

Cabinet
Wednesday 28 June 2023

Comments from the Overview and Scrutiny Commission
at its meeting on Monday 26 June 2023
OSC/311

1. Cabinet Agenda Item 6 – Metcalf Way Depot Use Intensification

Comments and Recommendations

The Commission considered report [DCE/016](#) of the Deputy Chief Executive.

During the discussion with the Leader of the Council and the Deputy Chief Executive, the following comments were made:

- Noted that it was disappointing that there had not been the energy supply capacity to the site in order in progress with an earlier project proposal. It was queried how this might impact future infrastructure within the area.
- Clarification was sought and provided on the financial aspects of the initial proposal.
- Recognition that the option proposed would still enable the Council to deliver on opportunities, service delivery and still enhance the development of a key site.
- The Commission was supportive of option 3 and the opportunity to progress a scheme that maximises the use of the site in the medium term.

RESOLVED

That the Commission noted the report and requested that the views expressed during the debate, were fed back to the Cabinet through the Commission's Comment sheet.

2. Cabinet Agenda Item 7 – Financial Outturn 2022-2023 (Quarter 4)

Comments and Recommendations

The Commission considered report [FIN/623](#) of the Head of Corporate Finance.

During the discussion with the Leader of the Council, Head of Corporate Finance and the Chief Accountant, the following comments were made:

- Clarification sought and obtained on the repairs overspend. High inflation, construction costs and an unprecedented demand for repairs were contributory factors. In many cases the cost per repair had increased by 15% or more when compared with 2021/2022. It was important to analyse and re-visit the schedules going forward and move from responsive repairs to planned maintenance.
- Confirmation was provided on the 'open book' arrangements with contractors and the contract monitoring arrangements in operation.
- Recognition that sickness trends for the Council's Housing contractors were in line with other contracts held by those contractors, however the availability of sub-contractors had been a challenge.
- Acknowledgement that the HRA Improvement Programme had slipped due to a number of Section 20 works. It was noted that these works were complex, and it was expected that the new asset database would aid the efficiency.
- Clarification was sought and obtained on the investment interest and the movement in shared equity properties.
- Acknowledgement that the homelessness pressures continued to increase. It was noted that temporary accommodation was expensive, and it was difficult to meet current levels of demand with existing stock required and there was also a shortage of temporary and nightly paid accommodation driving up prices. A number of local authorities across the southeast were facing similar pressures and the council continued to undertake comparisons with other authorities to share best practice and the challenges faced.

- Information was provided again on the modular housing scheme. Initial consultation was underway on one site and should this scheme prove successful it was anticipated other modular projects would follow the same process. It was recognised that water neutrality had delayed the housing build programme, however the retrofitting scheme had allowed this to resume.
- Concern expressed over the unexpected increases on electricity bills and gas costs. It was felt it would be beneficial if a breakdown could be compiled with regards to 'unit cost' and 'unit use' in order to determine whether inflation or usage was a predominant factor. Whilst it was acknowledged further work was being undertaken, it was anticipated the Commission would receive an update in the next quarter.

RESOLVED

That the Commission noted the report and requested that the views expressed during the debate, were fed back to the Cabinet through the Commission's Comment sheet.

3. Cabinet Agenda Item 8 – Treasury Management Outturn 2022-2023

Comments and Recommendations

The Commission considered report [FIN/624](#) of the Head of Corporate Finance.

During the discussion with the Leader of the Council, Head of Corporate Finance and Chief Accountant, the following points were expressed:

- Confirmation that the short and long term investment strategy for the Council was documented in the Treasury Management Strategy which went to OSC, Cabinet and Full Council each year. In order to comply with treasury management guidance, the Council's investments prioritise security, liquidity and yield in that order. The Ethical Investment Policy becomes a fourth consideration in the decision making process.
- Recognition that the investment ratings were benchmarked at the beginning of the year, monthly reports were then received from the Council's advisors, with any changes being notified the same day.
- Explanation sought and obtained on the sufficient funding available within the Strategy.
- It was noted there was an amendment with the income figures (and resulting rate of return) that was published in the table that appeared in paragraph 9.2 of report FIN/624. The revised table was as follows:

	Purchase Cost £000	Fair Value as at 31/03/2023 £000	Income for year 2022/23 £000	Rate of return %
Atlantic House	4,633	3,574	187	5.22
49-51 High Street	1,576	1,145	16	1.44
Ashdown House	7,915	8,085	720	8.91
Others	N/A	4,896	221	4.51
Sub-total	14,124	17,700	1,144	6.46
The Create Building	29,582	27,141	0	
TOTAL	43,706	44,841	1,144	

RESOLVED

That the Commission noted the report and requested that the views expressed during the debate including the amendment to paragraph 9.2, were fed back to the Cabinet through the Commission's Comment sheet.

Councillor Ayling
Chair, Overview and Scrutiny Commission
26 June 2023