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RESOURCES & DELIVERING VALUE SCRUTINY BOARD - 9 January 2023

MINUTES

Present Councillors: M Parker (Chairman), D Gibbin, Y Clements, M Allen, N Moses, A Adeyemo, A Hodgson, D Holl-Allen MBE

Guest: Councillor R Sleigh OBE: Cabinet Portfolio Holder for Resources

Officers Sam Gilbert: Assistant Director of Finance & Property Services
Lauren Beach: Finance Manger
Priya Spoila (V): Senior Accountant (Strategic Services)
Sean Castree: Senior Accountant (Economy and Infrastructure)
Gabrielle Whitehouse (V): Group Manager (Development Services)
Mike Brymer: Acting Executive Director of Asset Management and Development, SCH
Yesrib Azam (V): Programme Manager
Lindon Wilson (V): Head of Corporate Property Services
Paul Rogers: Democratic Services

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor R Holt, for whom Councillor Mrs Holl-Allen MBE was substituting.

Apologies were received from Councillor J Tildesley.

Apologies were received from Paul Johnson, Director of Resources and Deputy Chief Executive, who was on Council business.

2. DECLARATIONS OF PECUNIARY OR CONFLICTS OF INTEREST

No declarations of interest were received.

3. QUESTIONS AND DEPUTATIONS

No questions or deputations were received.

4. MINUTES

The Resources and Delivering Value Scrutiny Board:

RESOLVED:

- (i) To agree the Minutes arising from the Resources and Delivering Value Scrutiny Board meeting held on 7th November 2022 as an accurate record.

5. MTFS UPDATE – BUDGET STRATEGY 2023/24 – 2025/26

The Assistant Director of Finance & Property Services presented the report, which outlined the forecast budget position in respect of the resources Portfolio, further explaining the pressures identified over the period to 2025/26 and the actions proposed to mitigate them.

Members were informed that the task of presenting a balanced 3-year budget was very challenging in the current fiscal climate. Budget plans have been established for 2023/24, with some options identified in relation to the 2024/25 and 2025/26 financial years.

Attention was drawn to the detail in the report addressing the Council's key pressures, mitigating actions, proposed savings and identified efficiencies and to risks relevant to the Resources Portfolio's budget position. Members were further informed that the Resources Directorate had identified £9.149M savings over the MTFS period, which was comprised of one-off savings of £5.610M in 2023/24, £1.212M in 2024/25 and £1.450M in 2025/26 and ongoing savings of £877,000 in 2025/26.

The report identified key risks relevant to the budget proposals for the Resources Portfolio, with the Assistant Director, Finance and Property Services, drawing Members attention specifically to the cost of living crisis impacting across various areas, including Income and Awards, the increase in the age of outstanding debt, increased ICT operating costs in the form of higher licensing and hardware costs, fiscal pressures placed on catering services through increased food costs and pay settlements and finally wider economic pressures across the general retail sector which can lead to higher business failures.

Councillor Sleight OBE noted that the Council was in a unique position in being able to deliver a balanced budget for 2023/24, with strategic savings also identified going forward to 2025/26 via the MTFS which is satisfactory to the Council's external auditors.

Having received the introduction to the report, Members of the Scrutiny Board raised several related questions, which in summary received the following replies and clarification from Officers present:

- An on-going review of the Communities and Partnerships staffing structure would not lead to any redundancies.
- In respect to the reported recruitment and retention issues currently experienced by the Resources Directorate, part of the issue lay with the increased workloads in the areas of finance, Human Resources and ICT support, which compounded the retention issue to a degree. The current recruitment and retention scenario has been the case since the commencement of the Covid pandemic lockdown. Furthermore, the Council and wider public sector was competing with the private sector for suitably qualified and experienced staff. The Council's HR service was

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reviewing how the Council could best present its offer to potential new employees in terms of the benefits arising from working for the Council. However, the working population was generally now more transient post pandemic, and this was mirrored across local authority's and the West Midlands region in general.

