

TORRIDGE DISTRICT COUNCILINTERNAL OVERVIEW & SCRUTINY MEETINGRemote meeting via ZoomTuesday, 10 November 2020 - 2.00 pm

PRESENT Councillor P Watson (Chair)

Councillor P Hames (Vice-Chair)

Councillors R Boughton, C Cottle-Hunkin, J Gubb, S Langford, J Manley and S Newton

Mr S Dengate and Mr I Harper

ALSO PRESENT S Dorey - Head of Legal & Governance (Monitoring Officer)

S Hearse - Chief Executive

D Heyes - Finance Manager (Section 151 Officer)

J Walter - Strategy, Performance & ICT Manager

C Dobbs - Service Improvement Officer

T Vanstone - Senior Electoral & Democratic Services Officer

M Richards - Democratic Services Officer

Councillors C Hodson, K James and N Laws

36. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Inch.

37. MINUTES

It was proposed by Councillor Newton, seconded by Councillor Gubb and –

Resolved:

That the minutes of the extraordinary meeting held on 15 September be agreed and signed as a correct record.

A recorded vote was taken.

<b>COMMITTEE MEMBER</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
CLLR BOUGHTON, R	X		
CLLR COTTLE-HUNKIN, C	X		
MR S DENGATE	X		
CLLR GUBB, J	X		

CLLR HAMES, P	X		
MR I HARPER	X		
<del>CLLR INCH, A</del>			
CLLR LANGFORD, S	X		
CLLR MANLEY, J	X		
CLLR NEWTON, S	X		
CLLR WATSON, P	X		

(Vote: For - unanimous)

It was proposed by Councillor Gubb, seconded by Councillor Manley and –

Resolved:

That the minutes of the meeting held on 28 September be agreed and signed as a correct record.

A recorded vote was taken.

<b>COMMITTEE MEMBER</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
CLLR BOUGHTON, R	X		
CLLR COTTLE-HUNKIN, C	X		
MR S DENGATE	X		
CLLR GUBB, J	X		
CLLR HAMES, P	X		
MR I HARPER	X		
<del>CLLR INCH, A</del>			
CLLR LANGFORD, S	X		
CLLR MANLEY, J	X		
CLLR NEWTON, S	X		
CLLR WATSON, P	X		

(Vote: For - unanimous)

38. ACTION LIST

The action list was noted.

39. PUBLIC CONTRIBUTIONS

There were no public contributions.

40. DECLARATION OF INTERESTS

Members were reminded that declarations of interest should be made as and when the specific agenda item to which they related was under discussion.

41. URGENT MATTERS BROUGHT FORWARD WITH THE PERMISSION OF THE CHAIR

There were no items brought forward.

42. AGREEMENT OF AGENDA ITEMS PART I AND II

There were no Part II items.

43. QBR2

The Finance Manager (S151 Officer) updated members on the financial position as at the end of September 2020 and presented details on the 2020/21 Projected Financial Outturn.

At the end of Quarter 1, the Finance Manager (S151 Officer) had forecast a breakeven position. The current position was projecting a surplus of £642k.

The Finance Manager (S151 Officer) highlighted the income which was specifically related to Covid-19, stating that Torrington had a good year financially.

- To date, Central Government had funded 4 tranches of general Covid support grant, amounting to £1,187,000; other Covid “new burden” funding, amounting to £208,000 for the administration of business support grants for example; and compensation for lost fees and charges will be received, which will cover approximately 75% of fees and charge which have been lost.
- There had been an unprecedented increase in the number of planning applications
- Recycling income had been underestimated by £72,000. It was noted that, as the contract was between Devon County Council and the service provider and the details thereof were not available to Torrington District, budgeting for recycling income could only be done by estimate.

Adversely, losses had been incurred in areas such as parking income, income from treasury deposits, leisure services and council tax and business rates. Unexpected costs had been incurred in relation to Torrington pool roof repairs and reduced capacity at the hostels due Covid restrictions and delays in renovating the hostel site in the High Street.

A summary of business as usual variances was presented illustrating income versus expenditure.

