

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 8 February 2022

Present: Councillor R Bernstein (in the Chair)
Councillors C Birchmore, N Boroda, L Dean, U Farooq,
G McGill, K Peel, M Powell, L Smith and D Vernon

Also in attendance: Councillors E O'Brien, N Jones, T Holt and S Wright
Geoff Little, Chief Executive
Lynne Ridsdale, Deputy Chief Executive
Sam Evans, Executive Director of Finance
Will Blandamer, Executive Director of Strategic
Commissioning
Jeanette Richards, Executive Director Children and Young
People
Isobel Booler, Director of Education and Skills
Steven Goodwin, Assistant Head of Financial Services
Paul Turney, Deputy Chief Finance Officer
Neil Long, Assistant Director
Jacqui Dennis, Monitoring Officer
Chloe Ashworth, Democratic Services

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence: Councillor C Walsh

OSC.1 APOLOGIES

Apologies for absence are listed above.

OSC.2 DECLARATIONS OF INTEREST

Councillor Dean declared an interest as a family member works for Six Town Housing and another family member works for Bury ACES.

Councillor Peel declared an interest as he is a member of the Six Town Housing Board.

OSC.3 MINUTES

It was agreed:

1. The minutes of the meeting held on the 11th January 2022 be agreed as a correct record.

OSC.4 MATTERS ARISING

There were no matters arising.

OSC.5 PUBLIC QUESTION TIME

There were no public questions.

OSC.6 MEMBER QUESTION TIME

There were no Member questions.

OSC.7 THE COUNCIL'S FINANCIAL POSITION AS AT 31 DECEMBER 2021

Councillor Bernstein introduced Councillor Holt as Chair of Health Scrutiny and Councillor Wright as Chair of Children and Young People Scrutiny to the Committee this evening.

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, presented the report which outlined the forecast financial position of the Council at the end of 2021/22 based on the information known at the end of the third quarter, 31st December 2021. The report set out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.

The following questions and comments were raised:

- In response to a question raised regarding the projected underspend of money for potholes, the Leader advised this is related to the fact the team has been under pressure and impacted from the pandemic. However, in the last month there has been £250,000 invested in filling potholes.
- When asked about the difference between Capital Themes 'proposed revised budget' and 'forecast', he advised there are many reasons such as resources, environmental, weather conditions and access to alternative external funded all impact what and when the money is spent.
- Questions on the underspend on Children and Young People and Highways were asked of the Leader, in response Cllr O'Brien advised the Highways spend is a three-year programme so spends will be taken forward. The delay in spend has been due to pressure on the team.
- In relation to a comment on the bad debt it was confirmed work is taking place on bad debt provision in the Sub-Group and provided a reassurance that work is now taking place to start proceedings on recoverable debt.
- The Leader was questioned on the value for money from the Corporate Core. In response he advised we have one of the Leanest Corporate Core's with our back-room functions. In addition, Geoff Little, Chief Executive that services were brought together into a Corporate Core from previously being departmental functions.
- In response to a question on how realistic it is that mitigations identified will be delivered the Leader advised he is confident mitigations will be achieved and if not, there will be conversations to question what else can be done.

- Questions were asked on the matter of the Manchester Airport investment. It was advised that there are two elements to airport investment: shares and subsequent dividends and a series of loans. The share investment was used to invest in the car park titled Project Apollo. £30m has been given in further investment to Manchester Airport. However, over the life of the investment it is believed it will generate income back into the council and 2025-26 is when we expect to receive the dividend.
- A question on the Business Support Review and the completion of this was questioned. In response the Leader advised the review has finished and savings can be taken from the start of the financial year on the 01st of April 2022.
- Questions on the Children and Young People overspend this year and if the budgeted amount for the next financial year is sufficient. In response the Leader advised that locally we need to add resources, capacity, and reforms around children's services. Secondly it has been recognised that prior to Ofsted the caseloads are too high, and OFSTED reinforced this. Two additional teams are currently working to reduce caseloads.
- Questions on the reserves were asked; in response the Leader advised a new reserves strategy is being brought in place. The Leader advised we should not over rely on reserves but do acknowledge things out of our control can impact us; from a huge increase in demand especially in Adult Social Care. The Leader assured the Committee that when we use reserves we do so in a way that is sustainable as pressures will only get worse. In addition, Sam Evans Executive Director of Finance advised that guidance from CIPFA which advises you should retain 10% of your revenue budget, in our case that would be £17m.
- In questions relating to Children's Services the Leader explained the DSG recovery plan will be brought back on a regular basis to ensure it is well managed. The impact on schools and management of current underspend is being managed and will regularly be reviewed.
- Councillor Peel made a request that information on the reserves is put on the Council's website to help Councillors to communicate with residents; this should include what reserves we have and why.

