

COUNCIL
26 January 2023

OVERVIEW OF ECONOMY AND RESOURCES SCRUTINY COMMITTEE

1. Since the last meeting of the Council, the following are the main areas of work the Economy and Resources Scrutiny Committee has undertaken.

Medium Term Financial Plan 2023/24-2026/27

2. At our Ordinary Meeting on 5 January 2023, we gave consideration to the draft Medium Term Financial Plan (MTFP) for 2023/24 to 2026/27, which had been agreed by Cabinet at its meeting held on 13 December 2022 as a basis for consultation, and we examined those services and finances within the remit of this Scrutiny Committee to enable a response to be formulated to Cabinet as part of the consultation exercise.
3. In introducing his report at this meeting, the Assistant Director - Resources provided an update on the Local Government financial settlement, which had been received on 19 December 2022, subsequent to the approval of the draft MTFP by Cabinet, and advised on the impact this settlement had on the assumptions made within that approved draft MTFP.
4. Members entered into discussion on the timing of the receipt of the Local Government financial settlement and the timescales involved in producing an updated MTFP, and the level of response to, and the wider public interest in, the consultation on the MTFP.
5. We sought clarification on the timescales involved in terms of potential future Council Tax and Adult Social Care Precept increases, with concerns expressed that any future reduction in the cap would leave a shortfall in the latter years of the MTFP. Clarification was also sought on the timescales involved in the National Non-Domestic Rates (NNDR) reset, and the small improvements in the Revenue Support Grant (RSG). We heard that there were small increases in the income stream, and that there was a significant budget gap between expenditure and income which was being covered by the use of reserves to allow time for improved economic growth, although it was noted that protection was in place for ear-marked reserves.
6. The Committee examined the budget pressures and savings, noting some savings resulted from a reduced administrative burden, and the income from concessionary fares was scrutinised, with linkages to patronage explored. Members expressed disappointment that there was no dedicated funding for climate change initiatives, though it was acknowledged that there was funding in relation to specific schemes and projects.
7. At a subsequent Special Meeting of the Committee on 19 January 2023, we heard the views of the other four Scrutiny Committees, which enabled us to formulate an overall response from Scrutiny to Cabinet, as part of the consultation process.

Performance Indicators

8. We received a report providing detailed performance information against the key Performance Indicators for Quarter 2, which were within the remit of this Scrutiny Committee. Twenty-two indicators, aligned to key priorities, are reported to this Committee, eighteen on a six-monthly basis and four annually.
9. We entered into discussion on staff retention, specifically in relation to the Customer Service Centre, with the Committee hearing about the work undertaken to improve retention, and the reasons for high turnover. Discussion continued on the increase in voluntary leavers (FHR 019), however it was reported that this was anticipated during the post-Covid-19 pandemic recovery period.
10. Clarification was sought on the number of FTE working days lost due to sickness (excluding schools) (FHR 001), and it was confirmed that the number of days had increased over the previous quarter, however it was suggested that the baseline figure was unrealistic as this figure was skewed due to the previous method of recording absence due to Covid-19.

Work Programme

11. We gave consideration to the work programme of this Scrutiny Committee for the remainder of this Municipal Year.

Councillor Heather Scott
Chair Economy and Resources Scrutiny Committee