquiry around embracing digital technology solutions.

An appendix to the report outlined responses to the Scrutiny recommendations.

The following were in attendance for this item:

- Councillor James Lewis, Deputy Leader of the Council
- Jo Miklo, Head of Digital Efficiencies

In response to Members comments and questions, the following points were raised:

- It was reported that senior management from the Resources and Housing directorate had attended the one day Digital and Agile Awareness course run by the Government Digital Service and provided positive feedback. Moving forward, the aim is for over 100 senior leaders to complete this course by April 2020.
- The Board suggested that information on the use and costs associated with the ModGov system be shared with other public sector partners such as the Police and Fire Authority, particularly in view of the environmental and cost efficiencies linked to reduced paper and printing requirements.
- That digital technology was being developed and promoted to enable staff to work remotely and help address any unnecessary travelling requirements.
- It was noted that further analysis of the bids submitted for digital projects will be provided in future updates to the Board.
- It was noted that robust measures are put in place to ensure the security of digital records.

RESOLVED –

- (a) That the report and formal responses to the recommendations be noted.
- (b) That a further tracking report be brought back to the Board in November 2019.

18 The management and financial implications of void properties in Council ownership - formal response to scrutiny recommendations

The report of the Head of Democratic Services presented a formal response to the recommendations arising from the previous Scrutiny review surrounding the management and financial implications of void properties in Council ownership.

An appendix to the report detailed the response to the Scrutiny recommendations.

The following were in attendance for this item:

- Councillor James Lewis, Deputy Leader of the Council
- Mark Mills, Head of Asset Management

The following key issues were highlighted:

- There had been steps to develop an asset management forward plan which would highlight any changes to assets and give early notification of assets that became vacant.
- The implementation of an options appraisal approach for properties that were becoming void.
- Commencing earlier dialogue with Ward Members.
- Linking the void management process with the capital programme.
- Quarterly meeting to review all properties on the void list to monitor progress.

In response to Members comments and questions, the following points were raised:

- Additional properties that had come on the void list since the review had been smaller properties within local areas. It was likely that more substantial properties would come forward in the next two years.
- Garage sites tended to be under the Housing Revenue Account. There was more joined up work with colleagues in housing to look at these sites and areas of land.
- Engagement with Ward Members – initial contact would usually be via e-mail and briefing meetings would be arranged when necessary. Importance was placed on providing a consistent approach to Ward Member engagement.
- That a review of all locality buildings would be undertaken through the Changing the Workplace Programme.
- The need for Elected Members to have clarity on whom to contact regarding void properties and whether there could be a single point of contact.
- The Board requested information around the number of shop units managed by Council as part of the HRA portfolio and how many of these are vacant/void.

RESOLVED –

- (a) That the report and formal responses to the recommendations be noted.
- (b) That the information requested be provided and circulated to Board Members.
- (c) That a further tracking report be scheduled for January 2020.

19 Work Schedule

The report of the Head of Democratic Services presented the Scrutiny Board's work schedule for the remainder of the current municipal year.

As reflected within the work schedule, the Board agreed to undertake two key inquiries this year on the following issues:

- The reduction of energy consumption in Council buildings;
- Promoting sustainable travel for staff.

It was also noted that the work schedule would be updated to reflect the Board's earlier discussion and agreement to bring further updates on Digital Technology Solutions in November and Void Properties in January.

RESOLVED – That the work schedule be noted and updated as discussed.

20 Date and Time of Next Meeting

Monday, 9th September 2019 at 10.30 a.m. (pre-meeting for all Board Members at 10.00 a.m.)

(The meeting concluded at 11.50 am)