It was agreed:

1. To circulate a list of how the funding allocation and the schemes carried forward of £10.523m (page 14, paragraph 14).
2. To circulate the details of the grants contained within Table 15 (page 33)
3. To add information to the Council's website to help Councillors to communicate with residents on the reserves; this should include what reserves we have and why.
4. To note the Contents of the report.

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, presented the report which set out the proposed Housing Revenue Account for 2022/23 and proposals for Dwelling and Garage rents, Sheltered Support, Management, Amenities and Heating charges, Furnished Tenancy charges and Fernhill Caravan site tenancy charges. The report also establishes the Management Fee paid to Six Town Housing for 2022/23.

The following questions and comments were raised:

- Questions on external funding and schemes available to help with the need for new Council and Social Housing were asked. The Leader responded by acknowledging that a HRA does not exist in every Council. The Leader advised that there is external funding available from the Government and following COP26.
- Discussions took place on housing and the Level-up fund and how everyone deserves the opportunity to live in an affordable home that meets the needs of the individual. It was acknowledged that there is a huge need for social housing.
- A request was made for context on how we are with rent arrears in comparison to other organisations. In response the Leader confirmed he has a table that demonstrates how we compare to some comparable organisations and will share this to the Committee following the meeting. An additional question on the allowance of HRA balances being allowed to fall no further than £100 below was asked. In response the Leader stated he will get some further comparative data on this matter and circulate to Committee following the meeting.
- The Performance and Finance Sub-Group requested a piece of work to be done on identifying bad debt to track debt to the person; when this work is done will it include rechargeable arrears, rent arrears and other debts from the HRA to be included. Sam Evans Executive Director of Finance confirmed the work will be done with Six Town Housing to pull all this information together.
- We pay Six Town Housing £13m per year in management fees; this works out at approximately £1600 per house. It was questioned if it was felt this fee is too high of a management fee. Work is currently happening to review the management fee as this fee has been frozen for a number of years, however as more properties are sold off through RTB the fee needs to change. The Committee were assured that the quality of services received from Six Town Housing add great social value and whilst it is a higher than typical fee there is a quality difference.

It was agreed:

1. A table showing how Bury compares to other organisations with rent arrears to be circulated to members of the Committee.
2. Comparative data on the £100 threshold for HRA Balances to be done and circulated to the Committee following the meeting.
3. To note the contents of the report

OSC.9 BUDGET REPORTS

Councillor Eamonn O'Brien, the Leader of the Council and Cabinet Member for Finance and Growth, presented the following suite of budget reports:

- The Council's Budget 2022/23 and the Medium Term Financial Strategy 2022/23 - 2025/26 (Appendix 4 attached)
- The Dedicated Schools Grant and setting the Schools Budget 2022-23
- Capital Strategy and Capital programme 2022/23
- Flexible use of Capital Receipts Strategy 2022/23
- Treasury Management Strategy and Prudential Indicators 2022/23

The following questions and comments were raised:

- Question on what changes, if any the recent announcement by the Chancellor has on the budget papers. It was confirmed that the White Paper did not induce any changes to the budget setting as we do not yet have the details if there are any further changes these will be communicated.
- Assurances were sought on the ability to deliver transformation over the next municipal year. In response the Leader confirmed the delivery is the challenge, but there is a lot of confidence in the Senior Leadership Team.
- Question took place regarding Appendix 1 of the Capital Budget. The leader advised he is open to new developments coming through and this is a live document. Further discussions on the process for taking new projects on was requested; for example, Radcliffe has a significant need for regeneration, a School and high level of deprivation. The needs considered are around deprivation and/or economic growth are key elements considered.
- Specific discussion took place regarding 'The Uplands Site' and regeneration of a Health Centre. Geoff Little, Chief Executive advised that work with the current and other practices in the Whitefield area is taking place to ensure agreed use of each building and secondly, there is work to pull together a land assembly and the Capital Programme to develop the site for that use. The main partners are Health Partners, but the Council is involved. It was requested to note that Councillor Boroda will be keen to work on future developments in the area with the Leader.
- Assurance was sought on the confidence to deliver savings this year. The Leader stated the budget is deliverable, but monitoring is done regularly to ensure any issues are identified immediately; reports go to Cabinet quarterly and the Executive Team receive monthly updates.
- The Leader was asked what the failure standard is. In response he outlined the expectation is we deliver all expectations, but we understand things can change. When any elements cannot be delivered alternatives have to be found. In terms of what is deemed a failure this is when we give up and use reserves.