Some of the factors which had led to the projected surplus included:

- Staycation – bounce back of car parking income
- Low incidence of Covid-19 – relatively insignificant agency backfill for frontline staff
- Explosion of planning Income

- Buoyant property market – strong recovery in land charge income
- Stability of the Council's commercial income
- Very low increase in claims for local council tax support

The Finance Manager (S151 Officer) made members aware that there was a shortfall of £5million in the capital programme. It was anticipated that the second Covid-19 lockdown will impact on the finances and posed many uncertainties.

It was noted that monthly returns on the impact of Covid-19 are submitted to the MCHLG and it had been put on record that the grants will not be ringfenced and clawed back.

The Chief Executive referred to the "new burden" grants, adding that staff had worked conscientiously to get everything in place as required to support the new schemes within a short timeframe and that this had averted the need to bring in agency staff, thus keeping cost low. He told members that, if they were to make the recommendation that the surplus of £642,000 be transferred to capital reserves, the money could be reallocated if required at a future date.

In response to a question about financial savings in respect of vacancies, the Chief Executive explained that some of the vacancies had been planned and were in relation to the restructure and recruitment was underway for others.

Councillor Laws commended the well managed budget.

The Questions and Answers document was reviewed. Additional information was provided as follows:

#### Page 19 Highlights – Budget monitoring

A verbal update was provided by the Finance Manager (S151 Officer). When the budgets were set in February 2020, officers had looked forward to the financial pressures of the medium term, up to 2024/25, which had projected a funding gap for the year 2021/2022 of £259,000. The forward projections included assumptions such as council tax increase, the amount of central Government funding, pay award inflation and pensions contributions. Generally, in November the medium term projection is revised as it ties in with the Government's spending review. By December, the picture will be clearer as to how much Government grant funding will be available. Moving forward an option might be to show, at the time of the QBR3 review, what the previous medium term strategy had shown for the financial year

#### Page 22 - Investments

The Finance Manager (S151 Officer) advised that more detailed information relating current investment holdings could be included in the QBR. He gave an overview of the current position: £17million was currently held in short term treasury deposits, £14million of which was with instant access or 32-day notice accounts and £3million was due back in January. Of the £34million received for business support grants at the start of the pandemic, approximately £27million had been paid

out and the difference could be clawed back by central Government at any time. Interest rates were currently so low that the difference between short term and longer term accounts was marginal.

A breakdown of current investment holdings will be circulated to members.

#### Page 23 TDC 2 – Inward Investment / Investment in Growth – Action ER4

Mr Harper raised concern as to whether Torridge District Council had its own particular strategy, outside of the northern Devon Strategy, in relation to Covid-19 and businesses. The Chief Executive responded that the Torridge plan cascaded into the northern Devon and wider Devon Plan. Working more closely with North Devon as a northern Devon economic area added more weight to applications for funding, particularly through the LEP and Government departments.

#### Page 24 - TDC3 - Harbour Review – Action H1C

Mr Harper commented on the Fishdock deficit of £55,631 questioning the viability of the contract. The Finance Manager (S151 Officer) acknowledged that the business would not break even, however, it had been taken on following the collapse of the co-operative which previously ran it and perhaps should be considered for further scrutiny as an economic regeneration project.

#### Page 27/28 - Measure LE546 End to End time for processing Disabled Facility Grants

The Chief Executive confirmed recruitment was underway to enable this process to be brought back in house.

#### Page 28 - Housing - We must do something to ensure there is more social housing available for all.

The Chief Executive gave an update on the Strategic Plan and the work being carried out to address the responses to the consultation and to produce a delivery plan. He told the meeting that he and the Leader had met with the Chief Executive of Westward Housing and P Clarke of the LGA and started to investigate the options for pulling this piece of work together. A report will be presented to a future Full Council meeting.

#### Page 30 - Benefits Claims Processing Times

Further to the additional paper submitted by the Housing Benefits Team Leader, the Finance Manager (S151 Officer) explained that the software provider had had to change and test software in response to the Government enhancing the local housing allowance. The benefit recipient had in fact already received the benefit but without the enhancement. Hence, the delay was only in paying out the enhancement.

TDC6 - Waste Review – Action W1.C

Councillor Hames asked whether there was an opportunity for councillors to be engaged in the consultation on the County Waste Strategy.