- Regarding the Council's Court costs in relation to Council Tax and Business Rates actions and the liability cost to the Council of £95 against the Council's subsequent charge of £57.50 against the other party, the Finance Manager advised that further information would be provided to Members of the Board outside of the meeting, which would provide detail as to why the recommendation was not to increase these charges further.
- Regarding Charges on premises (licensing and gambling), the Board noted that there was no detail provided against the statutory parameters and queried what they were and queried whether the Council undertook benchmarking against neighbouring local authorities in respect of such charges. The Board was advised that the regulatory services charges and Council costs were set against statutory parameters for delivering such services and that it could be the case that the maximum charges could not be applied to avoid excess charging (as defined against the statutory parameters). It was confirmed that the Council did undertake benchmarking exercises against other local authorities in respect of its fees and charges on a cyclical basis.
- The Scrutiny Board referenced the Finance Act 2000, recognising that it determined local authority licensing functions could not make a profit, but noted that neighbouring council's appeared to charge significantly more for licensing services than Solihull and questioned when these charges were last reviewed by the Council. The Finance Manager clarified that the Council did review its charges across different regimes, which formed the annual precept. The Licensing Committee also regularly considered some of the fees and charges detailed within the report before the Scrutiny Board.
- The Scrutiny Board queried the future status of the current Age U.K contract and were advised that the current contract had been supported via a financial contribution from the Income and Awards Service, which would cease at the end of the 2022/23 fiscal year. The future budget requirement had not been accounted for after this point in time, but mitigation had been identified for the contract in the 2023/24 financial year.
- The Scrutiny Board highlighted the current pressures faced by the Catering Service as detailed in the report and questioned whether it was still a viable, on-going service. The Scrutiny Board was advised that there were finite costs against the provision of school meals and that the service was facing inflationary pressures (food supplies) and was managing the recent pay award to lower paid staff within the service.

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Every school had a choice available to re-tender for a school meals service.

- In response to a question concerning the amount of alcohol procured by the Council, the Scrutiny Board was informed that it was minimal and procured for a small number of specific civic events hosted by the Council.
- Clarification was sought by the Scrutiny Board as to whether the Council pro-actively delivered any enforcement action against fly-tippers, and if so, what amount of income this brought into the Council. It was confirmed that the Council did operate enforcement services to counter fly-tippers in the borough and to date the projected income arising from fly-tipping enforcement fines was £200. The Scrutiny Board would be advised how many fines had been successfully secured outside of the meeting.
- The Scrutiny Board questioned whether the £59,000 for the appointment of a Media Officer on a 3-year contract was required. The Scrutiny Board was advised that there was one dedicated Media Officer to each Council Directorate. Demand in Children's Services for media support had become particularly high which led to the most recent appointment on a contract basis. Members were advised that Public Health was an additional area requiring close media support.
- Members highlighted reported annual fiscal pressures on the Touchwood centre at £151,000, whilst the centre was currently at 95% occupancy. The Scrutiny Board sought clarification as to whether the £151,000 fiscal pressure was accurate and whether this was likely to improve moving forward. The Assistant Director advised Board Members that information to further clarify the position could be provided subject to third party confidentiality clauses. Members were further advised that it was not unusual for commercial retail centres to offer financial incentives for new tenancies, which had potential to impact reported income. The Council received an income share from the Touchwood Centre and if its profits are below projections this in turn impacts the Council's fiscal pressures.
- The Scrutiny Board referenced Appendix C to the report, noting that mandatory licensing for HMO's had increased from £870 to £950 in line with the rate of inflation. The rise of new developments had led to higher volumes of license applications. The Scrutiny Board queried whether the fee was still too low. The Finance Manager confirmed that the level of charging for HMO licensing had been reviewed and had taken account of the increase in Council costs.
- Board Members drew attention to the Catering Service's inflationary pressures and questioned whether provision of the service moving forward continued to be viable and whether there was a statutory obligation placed on the Council to provide a school meals service. The

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Assistant Director Finance & Property Services clarified that there was no statutory requirement placed on the Council to provide any such service. Some Council's did not provide a direct schools meals service, which led to schools engaging a private provider. In the case of Solihull, Members were advised that there were approximately 75 schools located within the borough, all of which had engaged private contractors to provide a school meals service.

- The Scrutiny Board was further advised that two financial models were available to support the delivery of school meals services. The Cost-Plus model entailed all costs associated with delivery of the meals service being billed the school with an element of an additional management fees and, secondly, the Hand Back model which entailed the Council retaining all monies. Councillor Sleight highlighted that there were wider issues involved, other than that of a model of service provision. There were community well-being implications involved in the provision of any schools meals service, particularly in relation to Early Years pupils.

Having considered the report, the Resources and Delivering Value Scrutiny Board:

RESOLVED:

- i) To note the pressures and mitigating actions detailed in Appendix A and savings proposals detailed in Appendix B and to feed back the Scrutiny Boards comments detailed above to Full Cabinet scheduled for 9th February 2023; and,
- ii) To note the Schedule of Fees and Charges proposed for 2023/24 and to feedback the Scrutiny Boards comments detailed above to Full Cabinet scheduled for 9th February 2023.

