

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 13 February 2019

Present: Councillor M D'Albert (in the Chair)
Councillors N Bayley, R Caserta, T Cummings, M Hankey,
J Harris, M James, N Jones, K Leach, Smith and S Smith

Also in attendance: Councillor E O'Brien, D Brown, K Dolton, D Fowler, S
Goodwin, L Jones S Kenyon, G Little and M Woodhead

Public Attendance: One member of the public was in attendance

Apologies for Absence: Councillor R Skillen

OSC.1 DECLARATIONS OF INTEREST

Councillor Leach declared a personal interest in any item relating to the NHS and CCG as she works for the NHS.

Councillor Harris declared a personal interest in any item relating to Six Town Housing as she is a member of the board.

OSC.2 PUBLIC QUESTION TIME

There were no questions asked under this item.

OSC.3 MINUTES OF PREVIOUS MEETING

It was agreed:

That the Minutes of the Meeting held on 21 January 2019 be approved as a correct record and signed by the Chair.

OSC.4 MONTH 9 CORPORATE MONITORING REPORT

Councillor O'Brien, Cabinet Member for Finance and Housing submitted a report informing the Committee of the Council's financial position for the period April to December 2018 and projecting the likely outturn at the end of 2018/19.

The report included Prudential Indicators in accordance with CIPFA's Prudential Code.

It was reported that the current projected overspend was £2.608m which represented approximately 1.89% of the total net budget of £138.016 and was a reduced figure from the previous quarter.

Service specific financial monitoring was included within the report and provided more detailed analysis for each department.

Questions and comments were invited from the Committee and the following issues were raised:-

- Councillor Hankey referred to the 10 point cost saving plan that was set out within the report and had been in place for a number of years and asked how effective the measures had been.

Steve Kenyon explained that it was difficult to attribute figures to the measures as the information isn't available. It was a healthy exercise to undertake as it challenged and enhanced the approval processes.

- Councillor Hankey stated that the plans produced always contained ambitious cost savings which weren't always met and seen through to the end of the plan. Councillor Hankey asked if a plan would be seen through.

Councillor O'Brien explained that it was quite difficult to work towards objectives that weren't clearly defined and looking 3 years ahead. There was always an ongoing process of change.

- Councillor Caserta referred to the costs associated by using Independent Fostering Agencies and the amount that the Council paid in house foster carers. Councillor Caserta stated that he was aware that the Council had historically paid less than IFAs and other Councils but had good relationships with Foster Carers. Recently, the amount paid to in house foster carers had increased and Councillor Caserta asked why this was.

Karen Dolton explained that there had been improvements in the way that IFAs and other local authorities worked with their foster carers to the point that the Council was no longer seen as the best option and therefore in house foster carers were moving to either IFAs or other local authorities as they paid more. The council needed to retain foster carers so had to be competitive in the amounts paid to them.

Karen also reported that it was anticipated that the Council reduce the use of IFAs over the next 3 years.

Councillor O'Brien also explained that a lot of work was being done in relation to prevention work which would lead to a reduction of looked after children in the borough.

- Councillor N Jones referred to 3.6.1 in the report and the reference to recruitment freeze and stated that the Council had recently employed a number of directors and assistant directors at a significant cost.

Geoff Little, Chief Executive explained that the Council had changed its structure at the top level to bring in new skills that would be required to meet the challenges that it was facing. There was a need to strengthen the officer leadership of the Council to ensure that it was in as strong position as possible going forward.

- Councillor N Jones referred to the use of consultants and asked what the cost implications were.

It was reported that the costs of bringing in consultants was £1.6m in 2017/2018 and £1.2m in 2018/2019.

- Councillor S Smith referred to the £2.6m projected overspend and asked how this would be resolved. Councillor Smith asked whether this would mean further job losses across the Council in the future.

Councillor O'Brien explained that a lot of work was being carried out in relation to the overspend. Action being taken was documented for each department within the report.

Councillor O'Brien explained that the Council had seen a loss of 650 members of staff in the past few years and that he wouldn't speculate on future job losses. The Council has a range of options in place for employees to reduce their working hours, retire early or consider mutual settlement. All of which reduce the need for compulsory redundancy.

- Councillor Hankey referred to the demand pressures on both Adults and Children's services in relation to care packages and asked what work that was being done to reduce these.

Mike Woodhead, Chief Finance Officer, Bury CCG explained that the review of care packages was being carried out on a case by case basis. It was anticipated that this work would see a net reduction in costs relating to high cost packages.

- Councillor D'Albert referred to the Dedicated Schools Grant and the recovery plan relating to this and asked how this would affect individual schools.

Steve Goodwin, Head of Strategic Business and Finance - Children, young People and Culture explained that work will be carried out with individual schools on a case by case basis if any issues were to arise. There had been full consultation with schools.

- Councillor D'Albert asked whether there would be any safeguards to make sure that the deficit didn't build up again.

Steve explained that there was work being done in the areas where the high costs had been identified to reduce those costs, Regular monitoring is being undertaken which will identify and predict any issues which can then be dealt with as early as possible.

- Councillor D'Albert referred to the out of borough placements and permanent exclusions and asked what work was being done in those areas.

Karen Dolton reported that an application had been submitted to the Department for Education to build a special free school in the borough which would bring the out of borough placements back in and offer support to permanently excluded pupils. It was also reported that Inclusion Managers were working with schools to support them and work with pupils at risk of exclusion. There had been no permanent exclusions across the borough in the current academic year.

