Folkestone & Hythe District Council

Minutes

Finance and Performance Scrutiny Sub-Committee

Held at:	Council Chamber - Civic Centre, Folkestone
Date	Tuesday, 14 June 2022
Present	Councillors Gary Fuller, Connor McConville (Chairman) and Rebecca Shoob
Apologies for Absence	Councillor Patricia Rolfe
Officers Present:	Gavin Edwards (Performance and Improvement Specialist), Jonathan Hicks (Performance Specialist (Business Insight Manager)), Cheryl Ireland (Chief Financial Services Officer), Ellen Joyce (Democratic Services Trainee), Leanne Knight (Finance Specialist), Jonathan Smith (Senior Accountant), Charlotte Spendley (Director of Corporate Services), Lee Walker (Capital and Treasury Senior Specialist) and Jemma West (Committee Service Specialist)

1. **Declarations of interest**

Councillor Fuller made a voluntary declaration in respect of Minute No 4 (Housing Revenue Account Revenue and Capital Financial Outturn 2021/22), as he lived in a council owned property.

2. **Annual Performance Report 2021/22 and Draft KPIs 2022/23**

This report set out how the Council has delivered for local people in the district in 2021-22 in relation to the priorities documented within its Corporate Plan 'Creating Tomorrow Together' (2021-30) and presents amendments to Key Performance Indicators (KPIs) that will be used to monitor progress during the 2022-23 year.

The Leader of the Council was also in attendance to answer any questions.

The Sub-Committee Members commented on various issues and made points including the following:

- The narrative was clear and communicated well what the council had done, plus it was accessible to residents. The introduction of an amber status was also a great idea, ensuring clarity.

- It would be useful to have the context around planning application targets (60% target for processing planning applications within the statutory period), particularly why the targets, on the face of it, seemed low.
- It was good to see the data protection aspects being added.
- In terms of the number of days to remove fly tipped waste, this was high in the first quarter, but there was no comment offering context around this.
- Had any progress been made against the historical FOI backlog?
- In terms of the next years KPIs, the minor amendments and the amber colouring system seemed acceptable. The year end report reflected what had been covered in quarter 3.
- The new priority areas had not been met in the last year, but the detail in terms of what was being considered for the next year would exceed what was required.
- The targets for affordable homes delivered and low cost ownership had not been met. Cabinet should be urged to rethink the targets for the next year, particularly on affordable homes, and aspire to make up the shortfall of 36 affordable homes which had not been delivered.
- The main document was laid out well, but in positive community leadership, there could be a mention of the community hubs, and the hope of future funding to keep the hubs going.
- In section 2, ‘A thriving environment’, the picture of the council vehicle parked on double yellows seemed inappropriate.

The Performance and Improvement Specialist responded to some of the questions raised, and made points including the following:

- With regard to the planning application target, the government was responsible for setting the targets for making a decision within the statutory time period or any time period agreed with the applicant. Statutory limits could vary from 16 weeks for an EIA application, right through to 4 weeks for prior approval applications. The current Government targets were: Major: 60% within statutory or agreed time, and Non-major (minor and other combined): 70% within statutory or agreed time. The council used the three local KPIs set out in the report (Major, Non Major and Other) to show the breakdown on performance and to ensure that the council aims to exceed government expectations.
- In term of implications for missing the time limit, if the council missed the national limits over a 2 year period (which has not happened), the council would be placed in special measures and would lose control over decision making. In all cases officers seek to work with applicants to avoid refusals, as required by Central government. To meet the statutory time period without agreed extensions of time, planning officers would have to reduce negotiation/discussions with applicant which would penalise a number of residents - to meet a statutory target. This is why the council actively managed (as recommended by government) the number of applications that are reported to committee and why officers work with applicants to agree deadlines.
- In terms of the target for the removal of fly tipped waste, there were some direct impacts associated with the contract change, but things were now getting into a steady rhythm, and this was reflected in the statistics.

- The FOI team had made significant improvements, including recruiting another officer, and were working hard to reduce the historical backlog.

Proposed by Councillor McConville,
Seconded by Councillor Fuller; and

RESOLVED:

1. **That report OS/22/01 be received and noted.**
2. **That the 2021/22 Annual Performance Report set out in appendix 1 of the report be noted.**
3. **That the end of year performance data for the 2021/22 year set out in appendix 2 of the report be noted.**
4. **That proposed amendments to KPIs for monitoring during the 2022-23 year set out in appendix 3 of the report be noted.**
5. **That the introduction of an amber target status within performance reporting for 2022-23 year on results that fall within a threshold of 5% of their agreed target be noted.**

(Voting figures: 3 for, 0 against, 0 abstentions).

3. **General Fund Capital Programme Outturn 2021/22**

The report summarised the 2021/22 final outturn position (subject to audit) for the General Fund capital programme compared to the latest approved budget. The report also summarised the outturn position for the approved prudential indicators for capital expenditure in 2021/22.