- The proposal and rationale to reduce food waste caddy liners to one roll of 52 liners per year per household to save £50,000 per year was discussed. The Committee were assured that if this proposal has a direct impact on recycling rates this will be quickly identified and considerations such as bigger than average homes will have access to further bags.
- Councillor Wright as Chair of the Children and Young People Scrutiny Committee discussed the 18% drop in budget for call out services and if further explanation can be given to parents to assist them to use the money more efficiently. Jennette Richards, Executive Director of Children's Services advised all work is conducted on a person-by-person basis and work is being conducted to look at inclusive and creative ways for efficiencies can be made.
- Discussion arose about the wording on page 81 which refers to a significant impact of staffing. It was confirmed these needs amending; the significant impact should refer to 2023/2024 and covers a wide range of differences to staffing.
- Questions on the Adult Learning Services took place. It was confirmed the Adult Learning Services merging with Bury College aims to improve the service we offer and improve accessibility not to retreat away into only the College Campus.
- Questions were raised regarding the funding proposed for Free School Meals; it was confirmed the money for this year was not needed due to Government funding, the money has been kept aside in a reserve to cover this Summer.
- Assurances on the ability to successfully deliver the Recovery Plan for Schools was sought. In response the Leader advised we have worked constructively with Government. We have regularly engaged with the Department for Education regularly on this plan. The Leader assured the Committee that he is confident the Council will deliver on the Plan. In addition, Geoff Little, Chief Executive advised the submission to the Department for Education has been signed off within the last month. Isobel Booler, Director of Education and Skills advised we have made good progress and have agreement from our Special Educational Need's Schools to look at our highest banded funding.
- Questions took place on the 2% vacancy provision. The Committee were advised the 2% is an average and a reflection of what would happen in an organisation of our size. The decision was taken based on looking at other organisations and their provisions too.
- Discussions took place on capacity to deliver took place. The Leader assured the Committee that the right systems are in place to ensure the Council has capacity to deliver and that the strategic processes are in place to deliver the fundamental programmes required.

- Discussion on the use of Capital took place and the Committee were advised previously this was not needed as transformation monies were previously in place to support transformation at the Council. Now is the correct time to use Capital receipts to utilise them strategically to make an impact on transformation.
- Discussions took place regarding the use of reserves. It was concluded that the Leader will take away an action to include a reference in the Reserves Strategy to how reserves can be used to help services with a short-term boost.

Councillor L J Dean put forward a proposal that the Committee recommend to Cabinet that they remove proposals for budget saving OPS 007 regarding food waste caddy liners. The proposal was not upheld. It was agreed that the outcome of the discussions would be that the outcome of the proposal is taken to Portfolio meetings every three weeks and a full review takes place if there are drops in recycling rates due to the savings proposal.

Councillor Vernon requested that the Committee put forward a recommendation that OPS 007 be removed from the proposed savings. The recommendation was not upheld by the Committee.

It was agreed:

1. Cabinet Member for Communities to attend a future meeting to update on the Adult Learning Service offer;
2. the uptake on HAF figures to be circulated to Committee if they are available;
3. the Leader to include a reference in the Reserves Strategy to how reserves can be used to help services with a short-term boost;
4. that the Overview and Scrutiny Committee put forward to Cabinet that a Reserves Strategy be reviewed to look at setting out guidance for the use of the reserves within Services;
5. and that the Leader be thanked for his reports.

OSC.10 WORK PROGRAMME

It was agreed:

1. That the work programme be noted.

OSC.11 URGENT BUSINESS

There was no urgent business.

COUNCILLOR R BERNSTEIN

Chair

(Note: The meeting started at 6.30 pm and ended at 9.15 pm)