

**Agenda Item No:** 6  
**Report To:** Overview and Scrutiny Committee  
**Date of Meeting:** 13 February 2024  
**Report Title:** Report of the Budget Scrutiny Task Group  
**Report Author & Job Title:** Abi Sheppard  
Scrutiny and Partnerships Manager  
**Task Group Chairman:** Cllr. N Bell



**Summary:** The Overview and Scrutiny Budget Scrutiny Task Group has scrutinised the council's draft 2024/25 budget over four meetings during December and January. The Task Group have made eight recommendations for Cabinet to consider when making their final budget proposals to recommend to Council.

**Key Decision:** NO

**Significantly Affected Wards:** None specifically

**Recommendations:** **The Overview and Scrutiny Task Group recommends to the Cabinet that:**

- I. Priority is given to exploring options to develop revenue raising assets, for example, industrial units at the Ninn Lane site subject to satisfactory business modelling.
- II. The temporary accommodation budget may now be insufficient to meeting further increased demand in homelessness representations. It is proposed that the budget is increased by £445,000 to reflect the increased demand and forecasting.

The Task Group also supports the exploring of opportunities to acquire new sites/buildings for temporary accommodation in order to reduce the long-term impact on the general fund revenue costs.

- III. The Chief Executive undertake a further review of the senior management structure during 2024/25 with the objective of making further financial savings.
- IV. The Key Performance Indicators (KPIs) showing data for planning applications is broken down to show the difference between cases currently held up by Stodmarsh, and those not.
- V. Swift action is undertaken by the Assistant Director of Planning and Development to make an appeal to central Government over the decision not to increase (double) retrospective planning fees, and lobby them to do so.
- VI. The income loss assumed as a result of the proposed increase to garden waste collection fees be revised and consider increasing this budget by £60,000.

The Overview and Scrutiny Task Group recommends to the Committee that:

- VII. A report is brought forward to the Full O&S Committee in 2024/25 to provide an update on the results of the condition survey of the Councils Commercial Portfolio, and how this will inform future repairs and maintenance programmes and disposal strategy.
- VIII. Representatives from Arlingclose are invited to attend a future meeting of the Committee to discuss the council's treasury management strategy.

**Policy Overview:** Under the council's Constitution, the O&S Committee has a duty to scrutinise the council's draft Revenue and Capital Budgets.

**Financial Implications:** As noted in the report

**Legal Implications** As Policy Overview above

<b>Equalities Impact Assessment</b>	Not required as appended to main budget report
<b>Other Material Implications:</b>	As noted in the report
<b>Exempt from Publication:</b>	<b>NO</b>
<b>Background Papers:</b>	<b><u><a href="#">Draft 2024/25 budget</a></u>, report to Cabinet 30 November 2023 <b>Minutes of the Budget Scrutiny Task Group meetings are included in the Appendix.</b></b>
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## Report Title: Report of Budget Scrutiny Task Group

### Introduction and Background

1. In accordance with the council's Constitution, the Overview and Scrutiny Committee has a duty to scrutinise the council's draft Capital and Revenue Budgets. The Committee constituted a Task Group made up of five Members to undertake this work, and presents its findings of the draft Budget for 2024/25 within this report.

### Report of the Chairman of the Budget Scrutiny Task Group

2. **To be confirmed.**

### Summary

3. The budget scrutiny sessions yielded much information on the financial and resource challenges facing the authority and the Task Group focused on a number of key risks relating to the achievability of next year's budget.
4. The draft budget for 2024/25 was presented to the Task Group at its first meeting; this included all service budgets and financial risks. The purpose of this session was to assist Members in determining which areas to dedicate additional scrutiny time, these included the following:
  - a. The council's corporate property, asset condition and asset maintenance programme.
  - b. Risks linked to the commercial property portfolio.
  - c. Details around preparations for the Local Plan and the use of consultants as well as the impact on existing resource.
  - d. How the council are managing new regulations around planning fees and charges.
  - e. Planning enforcement resources.
  - f. The council's reserves risk and policy including significant financial risks and key income streams.
  - g. Details on the borrowing portfolio and the expected borrowing interest rate increases.
5. General information was also shared with the Task Group members but was not discussed at depth during the meetings:
  - a. Copy of a housing options report recently circulated to the Senior Leadership Team.
  - b. Advice from the Monitoring Officer regarding Overview and Scrutiny's involvement in the organisations structure.

### Consultation

6. The council's Management Team have since seen the recommendations made by the Task Group and a summary of their advice to the Cabinet has been tabled below:

