

## **AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE**

Minutes of a meeting of the Audit & Corporate Overview Scrutiny Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Thursday, 25th November 2021 at 10:00 hours.

### **PRESENT:-**

Members:-

Councillor Tom Munro in the Chair

Councillors Donna Hales, Tom Kirkham (to Minute No ACO40-21/22), Graham Parkin, Peter Roberts and Ruth Jaffray (Coopted Member)(to Minute No. ACO42-21/22).

Officers:- Karen Hanson (Executive Director of Resources (from during Minute No **ACO42-21/22**), Theresa Fletcher Assistant Director - Finance & Resources/Section 151 Officer), Kath Drury (Improvement & Engagement Officer)(to Minute No. ACO42-21/22), Victoria Dawson (Head of Housing and Enforcement), Joanne Wilson (Scrutiny & Elections Officer) and Alison Bluff (Governance Officer).

Also in attendance at the meeting was Councillor Clive Moesby, Portfolio Holder for Finance.

### **ACO30-21/22 APOLOGIES FOR ABSENCE**

Apologies for absence were received on behalf of Councillor Chris Kane and the Chairs and Vice Chairs of Scrutiny Committees: Councillors Rose Bowler and Rita Turner (Customer Services Scrutiny), Nick Clarke and Anne Clarke (Climate Change & Communities Scrutiny) and Jenny Wilson and Paul Cooper (Local Growth Scrutiny).

### **ACO31-21/22 URGENT ITEMS OF BUSINESS**

There were no urgent items of business to consider.

### **ACO32-21/22 DECLARATIONS OF INTEREST**

There were no declarations of interest made.

### **ACO33-21/22 MINUTES OF A MEETING HELD ON 14TH SEPTEMBER 2021**

Moved by Councillor Graham Parkin and seconded by Councillor Peter Roberts  
**RESOLVED** that the Minutes of an Audit & Corporate Overview Scrutiny Committee held on 14<sup>th</sup> September 2021 be approved as a correct record.

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### ACO34-21/22 LIST OF KEY DECISIONS

Committee was advised that the List of Key Decisions and items to be considered in private document was part of the agenda for Members information only. Any queries relating to items would need to be directed to the officer whose name appeared at the side of the item. If Members wished to discuss an exempt report, the meeting would need to move into exempt business and exclude the public in accordance with the Local Government (Access to Information) Act 1985 and Local Government Act 1972, Part 1, Schedule 12a for that part of the meeting.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin

**RESOLVED** that the List of Key Decisions and items to be considered in private document be noted.

### ACO35-21/22 PROCUREMENT STRATEGY

Committee considered a report in relation to the Council's Procurement Strategy, which had been updated to take account of all legislative and operational changes to ensure it remained fit for purpose.

The Procurement Strategy outlined how the procurement of goods, works and services was achieved and described the Council's Contract Procurement Rules. These provided a corporate framework for the procurement of all goods, works and services to ensure that all procurement activity was conducted with openness, honesty and accountability.

The policy was to comply with the requirements of the legislation, applicable to local authorities, and these were set out in the report.

In response to a Member's query, the Assistant Director - Finance & Resources, noted that 'EU Thresholds' had to be referred to as in the report due to the UK still being in the transition period of leaving the EU.

Moved by Councillor Peter Roberts and seconded by Councillor Graham Parkin

**RECOMMENDED** that the Procurement Strategy be recommended to Executive for approval.

(Assistant Director - Finance & Resources/Governance Manager)

### ACO36-21/22 BUDGET MONITORING REPORT - QUARTER 2 - JULY TO SEPTEMBER 2021

Committee considered a report which provided an update on the Council's financial position following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity

In response to Members' questions, the Assistant Director - Finance & Resources advised the meeting of the following;

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- the Council would not know how the Government's reform proposals for national non domestic rates (NNDR), would affect the Council until details were released in late December 2021,
- the Council would receive monies from the Government in relation to their proposals to halve the cost of NNDR for the hospitality industry,
- the impact of HS2 had not been taken into the Council's accounts due to its uncertainty.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin

**RESOLVED** that 1) the monitoring position of the General Fund at the end of the second quarter as detailed in Appendix 1 to the report (a net favourable variance of £0.275m against the profiled budget), and the key issues highlighted in the report be noted,

2) the position on the Housing Revenue Account (HRA), the Capital Programme and Treasury Management, at the end of the second quarter as detailed in Appendices 3, 4 and 5 of the report, be noted.

