



Buckinghamshire Council

Finance & Resources Select Committee

Minutes

MINUTES OF THE MEETING OF THE FINANCE & RESOURCES SELECT COMMITTEE HELD ON THURSDAY 26 NOVEMBER 2020 VIA VIDEO CONFERENCE, COMMENCING AT 2.00 PM AND CONCLUDING AT 3.41 PM

MEMBERS PRESENT

R Bagge (Chairman), J Jordan (Vice-Chairman), D Anthony, M Appleyard, M Bateman, T Butcher, S Chhokar, R Gaffney, G Harris, H Mordue, D Shakespeare OBE and M Stannard

Agenda Item

1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies for absence had been received from Councillors M Smith and C Whitehead.

2 DECLARATIONS OF INTEREST

There were no declarations of interest.

3 MINUTES

The minutes of the meeting held on 1 October 2020 were agreed as an accurate record.

4 PUBLIC QUESTIONS

No public questions had been received.

5 CHAIRMAN'S UPDATE

The Chairman reported that further discussions had taken place with officers in preparation for the Budget Scrutiny inquiry which would be taking place in January. The meetings with portfolio holders had been arranged to take place on 11, 12 and 14 January and a timetable had provisionally been prepared for each day and would be shared with members in due course. Members would receive a budget scrutiny briefing from the Service Director for Corporate Finance following this formal committee meeting and a scoping document was attached to the agenda pack at agenda item 9.

The Chairman, on behalf of the Committee also paid thanks to staff for their work and commitment, acknowledging that the announcement of the second lockdown had created additional pressures to meet alongside business as usual, including for the finance team, the processing of further grants for businesses in Bucks. The service staff continued to provide to residents remained of a high quality.

PROPERTY ASSETS UPDATE

John Chilver, Cabinet Member for Property and Assets and the Head of Property and Assets introduced an overview of the Council's property assets portfolio. In his introduction, Mr Chilver paid thanks to staff in property services who continued to deliver an excellent service in the current challenging situation.

John Reed, Service Director for Property and Assets attended to take members through the slides appended to the agenda pack and take questions.

During the presentation, Mr Reed advised the Committee of the current portfolio capital value (£.206 billion), the investment properties capital value (£361 million) and the income from the Council's commercial and investment properties in 2020/21 (£19.5 million). Members were updated on significant response of the property and assets team to covid-19 which included continued support to tenants, a balanced approach to rent collection, signposting to funding and directing tenants to business rates colleagues, support with providing external seating licenses up to March 2021 and supporting flexible payment plans. The Committee was advised that there was an active asset management plan in place which included an agricultural policy review, a number of significant landholdings and estates had been amalgamated, and a review of sites with potential for planning permission or other use was in progress. The active day to day management included dealing with new leases, lease reviews, rent reviews, property management, strategic consultancy advice and void management. The Council had an active capital disposals programme, a revenue income programme and provided support to a number of other council services including highways, adult social care, communities and leisure and economic growth and regeneration. The service was also actively considering how council buildings could be optimised through flexible working patterns, how the carbon footprint could be reduced and how savings could be delivered. Regeneration programmes were underway in Aylesbury (Station Quarter; The Exchange/Waterside North; Old Council offices; Old County Court), High Wycombe (Eastern Quarter; Brunel Shed; Future High Streets Fund) and Winslow (Winslow Regeneration Project).

Due to the commercially sensitive nature of members questions the Chairman resolved to exclude the public from the meeting by virtue of Section 100(A)(4) of the Local Government Act 1972 on the grounds that discussion will involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Act, namely paragraph 3 – information relating to financial or business affairs of any particular person (including the authority holding that information).

During the confidential session, the Committee held a detailed discussion on council assets and the plans for those assets and raised a number of questions which focused on the current covid situation in relation to the property market and the impact the pandemic had on the performance of the property portfolio; potential plans for various council owned sites; the current position of specific sites across Bucks; what the Council looked for when assessing sites with potential and; the frequency of portfolio valuations and value for money of these. During the discussion, Members also asked whether it would be possible to have a list of council owned assets by Community Board area. Members were invited to email Mr Reed where this information was required and it would be supplied.

