

SHOPSHIRE COUNCIL

PERFORMANCE MANAGEMENT SCRUTINY COMMITTEE

Minutes of the meeting held on 14 September 2022

**2.00 - 3.40 pm in the Shrewsbury/Oswestry Room, Shirehall, Abbey Foregate,
Shrewsbury, Shropshire, SY2 6ND**

Responsible Officer: Amanda Holyoak

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Present

Councillor Claire Wild (Chairman), Joyce Barrow (Vice Chairman), Roger Evans, Robert Macey, Alan Mosley, Peggy Mullock, Roy Aldcroft (Substitute) (substitute for Steve Charmley) and Ted Clarke (Substitute) (substitute for Julia Buckley)

1 Apologies for Absence and Substitutions

Apologies for absence were received from Councillors Julia Buckley (substitute Cllr Ted Clarke), Steve Charmley (substitute Cllr Roy Aldcroft) and David Vasmer

2 Disclosable Interests

There no declarations made.

3 Minutes of Last Meeting

The Chair explained that due to pressure of other work, particularly the immense amount of additional work in connection with the death of HM Queen Elizabeth, the minutes of the last meeting had not been finalised and would be brought to the next meeting.

4 Public Question Time

There were no questions from members of the public.

5 Member Question Time

There were no questions from Members.

6 Financial Monitoring Report Quarter 1 2022/23

Members received the report of the Executive Director of Resources which estimates the Council's year end position based on information over the period 1st April 2022 to 31st July 2022.

The Assistant Director, Finance and Technology took members through the report and drew their attention to the following points: -

- This is the 1st report of year which brings out issues which will be addressed through the year

- The Council faces significant uncertainty around the budget
- The budget was set in February and significant national and international events subsequent to this have created some of the pressures being seen, and there were ongoing pressures in some areas caused by the cessation of some covid grants
- The current best estimate was an overspend of £9.373 million overspend with the worst case showing an overspend of £17.506 million and the best case an overspend of £4.138 million, and that officers were working through mitigations to achieve this.
- Changes in the labour market had led to difficulties in recruiting staff and work was being done to ensure that the Council's employment offer was attractive to potential employees.
- 77% of projected savings had been rated green or amber with the majority of the red rated savings arising in the Place Directorate.
- The 2022/23 budget strategy included an increase in general reserves to £15.55 million and if the current overspend was not mitigated it would lead to a reduction in reserves to unsustainable levels.

In response to a question the Assistant Director, Finance and Technology confirmed that energy was sourced through a fixed price contract with West Mercia Energy and warned that there may be a potential budgetary pressure arising at the end of the contract.

In response to a question the Assistant Director, Finance and Technology confirmed that currently the number of council tax accounts in arrears was not rising but that this was being monitored.

In response to a question regarding figures previously announced in July the Assistant Director, Finance and Technology confirmed that overspends previously announced which were around inflationary and salary pressures were incorporated in the current figures, but that work had already been carried out to reduce the impact of such pressures.

In response to a question around the timetable for the North West Relief Road, the Scrutiny Officer confirmed that it was anticipated that the planning application would come forward in the autumn but that it would not be in September as stated in the report. The Portfolio Holder commented that the delay in bringing this forward was due to delays from external organisations.

In response to a question around potential additional funding from central government especially for social care, the Assistant Director, Finance and Technology stated that the situation was currently unclear. The Portfolio Holder for Finance and Corporate Resources commented that the Council was working with providers to understand and help alleviate the current problems and was using the information gathered to lobby central government for additional funding.

RESOLVED:

That Members:

- A. Note that at the end of Quarter 1 (31st July 2021), the full year revenue forecast is a potential overspend of between £4.138m and £17.506m, with best estimates indicating an overall overspend of £9.373m.
- B. Consider the detrimental impact of this on the Council's General Fund balance and mitigating actions urgently required to avoid this.

7 Performance Monitoring Report Quarter 1

Members received the report of the Executive Director of Resources which set out performance against the outcomes set out in the Shropshire Plan.

The Performance and Research Manager took members through the report and highlighted the following: -

- First report setting performance against the outcomes set out in the Shropshire Plan, there will be more measures added as time goes on, with specific targets.
- Main area of concern is the delay in the Homelessness Strategy, caused by pressures of dealing with the pandemic and settling of people from the Ukraine, but this was now moving forward, and the Temporary Accommodation Strategy, which would feed into the overall strategy would be published shortly.
- Another key pressure was the number of Looked After Children and whilst the rate of increase in numbers had slowed, this may increase again with an increased number of unaccompanied asylum seeker children.

In response to a query the Executive Director for Resources stated that the relevant performance indicators on the Shropshire Plan would be developed over the next 6 months and should all be in place by the start of the next financial year. Members that a session be set up to meet with relevant officers and portfolio holders to look at what KPIs were required.

A Member commented that the report showed an overly "rosy" view.

RESOLVED:

That the report be noted.

That a session be set up for councillors to meet with relevant officers and portfolio holders to look at what KPIs were required.

8 Financial Strategy Task and Finish Group terms of reference

Members received the report of the Overview and Scrutiny Officer which set out a draft term of reference for the Financial Strategy Task and Finish Group.

A Member asked whether it would be possible to receive the monthly reports that Officers receive. The Executive Director of Resources stated that the monthly reports were not in a suitable format for Members to consider, but that Officers could update the group on significant changes in figures.

RESOLVED:

That the terms of reference be agreed.

9 Work Programme

The Overview and Scrutiny Officer advised that in addition to the standard financial reports the following items would be brought to the next meeting: -

- Digital Strategy
- Annual Complaints Report.

Signed (Chairman)

Date: