

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 Tuesday, 24th January 2023 at 10:00 hours.

As the annual Council Budget proposals were on the agenda for consideration prior to submission to Executive and Council, those Scrutiny Members who were not formally on the Audit and Corporate Overview Scrutiny Committee had been invited to this meeting in accordance with the Council's Constitution. These agenda items were item 8 – Medium Term Financial Plan 2023/24 – 2026/27 and item 9 – Treasury Strategy Reports 2023/24 – 2026/27. These Scrutiny Members could ask questions on items 8 and 9 and partake in any discussion, however, they had no voting rights on any items on the agenda.

PRESENT:

Members:-

Audit & Corporate Overview Scrutiny Committee Members:

Councillor Tom Munro in the Chair

Councillors: Nick Clarke, Mark Hinman, Chris Kane, and Ruth Jaffray (Co-opted Member) (Minute ACO50-22/23 to ACO58-22/23 only).

Scrutiny Members not on Audit & Corporate Overview Scrutiny Committee Members:

Councillors: Derek Adams, David Dixon, Maxine Dixon, Andrew Joesbury, and Rita Turner

Also in attendance was Councillor Clive Moesby (Portfolio Holder for Finance) (from Minute ACO57 onwards)

Officers: Theresa Fletcher (Section 151 Officer), Jenny Williams (Head of Internal Audit Consortium), Sharon Lynch (Senior Auditor – Bolsover District Council), Claire Bamford (Principal Accountant), Joanne Wilson (Scrutiny & Elections Officer) and Lindsay Harshaw (Governance & Civic Officer)

ACO50-22/23 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of:

Audit & Corporate Overview Scrutiny Committee Members:

Councillors: Jane Bryson, Donna Hales and Graham Parkin.

Scrutiny Members not on Audit & Corporate Overview Scrutiny Committee Members:

Councillors: Rose Bowler, Anne Clarke, Natalie Hoy, Tom Kirkham, Evonne Parkin, Peter Roberts, Janet Tait and Jen Wilson.

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ACO51-22/23 URGENT ITEMS OF BUSINESS

There were no urgent items of business to consider.

ACO52-22/23 DECLARATIONS OF INTEREST

There were no declarations of interest made.

ACO53-22/23 MINUTES – 30TH SEPTEMBER, 2022

Moved by Councillor Chris Kane and seconded by Councillor Tom Munro
RESOLVED that the Minutes of an Audit and Corporate Overview Scrutiny Committee held on 30th September 2022, be approved as a correct record.

ACO54-22/23 MINUTES – 29TH NOVEMBER, 2022

Moved by Councillor Tom Munro and seconded by Councillor Chris Kane
RESOLVED that the Minutes of an Audit and Corporate Overview Scrutiny Committee held on 29th November 2022, be approved as a correct record.

ACO55-22/23 LIST OF KEY DECISIONS AND ITEMS TO BE CONSIDERED IN PRIVATE

Committee considered the List of Key Decisions and items to be considered in private document.

The Scrutiny & Elections Officer highlighted that there were three reports on the list of key decisions which would be considered by Executive on 30th January 2023. Two of the reports were policies that were linked to Housing Services and had been submitted to a previous Customer Services Scrutiny Committee.

Moved by Councillor Tom Munro and seconded by Chris Kane
RESOLVED that the List of Key Decisions and items to be considered in private document be noted.

ACO56-22/23 SUMMARY OF PROGRESS ON THE 2022/23 INTERNAL AUDIT PLAN

The Head of Internal Audit Consortium presented the report and introduced the recently appointed Senior Auditor for Bolsover District Council who had commenced employment on 23rd January 2023.

It was noted that the report covered the period between October 2022 to January 2023 in respect of the 2022/23 Internal Audit Plan and that Appendix 1 provided a summary of reports for the level of assurance given and the number of

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recommendations made/agreed where a full response had been received. There were currently no concerns to be raised.

A staffing update was provided and it was noted that the Audit Section was now fully staffed.

Moved by Councillor Derek Adams and seconded by Councillor Andrew Joesbury **RESOLVED** that the report be noted.

ACO57-22/23 MEDIUM TERM FINANCIAL PLAN 2023/24 TO 2026/27

Members considered a report and a presentation by the Section 151 Officer on the proposed budget for 2023/24, for the General Fund, Housing Revenue Account and Capital Programme, as part of the Council's Medium Term Financial Plan, covering the years 2023/24 – 2026/27.

The report included details regarding revenue and capital expenditure, the General Fund, Council Tax and the Housing Revenue Account.