SECTION 106 (S106) AND COMMUNITY INFRASTRUCTURE LEVY (CIL) UPDATE

Katrina Wood, Deputy Leader and Cabinet Member for Resources presented the S106 and CIL update report and invited comments from the Committee. The Head of Planning Policy and Compliance attended to take questions on the report. The report provided an overview on the Council's position in relation to financial contributions required by section 106 planning agreements and the Community Infrastructure Levy (CIL). The report contained the current financial status of developer contributions held and noted the systems in place to assure that risk of contributions being returned was minimal.

The Chairman summarised how developments warranted S106 contributions and CIL highlighting that where developments generated growth activity that caused harms to neighbours and the wider area, S106 and CIL contributions could be used to mitigate these harms which came directly from developments. The following key points were raised by Committee during discussion:

- The negotiation element of S106 contributions was dealt with in the development management process as part of the determination of planning applications. A Member expressed concern that infrastructure plans to enhance the county were not looked at prior to a planning application being approved.
- A member queried whether developers had exercised their clawback option and the Committee was advised that a supplementary report had been circulated which detailed S106 monies at risk of clawback within the next twelve months. It was understood that no clawback had been actioned by developers to date.
- Concern was raised that CIL received locally was not ring-fenced to the particular area where the qualifying development was situated and could be spent on infrastructure around the county. It was confirmed that town and parish councils received 15 or 25% of CIL contribution with the rest going into a central pot to be spent on infrastructure developments within the whole council area. Officers agreed to assess what legal options there may be to restrict spend to the areas development took place.
- Members were also concerned that local people were not consulted on infrastructure needs and it would be beneficial for the Council to share the details of funds that were received and consult members. Members suggested that one way of engaging people would be through the newly established Community Boards and it was also recognised that members knew their local areas very well and held good relationships with key figures in the community and thus by consulting members there would be a better understanding of how harms from developments may be mitigated through use of infrastructure funds. Members felt that using Community Boards as a means to do this would benefit residents and the Council. The Committee also requested officers to look at whether it would be possible for the Council to list monies received by community board area and provide this to members.
- In relation to the S106 funds within a year of expiry a member queried what was covered through the year on year funding noted for Thames Valley policing in Buckingham. It was clarified that £60,000 was funded year on year for specific project expenditure on policing projects in the area.
- A Member suggested that the funds within a year of expiry should be RAG rated and include timelines to enhance transparency and allow members to monitor progress as future reports were presented. The Winslow Town Council amount was queried as no timeline was noted and members were informed that regular meetings were taking place and legal advice sought to allocate these funds to a particular project and safeguard the money from clawback. Officers would look to extend the 'at risk' list from within one year of expiry to within two and a half years of expiry.
- A Member asked whether local members were informed when town and parish councils

received CIL funds as it would only be at that point they could assist parishes with getting projects underway. It was explained that a CIL and S106 service review was underway as to how regularly monies received was reported and this point around local members being advised was noted and to be considered.

- In terms of how S106 contributions were integrated in to the Council's budget it was explained that when it was clear what a scheme would entail it would be costed and added in to the capital programme.

8 Q2 BUDGET MONITORING REPORT

Katrina Wood, Deputy Leader and Cabinet Member for Resources presented the Q2 Budget Monitoring Report which was presented to Cabinet at its meeting on 10 November 2020.

The report set out the Revenue and Capital outturn position for Buckinghamshire Council for the financial year 2020/21 and appended was a full analysis of the forecast outturn for each of the Council's six Directorates. The forecast revenue outturn was an overspend of £4.9m, which had reduced from the £6m reported for quarter 1 through additional funding and active management of overspends. The forecast Capital outturn was £174.7m, representing slippage of £15.7m. This was an increase of £10.5m from the £5.2m reported at Quarter 1. Mitigating actions to address the in-year forecast revenue overspend included continued lobbying of government for the full recovery of all additional expenditure and lost income in relation to Covid-19, action within Directorates to identify additional mitigations, as well as the review of commitments against earmarked reserves and corporate contingencies included within the budget.