6. FOLLOW UP REPORT – BUILDING SAFETY

The report provided the Scrutiny Board with an update on current Building Safety legislation and activities undertaken for the Council's Housing Stock and other Council owned buildings.

The Acting Executive Director of Asset Management and Development, SCH introduced the report to the Scrutiny Board. Key highlights brought to the attention of Members included:

- The Fire Safety Act 2021 was now in place.
- Under the Act, fire and rescue services will be empowered to take enforcement actions and hold building owners to account if they are not compliant.

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- SCH undertook fire risk assessments on the communal parts of both High-Rise Residential Buildings (HRRB's) and low-rise residential buildings every 3 years. Annual risk assessments are carried out by a specialist in respect of the 37 HRRB's located in Solihull, whilst SCH undertook risk assessments for the low-rise buildings located in the borough every 3 years.
- The Fire Safety (England) Regulations 2022 introduced new duties under the Fire Safety Order for building owners or managers (responsible persons). The regulations are scheduled to come into force on 23rd January 2023, implementing a number of recommendations arising from phase one of the Grenfell Tower Inquiry.
- The Regulations did not implement the requirements for PEEPS (Personal Emergency Evacuation Plans). The PEEP guidance is seen to be more relevant for those building managers who did not have a 'stay put' policy in place. Solihull operated a 'stay put' policy for residents in the 37 HRRB's within the Council housing stock unless the fire itself was in the resident's residential unit.
- The Building Safety Act (BSA) became effective on 28th April 2022, applicable to those HRRB's over 18 meters in height and introduced a Building Safety Regulation via Health and Safety Regulations.
- The Building Safety Bill requires an Accountable Person to be nominated for the 'in occupation' phase of the lifecycle of in scope buildings such as the 37 HRRB's in the borough and this is the Director of Economy and Infrastructure. The required tasks are delegated within SCH to a newly appointed Head of Building Safety, whilst the Council has a Building Safety Manager in post.
- SCH had a Building Safety Implementation Plan in place, which captured all activities required by the legislation, which addressed amongst other matters:
 - A data strategy.
 - Building safety case for all 37 HRRB's (scheduled for review from April 2024).
 - Governance and assurance arrangements.
 - Projects planned to further improve the safety of HRRB's.

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A sprinkler installation project currently in progress across the 37 HRRBs has led to better resident engagement, as well as allowing SCH to address some legacy issues in properties with faults. An access rate to properties of approximately 97.5% had been achieved, although it remained the intention to reach 100% of units. The programme had also experienced some significant challenges due to a change in the British Standards requirements where the 2021 standard now require the installation of double size water tanks and the provision of back-up generators.

- Work is due to commence soon to replace existing spandrel panels in 16 HRRBs as part of the building safety programme and a contractor is due to mobilise soon following a tender exercise.
- A programme of structural surveys has commenced and will identify any further building safety work required in the housing stock. SCH aim to synchronise this with existing plans to minimise disruption, maximise access and achieve better value for money.
- Engagement with the Fire Service was good as was the engagement with residents via the SCH Resident Engagement Strategy, which had been designed in conjunction with residents.

Having received the introduction to the report, Members of the Scrutiny Board raised several related questions, which in summary received the following replies and clarification from Officers present:

- The Scrutiny Board queried the scenario whereby a resident was placed in temporary accommodation in a non-SCH property, what were the Council's responsibilities towards the resident concerned and was it duty bound to ensure the property complied with the new regulations and legislation. Members were advised that it depended on the type of property concerned, but that an assurance check will have been undertaken before placing the resident in the property.
- Referencing the SCH Building Safety Implementation Plan, specifically regarding the key headline achievement of '*easily accessible and transparent safety information being available to all stakeholders*', the Scrutiny Board questioned how this would be achieved. The Acting Executive Director for Asset Management and Development advised that a secure information box would be installed in all 37 HRRB's and secondly, SCH would write directly to tenants if specific housing or building issues needed to be raised with them. SCH also used social media platforms, tenant newsletters and pop up events as part of their tenant engagement initiatives.
- The Scrutiny Board noted that the sprinkler installation programme had provided SCH with the opportunity to engage closely with their tenants generally and questioned whether SCH had any plans to continue such

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tenant interactions on a wider basis. The Acting Executive Director for Asset Management and Development clarified that SCH had a strong tenant engagement team in place and that the sprinkler installation project had also provided the opportunity to roll out the Engagement Strategy which had led to an award nomination. Tenant engagement initiatives would continue to be delivered beyond the end of the sprinkler implementation programme.