### ACO37-21/22 REVISED BUDGETS 2021/22

Committee considered a report provided as a presentation by the Assistant Director - Finance & Resources regarding the Council's revised budgets for 2021/22.

The presentation highlighted the following;

#### General Fund

- Savings made between the February 2021 report and the Q2 monitoring report, i.e. the current position.
- Changes to reflect the new calculations and forecasts – the revised budget
- Savings made to help to prepare the Council for the future.

#### Housing Revenue Account (HRA)

- HRA main changes for Revised Budgets (the main variances on the HRA).

#### Capital Programme

As part of the revised budget process the capital projects had been reviewed to estimate what level of spend would occur in 2021/22.

Where projects were unlikely to spend in 2021/22, the capital expenditure and matching financing would be moved to 2022/23 to avoid large under spends at 31<sup>st</sup> March.

In Summary for 2021/22, the revised budget estimate for the Housing Revenue Account was a surplus, this would be transferred to the HRA Development Reserve. Any underspend on General Fund would be transferred to the NNDR Growth Protection

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Reserve. The level of reserves was considered to be adequate to fund planned expenditure and potential issues/risks that the Council faced. The Capital Programme for 2021/22, was fully financed and did not include any borrowing where MRP was payable.

In response to a Member's query, the Assistant Director - Finance & Resources, advised Members that vacancy savings were in relation to the delay between a member of staff leaving and a new member of staff starting.

The Portfolio Holder for Finance advised the meeting that Housing were undertaking a piece of work in relation to getting void properties onto the market more quickly.

The Assistant Director - Finance & Resources advised the meeting that future years' budgets would be presented to Members at the February 2022 meeting of this Committee.

Members thanked the Assistant Director - Finance & Resources for her presentation and requested their thanks be passed on to the Finance team who had carried out a lot of work to get income in to the Council.

Moved by Councillor Tom Munro and seconded by Councillor Graham Parkin  
**RESOLVED** that the presentation be noted.

### **ACO38-21/22      SETTING OF COUNCIL TAX 2022/23**

Committee considered a report provided as a slide presentation by the Assistant Director – Finance & Resources regarding the setting of Council Tax for 2022/2023.

Members were advised that financial information for 2022/23 – 2024/25 was currently being updated as part of the budget process and figures for 2025/26 were also being calculated for the first time.

Some big changes had been expected to local government finances over the last few years but these had been thrown into uncertainty by the Coronavirus pandemic.

With regard to changes to business rates retention, the introduction of the 'Fair Funding Review' and the 'Business Rates Reset' in particular, would affect the Council probably detrimentally, when or if they occurred.

The Government would again assume the Council had increased its Council Tax by the maximum allowed when they calculated any grants or limits payable to the Council.

If the Council increased Council Tax each year by the maximum allowed as per the Government assumption, the extra council tax raised by the end of the current Medium Term Financial Plan (2025/26) would be £(447,964).

Moved by Councillor Tom Munro and seconded by Councillor Peter Roberts  
**RESOLVED** that the report be noted.

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### **ACO39-21/22      AUDIT & CORPORATE OVERVIEW COMMITTEE - SELF-ASSESSMENT FOR EFFECTIVENESS**

Members agreed to defer the Self-Assessment for Effectiveness item to the next meeting.

Councillor Tom Kirkham left the meeting during the following item of business.

### **ACO40-21/22      STRATEGIC RISK REGISTER AND PARTNERSHIP ARRANGEMENTS**

Committee considered a report in relation to the Council's Strategic Risk Register.

