



Buckinghamshire Council

Finance & Resources Select Committee

Minutes

MINUTES OF THE MEETING OF THE FINANCE & RESOURCES SELECT COMMITTEE HELD ON THURSDAY 25 MARCH 2021 VIA MS TEAMS, COMMENCING AT 2.00 PM AND CONCLUDING AT 4.01 PM

MEMBERS PRESENT

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

OTHERS IN ATTENDANCE

J Chilver, M Tett and K Wood

Agenda Item

1 APOLOGIES FOR ABSENCE / CHANGES IN MEMBERSHIP

Apologies had been received from Councillor R Gaffney.

2 DECLARATIONS OF INTEREST

Councillor K Wood declared an interest in item 11 as a Board Member of Aylesbury Vale Estates. Councillor Wood confirmed that she would leave the meeting for this item.

3 MINUTES

The minutes of the meeting held on 28 January 2021 were agreed as an accurate record.

4 PUBLIC QUESTIONS

There were no public questions.

5 CHAIRMAN'S UPDATE

The Chairman reported that he presented the Budget Scrutiny Inquiry Group's report and recommendations to Cabinet on 16 February. The report was well received and thanks were passed on from the Leader and Cabinet to members of the Inquiry Group. Following the Inquiry Group's recommendations, a number of changes were made to the final budget including:

- An additional £3m general contingency related to covid-19 / economic uncertainties
- An additional £800,000 contingency related to property rental income loss
- A £2m one off investment in highways drainage
- A budget of £100,000 to support the Cultural Strategy

The final budget was approved by Council on 24 February. At the same Council meeting the Treasury Management Strategy for 2021/22 was also approved.

6 FINANCIAL SUSTAINABILITY – COMPARISON TO LONDON BOROUGH OF CROYDON

Martin Tett, Leader presented a report which provided a financial comparison to the London Borough of Croydon. Following the issuing of a Section 114 notice by Croydon LBC this report reviewed the findings of the public interest report over Croydon's financial failures, together with other reported issues around financial sustainability in local government, which has been exacerbated as a result of Covid-19. The Leader was supported by Richard Ambrose, Service Director for Corporate Finance and Section 151 Officer. The Leader summarised the report which was appended to the agenda pack and reported that the comparison exercise had highlighted that Buckinghamshire had much stronger governance processes in place than Croydon and other local authorities finding themselves in significant financial difficulties. The following key points were raised during the discussion:

- Few, if any of the failures experienced at Croydon were evident in Buckinghamshire. The Leader highlighted that there was an entirely different culture at Buckinghamshire Council, governance was effective, member involvement was strong, and the level of reserves was healthy.
- A number of recommendations were attached as appendix 2 to the report to highlight where lessons could be learnt from Croydon's experience. One of these was to increase visibility and ensure there remained good governance of the Council's subsidiary trusts and property companies. A paper on Farnham Park was presented to the Audit and Governance Committee held on 24 March and there would be an opportunity to bring future papers before members on subsidiary trusts.
- Work on the action plan had commenced, budget boards had been established for the majority of directorates with the remaining few to start in April.
- The difference between directorate budget boards and member priority groups was explained. Budget boards were generally officer boards comprising of the corporate leadership team of a directorate along with senior finance officers to assess the financial position, and identify risks and issues to feed in to the overall budget. Member priority groups were part of the budget setting process and provided further governance support to Cabinet members. These groups were made up of members from the leading administration similar to national Government.
- Members suggested that comparisons should also be made with leading authorities to explore whether there were any opportunities for Buckinghamshire to improve upon its governance and working practices. A member suggested when referring to averages in report there should be further detail on what the average is and how Buckinghamshire's level differs.
- A member suggested that by having a member on the directorate budget boards this could strengthen the budget scrutiny process. Members also requested that more in depth supporting paperwork be provided to future members of the budget scrutiny inquiry group. The Leader advised that Buckinghamshire was recognised by the LGA as a role model on how to build and scrutinise budgets and explained that the degree of detail members wish to see in the budget scrutiny supporting papers changes over time. The Leader suggested that the Chairman of this Committee and the Leader should discuss the exact detail required in good time ahead of next year's budget scrutiny.
- The Committee heard that major suppliers contracted by the Council were monitored regularly and appropriate action was taken as necessary.
- The Committee highlighted that reviews of staff turnover were key for members to look at and recommended ad-hoc updates be provided to this committee. Members were

advised that staff turnover was monitored regularly by the Corporate Director for Resources and the Deputy Leader and Cabinet Member for Resources.

- There was concern raised in respect of the Council's exposure to property and the Committee asked that this stay under close review and concerns looked at early.
- Members were advised that the budget monitoring quarterly report was made available online to all members at the point the Cabinet agenda was published, however the scrutiny officer would look at the 2021/2022 calendar of meeting dates to better tie this committee's meeting dates in with the reporting cycle.

Action: Scrutiny Officer to look at future dates of meetings

7 12 MONTH PROGRESS REPORT ON 2020 BUDGET SCRUTINY RECOMMENDATIONS

Councillor M Tett, Leader presented the report which provided an update and narrative for each of the recommendations made by the 2020 Budget Scrutiny Task and Finish Group.