Ms Wood advised that so far the Council had claimed £5.4 million for the first 4 months of the financial year (April to July). These figures did not take into account the recent government announcement of an additional £1 billion for local authorities, which allocated the Council a further estimated £3.5 million government grant relating to the impact of Covid. This has had a positive impact on this outturn position but would not show until the next quarter. Cllr Wood explained that whilst this funding was welcomed, it was less than the Council was expecting based on previous allocations and furthermore it did not take into account the implications of the current lockdown which was likely to have a significant impact on the Council's income levels like parking and would have a negative impact on the next outturn position.

In terms of the other revenue pressures in business as usual; the main pressures were within Children Services and related to home to school transport costs and reduced income of £3.9 million and also the looked after children placement costs of £1.2 million. These pressures were partly offset from within corporate contingencies where some budget was approved to cover the key financial risks facing the authority. All directorates were now looking at mitigating actions to bring their service areas back into balance and appendix 1 set out the details of the variances by each directorate. The Council was also reviewing the remaining corporate contingencies and ear marked reserves to ensure a break even position by the end of the financial year.

The following key points were raised by the Select Committee members during discussion:

- In relation to financial pressure on care homes, it was recognised that many were struggling financially due to current circumstances and the Council was working closely with the sector to understand the position and provide support as best it could. The Council recognised the importance of care homes in providing for care needs now and in the future. The issue was described as a national risk and the Council understood that if any were to go into administration or face closure there would be significant costs

involved with the moving of vulnerable adults.

- The Committee was advised that at the point the budget was set the Government Dedicated Schools Grant was not known, however the grant was the reasoning behind the income listed at page 56 of the reports pack under education.
- It was noted that there were no covid costs reported under business management and the Committee was advised that many of these costs were dealt with as senior managers and their teams covered many areas of work within their roles.
- In response to a question on the amount received by the Council from Government in the last round of funding support, Ms Wood explained that the Government had re-worked its algorithms which had meant significantly less was received than what was expected. During the first tranche amounts had been heavily based around social care formulas, however on this occasion there was more weight placed on deprivation and areas with higher covid case numbers. The Council had been unaware of this change and lobbying was underway to have this addressed in future allocations. The Committee recognised this was a risk the Council would be exposed to as and when future funding was allocated.
- It was queried whether the capital budget was achievable as in predecessor Council's it had often appeared optimistic. The Committee was advised that with the five councils having been brought together each with their own respective capital programmes, work was underway to look at ensuring there was minimal slippage and the forecast outturn was realistic. It was further noted that the former County Council had already done work on looking at slippage which resulted in a low percentage for 2019/20, although this would be expected to increase this financial year due to the pandemic amongst other issues. This would be an area the budget scrutiny inquiry group would look at in more detail in its January meetings.

9 BUDGET SCRUTINY INQUIRY GROUP SCOPING PAPER

The Committee received a scoping paper and noted the proposed approach to the budget scrutiny inquiry taking place in January 2021.

10 WORK PROGRAMME

The Committee noted the work programme as appended to the agenda pack.

The Chairman advised the Committee that the Aylesbury Vale Estates and Consilio item previously scheduled for today's meeting would be presented to the committee's next meeting in January.

Members noted that the Q3 budget monitoring report would not be ready for the next meeting of the Committee in January. The calendar of meetings for 2021/22 was in the process of being drafted and dates would be set to align with the quarterly reports. The Committee also noted that with Members receiving regular briefings on the Covid-19 impact in Buckinghamshire a specific report to the Committee was not felt necessary at the present time.

11 DATE AND TIME OF THE NEXT MEETING

The next meeting would take place on Thursday 28th January 2021.