The Portfolio Holder for Finance noted that the Strategic Risk Group were currently looking at cybercrime and ransom attacks. This was important as IT was an integral part of the Authority. He added that the Council viewed this type of crime seriously and took whatever mitigating steps possible.

It was noted that HS2 would be a subject for further discussion by Members given the Government's recent announcement that some planned areas for the provision of HS2 would now be abolished.

Moved by Councillor Tom Munro and seconded by Councillor Peter Roberts  
**RESOLVED** that the report and the Strategic Risk Register as set out in Appendix 1 to the report be noted.

### **ACO41-21/22      CORPORATE AMBITIONS PERFORMANCE UPDATE - JULY TO SEPTEMBER 2021 (Q2 - 2021/22)**

Committee considered a report which provided the Quarter 2 outturns for the Council's Ambition targets 2020-2024.

Out of the 31 targets;

- 20 (65%) were on track
- 1 (3%) continued to be affected by Covid 19
- 3 (10%) had been placed on alert (as unlikely to meet their outturns in 21/22)
- 1 (3%) achieved (partially) this quarter, and
- 6 (19%) achieved previously

Out of the 46 performance indicators;

- 27 (59%) had a positive outturn
- 9 (20%) had a negative outturn
- 7 (15%) continued to be affected by Covid 19
- 1 (2%) was within target
- 2 (4%) did not have data available

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Supplementary information on the following items was circulated at the meeting in relation to queries raised by the Chair and Vice Chair at the pre meeting;

### SS03 – Undertake Local Environmental Quality Surveys Detritus

**Q: Is there a time frame for delivery of these new road sweeping machines?**

*A: One of three new sweepers was delivered on 5th November 2021 and training was undertaken on 8th November. Anticipated delivery of the remaining two sweepers was scheduled for the week ending 25th November.*

### Housing Management 03 – Reduce the Percentage of Current Rent Arrears by 5% by early intervention

**Q: A comprehensive explanation provided but has the relevant Government Department been advised and approached for support?**

*A: The government has recently launched the Household Support Fund Grant. The purpose of the grant is to “provide support to households who would otherwise struggle to buy food or pay essential utility bills or meet other essential living costs or housing costs”. BDC is to be awarded up to £200K to be spent by 31st March 2022. Having discussed with DCC this can be utilised to further support households facing financial hardship and/or threatened with homelessness. We have submitted a request for this money and specified we will be using this to in part to clear arrears for households experiencing financial hardship/threatened with homelessness across the private and social rented sectors. This can include our own housing stock and we have already done a piece of work to identify those households who qualify. This bid was submitted on 19<sup>th</sup> November and a response due w/c 22<sup>nd</sup> November.*

*In addition we have received approval from S151 officer to look at using some of the Covid grant to be able to take some proactive steps to tackle rent arrears. The preferred approach is some software which will help us prioritise the right tenants in terms of rent arrears payments. This is being explored further with procurement but an indicative business case suggests the software would pay for itself and help us cut arrears significantly in the first year alone.*

### Housing Management 04 – Reduce the level of Former Tenants Arrears (FTAs) by 5% through early intervention, Monitoring and Enforcement

**Q: At what stage will we have to consider write-offs? What are the cost implications of write-offs and is there Central Government funding to compensate for the problem that they have created? Do we need to raise this with the Executive to pursue?**

*A: We actively pursue FTAs, however, if we consistently get no response (2 letters from rents and 1 legal letter) then we would look to submit for write off.*

*In addition, if we have no forwarding address and we have been unable to trace we would also look to write off.*

*Any debt under £2,500 goes to S151 for write off approval in conjunction with the Portfolio Holder for Finance, anything over this amount goes to Executive. We have*

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a few high value amounts going through shortly, e.g., £6K and £10K which relate to deceased tenants.