A brief explanation of the budgets was provided as follows:-

- Revenue & Capital Budgets

The revenue budget was the amount spent on the day-to-day running of the Council's services, e.g. salaries, property and transport running costs and payments to suppliers for goods and services. It also included the borrowing costs of money spent on capital assets.

Capital spending was mainly for buying, constructing or improving physical assets such as buildings, land vehicles, plant or equipment.

- Housing Revenue Account

Councils with more than 50 properties were required to maintain a separate account that contained all the income and expenditure necessary to manage and maintain the housing stock. This account was ring-fenced and must be kept separate from the General Fund.

- General Fund

The largest sources of income were Business Rates and Council Tax. Income was also generated from fees and charges. The main cost to the General Fund was salaries.

A brief explanation of the proposed General Fund revenue budget was provided for each of the next four years. It was noted that following a robust budget process, a balanced budget had been achieved for each year.

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The Government had announced the one year provisional settlement on the 19th December 2022, however, no mention had been made of the Fair Funding Review or detail in relation to the New Homes Bonus or the Business Rates reset.

The budget figures for the NNDR Growth Protection Reserve had been estimated as the actual income figure was not known for the year. Recently other Government funding had been placed in the reserve to cover any unplanned budget changes. Based on current estimates, funding would remain in the reserve to be used in 2027/28.

The Government had limited the amount of Council Tax that could be achieved to the greater of 3% or £5. As the limit had been increased by 1% on last year's figure, it was thought to be more beneficial to raise the level of Council Tax by 2.99% in order to ensure that the Council would not unintentionally trigger a referendum by going over 3%. The level of increase each year affected the base for future years and the proposed increase for 2023/24 was 2.99% which was £5.72 at Band D.

The Section 151 Officer provided a brief explanation of the Housing Revenue Account and highlighted that the main source of income was from the rent of properties. Accounting regulations meant that a charge was made for depreciation of the Council's housing stock each year and this was used to fund some of the capital work required to properties.

The Council had been allowed an annual rent increase of CPI plus 1%, however, due to rising inflation costs when the Autumn Statement was announced on 17th November 2022, there had been an instruction that rents for social housing would be capped at 7% for 2023/24. It was, therefore, proposed to increase the income for dwelling rents by 5% for 2023/24. The estimate for voids for 2023/24 – 2026/27 was 3% per year and the income budget had been reduced accordingly. In 2023/24 the figure was £711,000, which meant that for each 1% change up or down, £237,000 could either be gained or lost.

It was noted that Fees and Charges had increased by 5% in most cases. Heating charges had not been increased due to the changes made through the Safe and Warm Scheme.

A large proportion of the Council's dwellings were let for social rent – 4,850 social properties and approximately 150 affordable rent. Affordable rent was charged on new build properties and was calculated as 80% of market rent. The average new rent for a social property would be £86.14 which was a weekly increase of £4.10. The average new rent charge for an affordable property would be £115.46 which was a weekly increase of £5.50.

A brief explanation of the General Fund Capital Programme and Housing Revenue Account Capital Programme was provided and details were shown in Appendix 4 to the report.

Councillor Clive Moesby (Portfolio Holder for Finance) entered the meeting at 10:13 hours.

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A Member requested clarification of the void properties. The Section 151 Officer advised that it was anticipated that 3% of properties would become empty and that this had been accounted for in the Housing Revenue Account.

A Member queried whether the reduction in the valuation of properties would have an effect in terms of business rates and rents. The Section 151 Officer stated that in terms of business rates, the value of properties were set by the Valuation Office and that rents of Council dwellings, including new houses, were valued based on 1999 levels.

Another Member referred to the proposed Council Tax increase of 2.99% and queried whether it took into account the occupation of new houses. The Section 151 Officer advised that account had been taken of the estimated number of houses becoming occupied as at 1st April 2023.

A Member asked whether support was available to residents who were struggling to pay their rent. The Section 151 Officer stated that for residents who claimed benefits, their benefits would be increased by the Autumn Statement. She also mentioned that funding had been provided from Derbyshire County Council's Housing Support Fund which could be utilised to help residents with the costs of heating. There was also a small amount of funding available in the Discretionary Housing budget. The Member raised concern in relation to the support available to lower paid workers who had found themselves relying on foodbanks. He asked whether the support available was advertised. The Section 151 Officer advised that the support was advertised and that if anyone was struggling to pay their rent/Council Tax, they should contact the Council to make appropriate payment arrangements.