No.	Recommendation	Summary	Management Team Advice
I	<p>Priority is given to exploring options to develop revenue raising assets, for example, industrial units at the Ninn Lane site subject to satisfactory business modelling.</p>	<p>It was suggested that the Council should explore opportunities to develop sites for industrial units (similar to current stock) as these are in demand and perform well in the current portfolio. The viability of the Ninn Lane site should also be explored.</p>	<p><b>Noted:</b> A commercial approach is embedded across the organisation and new opportunities to develop income flows are actively encouraged and acted upon.</p> <p>With regard to Ninn Lane, the possible development into industrial units was a risk mitigation strategy to the original purchase. The refuse fleet will not be using this facility and therefore options will be explored for possible industrial development.</p>
II	<p>The temporary accommodation budget may now be insufficient to meeting further increased demand in homelessness representations. It is proposed that the budget is increased by £445,000 to reflect the increased demand and forecasting.</p> <p>The Task Group also supports the exploring of opportunities to acquire new sites/buildings for temporary accommodation in order to reduce the long-term impact on the general fund revenue costs.</p>	<p>Since the draft budget was set in October 2023, there has been a continued upwards trend in Homeless representations which are becoming more in line with the assumptions reported by the Housing Team. The original budget was set on an average number of 178 households, but it was felt that this should be more in line with the middle of the three scenarios within the homelessness paper which suggested 210 households.</p> <p>To adjust the draft budget from 178 to 220 households (allowing for a slight further increase in growth), Members proposed that the 2024/25 budget should be increased by £445,000 as per the paper presented. It also supports further exploration of sites that can be acquired and used as temporary accommodation to actively manage the homelessness pressure.</p>	<p><b>Recommendation to Cabinet – Support Growth:-</b> Cabinet will be well aware of the ongoing pressures being faced by this service which have been well reported. Following a presentation by the Housing Service Improvement Manager to Management Team, and which was provided to members of the Overview and Scrutiny Budget task Group, the revised projections for homeless representations is higher than forecast in the Draft Budget. Management Team support this increase in budget to mitigate further anticipated pressures in 2024/25 and this has been added to the final budget and ask Cabinet to support this growth.</p> <p>The Housing Team are actively purchasing on street properties and exploring larger opportunities as they arise for Temporary Accommodation. When considering it is necessary for the TA to be in the right location to enable users easy access public services.</p>

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III	The Chief Executive undertake a further review of the senior management structure during 2024/25 with the objective of making further financial savings.	In line with advice received from the Solicitor to the Council and Monitoring Officer, the Task Group propose that a further review of the senior management structure could assist with making the council further financial savings.	<b>Accept:</b> The Management Team are actively reviewing services in response to the need to deliver the savings strategy which would inform any changes to the senior management structure.
IV	The Key Performance Indicators (KPIs) showing data for planning applications is broken down to show the difference between cases currently held up by Stodmarsh, and those not.	Stodmarsh continues to have a huge impact on major applications since 2019. In particular, Members felt it was important for KPI's to show a difference between backlog applications that were and were not affected by issues at Stodmarsh.	<b>Accept:</b> The Portfolio Holder for Planning and Development has been reviewing the KPI's and Service PI's with the Assistant Director for Planning and Development.  The number of planning live cases is currently reported as one of our KPIs. For the last quarter, the number of Stodmarsh impacted cases was reported separately and this will continue whilst Stodmarsh has a bearing of the figures. The KPIs will also be reviewed as part of the Corporate Plan development and we can ensure consideration is given to how these measures are best presented.
V	Swift action is undertaken by the Assistant Director of Planning and Development to make an appeal to central Government over the decision not to increase (double) retrospective planning fees, and lobby them to do so.	It was highlighted that the Government have chosen not to explore increasing fees for retrospective planning applications. Members felt that planning, in conjunction with other authorities, should lobby government and propose doubling planning fees for retrospective applications to act as a deterrent. Members present at the meeting indicated they would support such a proposal, and it is likely that all members within the Council would feel the same.	<b>Noted:</b> Management Team feel the same as members on this point which would help deter development without appropriate consent. The Assistant Director of Planning and Development write to Government on behalf of the Council if agree by Cabinet and provide an update on any responses accordingly.
VI	The income loss assumed as a result of the proposed increase to garden waste collection fees be revised and consider increasing this budget by £60,000.	When reviewing the council's key income streams, under refuse and recycling, Members noted there was an assumed loss of 1000 customers in response to the proposed increase to waste collection fees. Members felt that this assumption was set too high and suggested that the figure was reviewed.	<b>Recommendation to Cabinet – Not to increase budget:-</b> The budget proposes that the charge for garden was increase from £45 to £60 per annum. When the fees has previously increased by £2.50, the Council usually loses 300 - 400 customers at renewal, and then attracts new customers throughout the year. Given the considerable increase and the current economic conditions, there is a likelihood of losing approximately 1,000 customers.

			The risk assessment would not advise increasing the budget at this time.
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**7. The Task Group also recommended to the wider Overview and Scrutiny Committee that;**

VII	A report is brought forward to the Full O&S Committee in 2024/25 to provide an update on the results of the condition survey of the Councils Commercial Portfolio, and how this will inform future repairs and maintenance programmes and disposal strategy.	Members were confident that there was no risk at this stage in time for the upcoming budget. However, future costs needed to be fully understood and following the completion of the corporate property portfolio stock condition surveys, the asset management plan including disposal strategies should be presented to the full Overview and Scrutiny Committee.	For information.
VIII	Representatives from Arlingclose are invited to attend a future meeting of the Committee to discuss the council's treasury management strategy.	Discussion took place regarding treasury management, including the council's borrowing levels and debt management strategies. It was agreed that a presentation from Arlingclose would aid Member's understanding of this area and therefore would be added as a topic to the Overview and Scrutiny work programme.	For information.

**Wrap Up**

8. To conclude the Budget Scrutiny sessions, the Chairman of the Budget Scrutiny Task Group gave the opportunity for Members to discuss any outstanding issues regarding the budget and a summary presentation was shown to Members to relay some of the key findings of the last few budget scrutiny meetings.

**Conclusion**

9. The Budget Scrutiny Task Group have considered the 2024/25 draft budget proposals together with the council's financial risks. The Task Group have made a number of recommendations, for the Overview and Scrutiny Committee to consider making to the Cabinet.

**Contact and Email**

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