One issue we have had recently is that when a tenant passes away the tenancy doesn't end. If there are no next of kin we need to serve on the public trustee a notice to quit which legally ends the tenancy. There has been a significant back log with them registering this which is creating new FTAs which will need to be submitted for write off.

Internally, as per the explanation given, the FTA Officer has been diverted elsewhere to provide resource to the current arrears team. We have however reviewed our internal procedure, amended letters so they look more like invoices, which neighbouring authorities have said are more effective. In addition, we have specifically stated in the letter that arrears mean a suspension from the housing list unless repayments are being maintained.

PLA 01. Determining 'Discharge of Condition' applications within national target deadlines and comparison with real time performance (Exec EoT Agreements)

**Q: In terms of the Council's public image this is a significant issue. Once planning permission has been granted the public expect to see results in the form of buildings appearing, however, these delays mean they do not and this must impact on their perception of the Council.**

*A: The performance figures in respect of discharge of condition applications (DISCONs) are not figures which are monitored or reported on a national basis. This is a local performance indicator which was set alongside the publication of the Service Plan to start to gather figures about the turnaround of these types of applications because these types of applications are often to consider and discharge technical details / aspects of planning approvals that are reliant upon external / internal consultees' comments / expertise. These comments have been the subject of reported delays for a number of years, so in gathering this data we are able to highlight not the failing of the Council or of case officers; but more of a reliance on third parties contributions which causes delay beyond our control.*

*As a Council the planning team ensure that developers are kept up to date with any delay experienced or associated with these type of applications, and we continue to have a good working relationship and reputation with developers. They understand the delays are often out of our control but by setting this local performance indicator we can monitor and look to address the delays with the relevant consultees with evidence to try and improve the situation.*

Committee was advised that further to Members previous concerns regarding outstanding Council Tax and Council Rent Arrears, a query had been raised by the Vice Chair of Climate Change & Communities Scrutiny Committee, Councillor Anne Clarke, in relation to Discretionary Housing Payments (DHPs), made by the Council. It had been noted that Bolsover had only spent around 51% of its allocation which would see future funding reduced and this seemed at odds with the fact that Bolsover was making a similar number of payments as other councils but for a lesser amount. The average payments for High Peak and Chesterfield Borough councils' were around £575, however, Bolsover's was £328. North East Derbyshire District Council had also underspent but all other Derbyshire councils had spent 100% or more.

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As data relating to DHPs did not form part of the quarterly performance reports the information had been sought separately by the Chair, Councillor Tom Munro, from the Assistant Director of Finance & Resources and the Revenues & Benefits Manager, and this was circulated at the meeting.

### Response from the Assistant Director - Finance & Resources

*Bolsover does underspend on its allocation for DHP and the balance is repaid to the Government, presumably to go back into the pot to be re-allocated to those authorities who have a greater need for it. However, Bolsover does pay a similar number of claimants but the amount paid is lower. This may be due to the difference in rent levels throughout Derbyshire and also because of the amount of scrutiny Bolsover carries out on these claims. When claims are received, they show just a figure for income, a figure for expenditure and the difference. Staff work with claimants to drill down into this information to check for reasonableness and to see if help and advice can be given as to how to make the financial situation of the tenant better.*

*DHP is meant to be a temporary fix until the claimant's financial situation improves and help is suggested to tenants such as whether moving to a property with less bedrooms is more appropriate or whether there may be other benefits that could be claimed.*

*It is often found when checking how much people spend for reasonableness that items such as full Sky TV packages or extravagant purchases are identified, and options to reduce this type of expenditure are advised - this would then be discounted from claims if advice wasn't heeded.*

*It also may be that other Councils aren't as thorough as the Council's Revenues and Benefits section and that may explain Bolsover's under spend. Simply paying all claims received without a level of scrutiny would not help claimants to sort out their financial situation or is a fair system for other potential claimants.*