- The Scrutiny Board questioned what consequences were there in the case of non-compliance for giving building / property access to facilitate a building safety inspection (for example, properties being used for cannabis farming) and whether there was liaison with the Police if such scenarios occurred. Members were informed that the SCH asset management team worked in partnership with SCH colleagues in Neighbourhood Services, Housing Officers and residents. No example of cannabis farming had been found in Solihull, but any such case would trigger an automatic referral to the Police. Some safeguarding referrals to the Police had taken place following fire safety work taking place in properties and resident engagement.
- The Scrutiny Board raised SCH governance processes, stating that it would be desirable to see an annual SCH report addressing fire and building safety matters across the SCH estate, which would be submitted to Cabinet to strengthen accountability for responsible office holders and leadership teams. Members were advised that SCH are included in the Council's newly formed Building Assurance Board chaired by the Accountable Person and that SCH in addition would be reporting on building safety matters on a quarterly basis to the appropriate Cabinet Portfolio Holder for Housing.
- Confirmation was sought as to whether a whistle blowing hot line / arrangements for anonymous reporting of building safety concerns was already in place. The Scrutiny Board was advised that SCH was developing a system of reporting for tenants concerned with any building safety issues, which would be captured by SCH systems and addressed. The Council's updated Whistle Blowing Policy was reported to the Audit Committee on 9th January 2023 and scheduled to go to the Governance Committee on 18th January 2023, which would be shared with SCH. The approved Whistle Blowing Policy would also be shared and accessible via the Council website for public access.

Having considered the report, the Resources and Delivering Value Scrutiny Board:

RESOLVED:

- (i) To note the implications arising from the Fire Safety Act, Building Safety Act and associated legislation.

7. UPDATE FOR THE CORPORATE APPROACH TO DELIVERING AN ASSET MASTERPLAN (CADAM) PROGRAMME

The report provided an update on the progress of the Corporate Approach to Delivering an Asset Masterplan (CADAM) Programme. The Assistant Director of Finance and Property Services introduced the report and drew the Scrutiny Boards attention to the following matters:

- The report was part of a regular CADAM update to the Scrutiny Board as it was a key transformational programme, representing a larger scale project across 3 financial years. The Scrutiny Report last received a CADAM Progress Report on 7th October 2021.
- Since October 2021, a CADAM health check had been completed. All Council office buildings had been centralised to test how to adapt and review associated property costs.
- The CADAM Programme was comprised of 2 components a) a review of current Council buildings and b) what functionality and requirements were wanted from the Council buildings (for example, taking account of the impact of digital transformation and the Council's Smarter Ways of Working initiatives on property requirements).
- Phase 2 of the CADAM comprising libraries and Adult Social Care buildings were still finalising. A Corporate Services Standards offer had been produced around building safety, leading to Corporate Landlord arrangements to be put in place.
- The expectation was for each Council Directorate to have a SAMP (Service Asset Management Plan) in place for asset identification purposes. It has since been realised that other issues, other than SAMPS, are emerging which has led to the production of a Draft Asset Framework instead. The Draft Asset Framework is scheduled for consideration at the Cabinet Portfolio Holder for Resources decision session scheduled for 18th January 2023 and will detail further decisions and intentions around property and estate management.
- Officers were working through centralisation leading to a standard offer being in place, alongside governance and decision- making arrangements. Supporting processes had been embedded in 2022 after a series of successful pilots, with which libraries had been involved.
- A report was considered at Adult Social Care DLT addressing adult property assets such as day centres. Economy and Infrastructure have considered libraries so far and will consider other property assets in used by their directorate such as cemeteries, car parks and Moat Lane depot with the anticipation of centralising all assets by the end of the current financial year (2022/23).

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- The CADAM also recognised the Councils Net Zero objectives and continues to consider how the management of corporate property can help to deliver this Council priority.
- It was highlighted to Members that the CADAM Programme addressed the centralisation of assets and strategic decision making, as well as involving cultural change i.e. the Corporate Landlord model at the centre of decision making for property across the organisation.

Having considered the report, the Resources and Delivering Value Scrutiny Board:

RESOLVED:

- i) To agree that progress with the CADAM was satisfactory.