The Capital and Treasury Senior Specialist advised that there was an error in paragraph 5.3 of the report, and the borrowing figure should be £7.627m.

The Sub-Committee Members commented on various issues and made points including the following:

- With regard to the outstanding funds for disabled facilities grants, was there a timeframe for spending this, and was it limited to privately owned properties?
- In terms of the Operational Boundary and Total Debt (Table 4, set out in appendix 2 of the report), how did this compare with the Authorised Limit and Total Debt (Table 5), and how were these figures set? Was this the same process used by all local authorities?

The Capital and Treasury Senior Specialist responded to some of the points raised by the Sub-Committee Members, and made the following points:

- Originally, there was a budget of £1.2million, but it was clear very quickly this would not be achieved. The scheme was demand led, and there was no waiting list. The Private Sector Housing Team were looking at other initiatives to see if the scheme could be extended. The grant could be rolled over, and there was no requirement to repay the money, and the council would continue to receive an annual allocation. It is only for privately owned properties.

- The Operational Boundary and Total Debt planned for the worst case scenario, allowing for what might be spent, whereas the Authorised Limit and Total Debt was the limit that could be spent, which included a large contingency. Most authorities followed a broad formula for these calculations, although there may be nuances between authorities. The prudential code prescribed what could be included.

The Sub-Committee Members noted the report.

(Voting figures: 3 for, 0 against, 0 abstentions).

4. **Housing Revenue Account Revenue and Capital Financial Outturn 2021/22**

The report summarised the 2021/22 provisional outturn position (subject to audit) for the HRA revenue expenditure and HRA capital programme compared to both the latest approved budget and quarter 4 projections.

The Sub-Committee Members commented on various issues, and made points including the following:

- The Highview scheme was welcomed.
- Had all of the works identified in the stock survey been carried out, and if not, what was the impact of that?
- Were there provisions going forward for the impact of cost of living rises, and potential rent arrears.
- Were there any indications of any trends for bad debt so far in this financial year?
- The decarbonisation Capital Grant Funding, set out in paragraph 2.1.3, stated that it had been reversed out so that grant funding can be applied in future years when expenditure is incurred. When would this be spent?
- In terms of the fire protection works, the variance from the original budget and Q4 projections was the same. Was it always intended that those works would be carried out in the last financial year?
- The outturns of £1.2 million had been profiled for £800k in the current budget. Is this perhaps a little understated?
- The environmental works were down on budget, but the budget had been increased for the new financial year. Was there anything specific in the pipeline to address this?

The Director of Corporate Services and Chief Financial Services Officer responded to some of the queries raised, and made points including the following:

- The report was a backwards look, and the stock survey had not concluded until part way through the year. Some work had been concluded, but not all. This had been taking into account for 22/23, but could take time.
- In terms of the cost of living impact, there was a provision for non-collection of rent and bad debts in 22/23, and Cabinet were considering a range of measures to support people with this.

- Monitoring of quarter 1 had not yet started, but the bad debts provision would continue to be monitored.
- The decarbonisation Capital Grant Funding had been earmarked and would be spent in 2022/23.
- The fire protection works were not planned, and were reacted to as a result of health and safety findings, so there was a variance. This would have been looked at again when setting the budget for 22/23.
- With regard to the environmental works, an update would be provided after the meeting.

The Sub-Committee Members noted the report.

(Voting figures: 3 for, 0 against, 0 abstentions).

5. **General Fund Revenue 2021/22 Provisional Outturn**

The report summarised the 2021/22 final outturn position (subject to audit) for the General Fund revenue expenditure compared to both the latest approved budget and quarter 4 projections.

The Sub-Committee Members commented on various issues and made points including the following:

- There had been an increase in parking income – was this offset by the increase in costs for the Ringo service? Were there savings overall?
- In terms of the Covid reliefs, is it right that there is still £2.3 million to be rolled over to the current financial year, to offset any expenditure?
- With regard to paragraph 2.9.5 of the report, for Connect 38, could it be explained what offsetting below the line in interest and investment income meant?

The Chief Financial Services Officer and the Capital and Treasury Senior Specialist responded to comments made by the Sub-Committee Members, and made points including the following:

- There were fees involved for using Ringo, but it was more convenient, and there was a net income for using the service.
- The £2.3million referred to in paragraph 2.3 related to business rates relief. The council receive Section 31 grant money from the Government to reimburse for the additional cost of reliefs awarded to businesses throughout the pandemic. Due to collection fund accounting, any deficit or surplus doesn’t go into the general fund until the following year. The money will be earmarked to minimise the impact on the General Fund for 22/23.
- From an accounting perspective, the council is required to treat commercial property income as investment income. The Connect 38 income has been budgeted for within services, but this is something which needed to be looked at, as the council will be required to move this money into a different category of income, which could have an impact on operations. It would not affect the overall position of the General Fund, and was just a case of moving the funds around. This is an accounting requirement, set by the CIPFA accounting code.

The Sub-Committee Members noted the report.

(Voting figures: 3 for, 0 against, 0 abstentions).