The following key points were raised during the discussion:

- Members were advised that the recommendations had been made before Buckinghamshire Council had come in to existence and were also made prior to the covid pandemic. The majority of recommendations had been marked as completed with some having been deferred as staff were redeployed to focus on the Council's covid response. The Committee was pleased to note the substantial progress made from the time of the six-month review.
- Community Board involvement with Community Infrastructure Levy and Section 106 monies was discussed and members were advised that the Planning, Growth and Sustainability directorate were looking at this although due to some restrictions on spend of these developer contributions there may be difficulties in linking this to individual community boards.

Action: Scrutiny Officer to request update from the Council's Section 106 Officer and provide to the Committee.

- The Committee was advised that detailed work continued to review agency and high cost interim staff. Sarah Murphy-Brookman, Corporate Director for Resources advised that this group of staff covered a range of people including contingency workforce, specific project work where expertise was needed and as a recruitment route for staff to try roles before joining permanently. Members were pleased to note that since June 2020 a reduction of 22% in agency numbers had been achieved and the HR team had strategies in place to understand agency staffing roles and exit plans.

8 BUDGET PERFORMANCE MONITORING Q3

Katrina Wood, Deputy Leader and Cabinet Member for Resources presented the Q3 Budget Monitoring Report which was presented to Cabinet at its meeting on 16 February. Councillor Wood summarised the report which reflected the business as usual and covid pressures faced during that period.

The forecast revenue outturn was an overspend of £0.1m, which had reduced from the £4.9m reported for Quarter 2 as a result of additional funding and active management of overspends. £5.97m. A full analysis of the forecast outturn for each of the Council's six Directorates was contained within the appendices to the report. The forecast Capital outturn is £160.0m, representing slippage of £27.7m. This is an increase of £12.0m from the £15.7m reported at Quarter 2. Work was ongoing to look at capital spend with a view to reducing future slippage.

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

- The forecast revenue outturn remained around the same figure as the end of Q4 nears

although Capital slippage was likely to increase following on from the third lockdown period.

- The Committee noted that the forecast net deficit of £0.1m was an outstanding achievement in what had been a difficult year. The Section 151 Officer advised that there remained a number of uncertainties around vaccinations and lockdown easements, however there was additional corporate contingencies built in to the budget following the budget scrutiny process in January.
- The larger areas that made up the debt arrears noted in the report were explained, these were in the Adults directorate relating to care home clients and providers and in the Planning, Growth and Sustainability directorate which suffered from a loss of rental income and the impact of covid on local businesses.
- The Committee questioned the Dedicated Schools Grant Recovery Board and how it was looking at proposals to reduce overspend. It was explained that the Board had recently been established and had agreed its terms of reference with membership being made up mainly from Schools Forum members along with the Director of Children's Services, and the Head of Finance for Childrens services. The Board would actively look at ways to reduce spend and deficit in a way that would still achieve the outcomes required. It was noted that many other authorities had significant deficits and Government had recognised the significance of the issue.
- Additional funding had been provided for the hospital discharge programme in adult social care and Cabinet continued to ensure care providers were supported and finances kept under review.

Note: Councillor K Wood left the meeting at the conclusion of this item.

9 DATE AND TIME OF THE NEXT MEETING

Due to the election taking place on 6 May, the dates of future meetings would be advised when the 2021/22 calendar of meetings becomes finalised.

10 EXCLUSION OF THE PUBLIC

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).

11 OVERVIEW OF AYLESBURY VALE ESTATES AND DRAFT BUSINESS PLAN 2021-2024

John Chilver, Cabinet Member for Property and Assets introduced the Aylesbury Vale Estates (AVE) Business Plan 2021-2024, a joint venture land and property Company set up by Aylesbury Vale District Council. The Cabinet Member was supported by John Reed, Service Director for Property and Assets.

The report had been presented to Cabinet at its meeting on 16 February 2021. Mr Reed advised the Committee of AVE's active asset management, positive rate of return, current market movement including the impact of the covid pandemic on performance and planned disposals and investments.

Members held a detailed discussion where they questioned at length a range of issues including governance arrangements; potential planning decision difficulties; estate valuation; income opportunities; and future use of commercial land opportunities. A Member highlighted the need for local residents to be able to have their views heard on proposed developments and it was

noted that the Council was limited in its ability to influence AVE due to the partnership governance. The Committee asked that moving forward ad-hoc updates be provided on AVE and Mr Reed agreed to provide some extra detail outside of the meeting on governance arrangements and other areas highlighted by members.

Action: The Service Director for Property and Assets to provide further details as requested to Committee Members.

12 VERBAL UPDATE ON CONSILIO DRAFT BUSINESS PLAN

John Chilver, Cabinet Member for Property and Assets provided an update on the business plan of Consilio, a property Company, wholly owned by Buckinghamshire Council having previously been set up by South Bucks District Council. The Cabinet Member was supported by John Reed, Service Director for Property and Assets.

Mr Reed advised the Committee that the drafting of the business plan was in progress and he explained to the Committee that all units at the residential development at Tatling End had now been let. Members were advised that the Council had received the resignation of one of the company's directors and was in the process of appointing another officer to the position and were informed of the complications of potentially registering Consilio as a social housing provider.

Following a detailed discussion the Committee thanked Councillor Chilver and Mr Reed for their update and would discuss the business plan at a future meeting once finalised.

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