Action: To be confirmed with Operational Services Manager

Page 36 - Measure LE701 End to End Times for Property Searches

The Head of Legal & Governance (Monitoring Officer) gave an update, noting that there had been substantial increases in land charges enquiries and the turn-around time was currently 30 days. To commit additional resource to this service was difficult as significant training was required. Staff were working overtime.

It was proposed by Councillor Newton, seconded by Councillor Langford and –

Resolved:

That it be recommended to Community & Resources that the projected 2020/21 surplus identified of £642k is transferred to capital reserves recognising that the capital program is currently under funded by circa £5m

A recorded vote was taken.

<b>COMMITTEE MEMBER</b>	<b>FOR</b>	<b>AGAINST</b>	<b>ABSTAIN</b>
CLLR BOUGHTON, R	X		
CLLR COTTLE-HUNKIN, C	X		
MR S DENGATE	X		
CLLR GUBB, J	X		
CLLR HAMES, P	X		
MR I HARPER	X		
CLLR INCH, A			
CLLR LANGFORD, S	X		
CLLR MANLEY, J	X		
CLLR NEWTON, S	X		
CLLR WATSON, P	X		

(Vote: For – unanimous)

44. REVIEW OF TREASURY INVESTMENT OPTIONS

The Finance Manager (S151 Officer) reported that the Senior Capital Accountant had been tasked with investigating ethical investment. His findings were as follows:

Triodos

A Dutch bank, recently set up a UK subsidiary. Unrated by Fitch.

Torrige District Council's Treasury Management Policy restricted investments to Fitch 1 rated institutions.

### Co-operative Bank

Currently rated 'B', which is below the level at which the Treasury Management Policy permits investment.

### Green deposits – Barclays Bank, Standard Charter and Lloyds Bank

These are not too dissimilar to the interest rates on Lloyds 32-day notice or 95-day notice accounts.

### **Lloyds Sustainability 95-day Account**

The policy allows investments in:

- Energy efficient properties
- Renewable energy for properties in the UK and abroad which would be offshore windfarms, onshore windfarms, solar energy and tidal energy.
- Small or medium enterprises located in the 30% most economically disadvantaged areas in the UK.
- Healthcare providers located in the 30% most economically disadvantaged areas in the UK.

If the Council were minded to invest in this type of account, an amendment would be required to the Treasury Management Policy. It should be recognised that money may be placed in an account with a slightly lesser rate of return.

More detailed information will be provided to the Income Generation Task & Finish Group with a view to bringing a formal report back to a future meeting of the Internal Overview & Scrutiny Committee.

## 45. CONSIDERATION OF THE FORWARD PLAN

The Forward Plan was reviewed.

Mr Dengate asked whether it would be possible to highlight statutory and discretionary areas in the budget, perhaps using colour coding, to make it easier to differentiate between core expenditure and discretionary. The Finance Manager (S151 Officer) explained why it was difficult to achieve this. The Chief Executive suggested this might something for next year.

The Property & Major Projects Working Group will be looking at the capital programme at its next meeting. This will be followed by a report to Community & Resources. Internal Overview & Scrutiny will then have the opportunity to scrutinise any recommendations made by Community & Resources. To be added to the Forward Plan for 15 December.

With regard to the Estuary Strategy, in the first instance, this will be considered by the Harbour Board. If a strategy is developed this could be considered by Internal Overview & Scrutiny.

The Strategy, Performance & ICT Manager proposed a task & finish group be set up to work with officers in relation to a review of the QBR in line with the new Strategic Plan. To be discussed further at the December meeting.

The meeting commenced at 2.00 pm and closed at 3.25 pm

Chair:

Date:



Current investment holdings are as follows:

Company	Investment Number	Amount Invested	Date Invested	Due date	Interest Rate	
Lloyds Bank	91051	1,000,000	17/01/20	18/01/21	1.10	
Lloyds Bank	91127	2,000,000	11/06/20	N/A	0.10	32day notice
Lloyds Bank	91130	2,000,000	11/06/20	N/A	0.10	32day notice
Lloyds Bank	91130	5,000,000	19/08/20	N/A	0.10	32day notice
Leeds Building Soc	91131	2,000,000	08/07/20	08/01/21	0.27	
Lloyds Bank	91132	5,000,000	04/09/20	N/A	0.06	Instant access monthly bonus account
		<b>17,000,000</b>				