The Portfolio Holder for Finance advised that a campaign had taken place last year, following advice from the Committee, to promote the Discretionary Housing Benefit and extra funding had been placed in the budget to extend the scheme. He suggested that Members should act in the role as community champions to help to get the message out to local communities. He also reiterated that support was available to residents who were finding it difficult to pay rent/Council Tax.

A Member queried whether it would be possible to organise a poster campaign advertising the locations of foodbanks and warm places. The Portfolio Holder for Finance suggested that this information be sent out with the Council Tax bills and he offered to discuss this further with the Communications, Marketing and Design Manager. Another Member suggested that Facebook be used to advertise the support available to residents.

The Portfolio Holder for Finance thanked the Section 151 Officer for the presentation and offered thanks to the Finance Section for their hard work in maintaining the Council's finances to ensure that a balanced budget had been achieved. He stressed the importance of financial stability in order to deliver services to the residents of the District.

A Member queried the support available to businesses who were experiencing difficulties with the payment of Business Rates and rents. The Section 151 Officer advised that the same flexible approach was given to businesses that were in arrears

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and that arrangements for payment could be put in place by contacting the Revenues Section.

Moved by Councillor Tom Munro and seconded by Councillor Andrew Joesbury
RESOLVED that the report be noted.

ACO58-22/23 TREASURY STRATEGY REPORTS 2023/24 – 2026/27

The Principal Accountant gave a presentation on the Treasury Strategy Reports 2023/24 – 2026/27.

The Principal Accountant reported that treasury risk management for the Authority was conducted within the framework of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Treasury Management in the Public Services: Code of Practice 2021 and that there was a requirement was to approve a Treasury Management Strategy before the start of each financial year.

It was noted that the Treasury Management Strategy, Investment Strategy and Capital Strategy would be submitted to Council on 1st February 2023, for approval.

CIPFA had issued a revised Prudential Code and a revised Treasury Management Code in late December 2021. Due to the timing of the release of these Codes, CIPFA had not required these to be implemented in last year's Strategy. The 2023/24 Strategy would be first one based on these new codes.

A brief explanation of the Treasury Management Strategy (Appendix 1) and Capital Strategy (Appendix 2) was provided.

The Principal Accountant referred to the Public Works Loans Board (PWLB) and advised that the Council had previously raised all of its long term borrowing from this organisation. The PWLB had introduced new lending terms from 26th November 2020, which aimed to prevent Councils using PWLB loans if they intend to buy or had bought any investment assets primary for yield. Councils could still borrow for service delivery, housing and regeneration purposes. The Council would need to complete an annual return to the PWLB setting out its plans and this would need to be signed by the Section 151 Officer.

To ensure that the Council took prudent and sustainable decision on borrowing, the Capital Financial Regulations required the Authority to charge a Minimum Revenue Provision (MRP) when financing capital expenditure by Debt. MRP was charged over the life of the asset up to a maximum of 50 years.

An explanation of the Corporate Investment Strategy (Appendix 3) was provided. It was noted that the Investment Strategy focussed on investments made for service purposes and commercial reasons, rather than those for treasury management. Details were also provided in relation to Commercial Investments and Service Investments.

Ruth Jaffray left the meeting at 10:49 hours.

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The Portfolio Holder for Finance commented that a robust business plan was required when borrowing money and that Members had a vital role when approving loans. He mentioned that the business case for Dragonfly Development Limited would be submitted to Council on 1st February 2023 for consideration.

The Portfolio Holder for Finance thanked the Principal Accountant for the presentation.

Moved by Councillor Chris Kane and seconded by Councillor Andrew Joesbury **RESOLVED** that the report be noted.

ACO59-22/23 AUDIT & CORPORATE OVERVIEW SCRUTINY WORK PROGRAMME 2022/23

Committee considered the Work Programme 2022/23.

Moved by Councillor Tom Munro and seconded by Councillor Andrew Joesbury **RESOLVED** that the Audit & Corporate Overview Scrutiny Work Programme 2022/23, be noted.

ACO60-22/23 UPDATE FROM SCRUTINY CHAIRS

Customer Services Scrutiny Committee

The Chair of the Customer Services Scrutiny Committee provided the following update:-

The Customer Services Scrutiny Committee had started the year by completing the Review of Council Owned Adapted Accommodation. This was submitted to Executive in May 2022 and was now in its monitoring phase. To date, one update report had been received, 5 out of 9 recommendations had been implemented and the remaining 4 should be delivered in agreed timescales.

Consideration was currently being given to reviewing a piece of work on IT Services and Support that was started during the pandemic but was paused due to changes in operation. Through this work, Members had looked at the impact of the pandemic on IT Services, Members IT Support, and Members IT equipment. A final report with recommendations was expected to go to Executive before the end of the Municipal Year, with a range of recommendations for implementation from May 2023 onwards.