- Councillor Caserta referred to the procurement of goods and services and asked what was in place to ensure that the Council wasn't overspending.

Geoff Little explained that the Council provides a procurement service to schools and nearly all schools take up this offer. It was also explained that the Council was in the process of establishing a Corporate Core which will bring together services and procurement would be part of this.

It was agreed:

That the contents of the report be noted.

OSC.5 2019/2020 BUDGET REPORT

Councillor O'Brien, Cabinet Member for Finance and Housing presented a report providing Members with details of the 2019/2020 revenue budget and outlined;

- Local Government Finance Settlement for 2019/20
- Forecast Outturn for 2018/2019
- Budget Strategy for 2019/2010 and the approach to balancing the budget in future years

The report also examines the robustness of the assumptions behind the budget forecast and contains an assessment on the adequacy of the Council's balances.

Councillor O'Brien explained that the Council had had to change the way that it functions and make a number of short term decisions in the lead up to the roll out of the transformation work.

The Council will be working differently than it has in the past and will incorporate health and social care and the CCG.

Geoff Little, Chief Executive explained that the papers provided to the Committee were a lot more in depth than in previous years' and contained more depth and detail on how savings will be delivered. Each Directorate had provided an individual report including audit trails, details of achievements made or not, new delivery models and partnership working.

Geoff explained that the Council would face a challenging year to deliver what it needs to and to build up reserves for the future in order that a 3 year rolling budget can be set from 2021 onwards. A Corporate Plan will be produced which will promote stronger Corporate Governance. Each Directorate will be required to produce their own 3 year plans which will include business plans.

Those present were given the opportunity to ask questions and make comments and the following points were raised:-

- Councillor Harris referred to the use of dormant Earmarked Reserves which was set out in the report and asked what these related to.

Councillor O'Brien explained that there had recently been a review undertaken of all of the Earmarked Reserves, the 5 that were included within the budget were identified as no longer being needed and could therefore be used as a one off.

- Councillor Bayley referred to the austerity measures that had been introduced by Central Government and asked what the cumulative effects to the Council were.

Councillor O'Brien stated that the Council had lost 650 staff members and had financial cuts of £97m, demand has increased across most services which had meant that difficult decisions had to be made.

- Councillor N Jones referred to the figures in the report regarding 200 – 300 new houses being built on brownfield sites and asked how this would be funded.

Councillor O'Brien explained that the Council could use borrowing to fund house building and grants would also be applied for through Homes England.

- Councillor N Jones referred to the 4000 houses that were mentioned further on in the report and asked how these would be funded?

Councillor O'Brien explained that business cases would be drawn up for each scheme. It was anticipated that there would be 200 to 300 houses built to start with and the money made going back into the pot to support the next round.

Councillor O'Brien explained that sites had not been allocated as yet but it was more than likely that the Council would look to build on town centre sites across the borough.

- Councillor Hankey referred to the underperformance of the Civic Halls and asked if this issue was ever going to be resolved. This had been an issue for a number of years and nothing had been done. He asked whether anything would be resolved in relation to this.

Councillor O'Brien stated that there had been long running issues in relation to Civic Venues and suggested that a separate report be brought to a future meeting of Overview and Scrutiny in relation to this.

- Councillor Hankey referred to the staff vacancies that were highlighted in the report and the substantial savings around these and asked whether the vacancies would be permanent.

Councillor O'Brien stated that workforce remodelling would be taking place which would provide more clarity in this area.

- Councillor Caserta referred to the use of dormant Earmarked Reserves and asked why these pots of money had become available now. Councillor Caserta asked what the criteria was for using them.

Steve Kenyon explained that the money had been there for a purpose which had since ceased. A review of the Earmarked Reserves had highlighted that the identified ones were no longer needed.

- Councillor Harris referred a future redevelopment of the Town Hall and asked what the plans were.

Steve Kenyon explained that there were no specific proposals for the Town Hall.

- Councillor L Smith referred to the reserves held by the Council and asked how Bury compared to other local authorities.

Steve Kenyon reported that when comparing to the other GM authorities Bury reserves were low. Work would be done which would allow the Council to bolster its reserves for the future.

It was agreed:

That the contents of the report be noted.

OSC.6 2019/2020 HOUSING REVENUE ACCOUNT

Councillor O'Brien, Cabinet Member for Finance and Housing presented a report providing Members with details of the proposed Housing Revenue Account for 2019/2020 and proposals for Dwelling and Garage rents, Sheltered Support, Management, Amenities and Heating charges, Furnished Tenancy Charges and Fernhill Caravan Site tenancy charges.

It was agreed:

That the contents of the report be noted

OSC.7 2019/2020 TREASURY MANAGEMENT STRATEGY

Councillor O'Brien, Cabinet Member for Finance and Housing presented a report setting out the suggested Strategy for 2019/2020 in respect of the following aspects of the Treasury Management function. It is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's treasury advisor. The Strategy covers:

- Capital plans and prudential indicators;
- the minimum revenue provision policy;
- the current treasury position;
- treasury limits in force which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers

It was agreed:

That the contents of the report be noted

COUNCILLOR M D'ALBERT
Chair

(Note: The meeting started at 7.00 pm and ended at 8.30 pm)