### Response from the Revenues & Benefits Manager

*The DHP scheme allowed councils the discretion to help people who were on a low income with their housing costs where housing benefit or the housing element of Universal Credit (UC) was in payment and it was deemed that additional financial support was required. DHP's should usually be seen as providing short-term financial assistance. Housing costs usually referred to rental liability, though it may also include rent in advance, deposits or other lump sums associated with a housing need, such as help with removal costs. DHP's could not be used to provide financial support with other forms of housing costs such as Council Tax liabilities or mortgages. It also could not cover certain housing costs because regulations specifically excluded them.*

*Excluded elements were:-*

- service or support charges that were ineligible for Housing Benefit and the Universal Credit housing element,*
- increases in rent due to outstanding arrears,*
- any reduction in Housing Benefit or UC housing element as a result of a sanction (as defined by the Discretionary Financial Assistance Regulations)*

*For ongoing housing support, DHP's could only cover an amount up to the shortfall*



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*between the Housing Benefit award or UC Housing Element and the rental charge. For example, \*a shortfall due to Under Occupancy rules for someone on maximum Housing Benefit with a rent of £90 per week, under occupied by one bedroom, the shortfall would be £12.60 per week.*

*With regard to other local authority average spend being higher, if rent levels in Chesterfield and High Peak were higher, it was likely that there were larger shortfalls and therefore higher rates of DHP could be paid.*

*Customers applying for DHP would provide details of their income, expenditure and explanations of why they may currently be having difficulty meeting their rent. These details were considered, evidence obtained where appropriate to do so, and an assessment made on entitlement and period of award.*

*Significant efforts were made to engage with customers to ensure they were aware of DHP's and the Council directly invited customers to submit applications where records would suggest they may require this additional support.*

*The Council's spend had been limited by the number of applications it received from customers who had a genuine need for the additional support. Every effort would be made to maximise the application forms received and additional resources had been put on DHP's to ensure applications were assessed as timely as possible.*

The Chair suggested that use of the Council's Bolsover TV could also assist with awareness of DHPs and local Members could inform the Revenues & Benefits Manager of anyone they knew in their community who would need this service. The Portfolio Holder agreed he was happy to consider further promotion to increase take-up. In addition, it was noted that the Derbyshire Unemployed Workers Centre would be aware of people who required the DHP service.

In response to a Member's query around the usefulness of reporting an indicator as continuingly on alert/covid-affected, the Scrutiny & Elections Officer noted that this was discussed at the Scrutiny pre meetings and officers would assess if any trend information could be added. This wasn't a feature of the current performance software so may not be fully achievable.

The Executive Director of Resources entered the meeting at this point.

The Chair noted that Members were keen to look at targets in relation to former tenancy arrears and how this was performing.

In response to a Member's query, the Head of Housing Management & Enforcement advised Committee that when a Council tenant died, the legal tenancy did not end automatically. Until a death was registered, the Council was not allowed to relet the property and in one case, this had taken up to 4 months. The Chair also noted that this was a sensitive issue as family members of a deceased tenant would usually have to empty a property.

Moved by Councillor Peter Roberts and seconded by Councillor Tom Munro  
**RESOLVED** that the report be noted.

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Coopted Member, Ruth Jaffray, and the Improvement & Engagement Officer left the meeting at this point.

The Executive Director of Resources entered the meeting during the following item of business.

### **ACO42-21/22      AUDIT & CORPORATE OVERVIEW SCRUTINY COMMITTEE WORK PROGRAMME 2021/22.**

Committee considered their work programme for 2021/22.

The Chair noted that as previously mentioned, he was working with officers to develop more targeted performance analysis reports on areas not covered by the current corporate performance targets/indicators, to compare the council's performance to our CiPFA benchmarking group and/or other East Midlands District authorities. These were still in development but the aim was to ensure we were maintaining service performance at average or higher levels.

It was noted that all Members would be invited to the next meeting.

Moved by Councillor Tom Munro and seconded by Councillor Peter Roberts  
**RESOLVED** that the Work Programme 2021/22 be noted.

The meeting concluded at 1151hours.