Committee had considered a number of reports this year including:

- Transformation Programme Review
- Operational Update on Waste Collection Services
- Consultation on Derbyshire Homelessness & Rough Sleeping Strategy 2022-2027
- Operational Update on Customer Services

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- Executive's Response to the Review of Council-owned Adapted Accommodation
- Customer Service Standards and Compliments, Comments and Complaints 2021/22 – Q3 & Q4 2021/22 and the Annual Report 2021/22
- LG&SCO and Housing Ombudsman Annual Report 2021/22
- Customer Service Standards and Compliments, Comments and Complaints 2022/23 – Q1 & Q2
- Consultation on Rent Arrears Policy
- Consultation on Mobility Scooter Policy
- Consultation Communal Area Management Policy

Members were due to consider the Q3 2022/23 Customer Standards and Complaints report from Customer Services and would also be receiving a monitoring update on the Housing Strategy.

Climate Change & Communities Scrutiny Committee

The Chair of the Climate Change & Communities Scrutiny Committee provided the following update:-

During the earlier part of this municipal year the Climate Change & Communities Scrutiny Committee had focussed on completing its review work from 2021/22. The review of the Council's Policy on Fireworks had been presented to Executive in April 2022 and was now in its monitoring phase with three out of four recommendations being implemented. The review of Voluntary & Community Sector Grant Allocations had also been finalised and presented to Executive in August 2022 and was now in its monitoring phase. The first monitoring update would be submitted to the next meeting of the Climate Change & Communities Scrutiny Committee.

The review of the Council's Policy on Sky Lanterns and Helium Balloons had now been finalised. This Policy had been presented to Executive in December 2022 and once additional work was finalised, the Council would agree a Charter banning the use of such items on Council-owned land.

A spotlight review would be undertaken on the approach to Carbon Reduction and some targeted work has been undertaken with the current lead officer on reviewing current activity and potential future priorities. The Climate Change & Communities Scrutiny Committee would be agreeing recommendations for action at its next meeting.

Within the main public meetings, consideration had been given to a number of reports this year including:

- Update on Community Woodlands Policy
- Carbon Reduction Plan Monitoring Update
- Delivery of Leisure Services post Covid-19 – Impact on provision, budgets and sustainability of service
- Executive's Response to the Review of Council Policy on Fireworks

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- Executive's Response to the Review of Voluntary & Community Sector Grant Allocations
- Annual Monitoring Update on Sustainable Community Strategy 2020-23 and current Partnership delivery

Members were due to consider the Health and Wellbeing Strategy Annual Monitoring Update; Carbon Reduction Plan Monitoring Update; a monitoring report on the implementation of the recommendations from the Review of Voluntary & Community Sector Grant Allocations; Executive's Response to the Review of Council's Policy on Sky Lanterns and Helium Balloons; the final monitoring report on implementation of the Review of Council Policy on Fireworks; and the Annual Review of the Community Safety Partnership.

Local Growth Scrutiny Committee

The Chair of the Local Growth Scrutiny Committee provided the following update:-

The Local Growth Scrutiny Committee had completed the Review of Integration of Social Value in Council Policy and Delivery. This had been agreed by the Committee in September and presented to Executive in October 2022 with all recommendations being agreed for implementation. As a result of the review the Council now had access to new software to calculate social value outcomes, allowing the capture of wider benefits of the Authority's investments.

Members had focussed on reviewing the Town Centre Regeneration Frameworks adopted in 2017 and assessing progress to date. The aim had been to make recommendations on future action for 2023/24. To date Members had reviewed the Frameworks covering Bolsover and Shirebrook, and were due to review Clowne and South Normanton areas. Relevant Ward Members had been invited to attend as the Framework for their area had been reviewed, alongside the relevant Policy Officer from the Leader's Executive & Partnerships Team. Members' recommendations would take account of other work currently happening in relation to Growth Plans for Shirebrook and Creswell and the funding bids submitted for Bolsover and Shirebrook.

Consideration had also been given to a number of reports this year which included:-

- Quarterly Monitoring Updates on the Business Growth Strategy.
- Various updates on the bids to Shared Prosperity Fund and Levelling Up Fund.

Members were due to receive the remaining Monitoring Update on the Business Growth Strategy for this year; a report on the delivery of Dragonfly and Bolsover Homes Programmes; and a monitoring report on the implementation of the recommendations from the Review of Integration of Social Value to BDC Policy and Delivery.

The meeting concluded at 11:03 hours.