

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 9 February 2023

Present: Councillor D Vernon (in the Chair)
Councillors R Bernstein, C Birchmore, A Arif, N Bayley,
N Boroda, D Green, T Pilkington, M Walsh, J Lancaster and
E Moss

Also in attendance: Councillor C Boles, Councillor E FitzGerald and Councillor
J Rydeheard
Sam Evans Executive Director of Finance
Lynne Ridsdale, Deputy Chief Executive
Paul Lakin, Executive Director of Place
Donna Ball, Executive Director of Operations
Jeanette Richards, Executive Director of Children and Young
People
Will Blandamer, Executive Director of Health and Adult Care
Kate Waterhouse, Chief Information Officer
Jacqui Dennis, Monitoring Officer
Chloe Ashworth, Senior Scrutiny Officer

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

Apologies for Absence: Councillor N Jones and Councillor K Peel

OSC.1 APOLOGIES

Apologies are noted above.

OSC.2 DECLARATIONS OF INTEREST

Councillor Pilkington declared an interest with regards to SEND Transport as he is currently applying for transport with the Authority.

OSC.3 MINUTES

It was agreed:

1. The minutes of the meeting held on 12th January 2023 be approved.

OSC.4 MATTERS ARISING

here 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 2022

Councillor Gold, Cabinet Member outlined the forecast financial position of the Council at the end of 2022/23 based on the information known at the end of the third quarter, 31st December 2022. The report set out the position for both revenue and capital and provides an analysis of the variances, both under and overspending.

Councillor Gold, Cabinet Member for Communities and Finance highlighted the forecast out turn position and forecast overspend at quarter 3 of £3.959m. Members were advised where budgets are overspending work is taking place to identify mitigating actions to bring budgets back into line. This is in line with the forecast at quarter 2 which was circa £4m after allowing for the pay award which has now been paid and the utilisation of the utilities reserve.

Therefore, it is imperative that Departments continue to look to bring forward savings proposals and mitigating actions to reduce expenditure and bring spend back into line but recognise this is more difficult to do as year-end approaches. However, if the creation of the Children's £2m reserve is approved as part of the 2023/24 budget this will allow the release of the balance of the childrens reserve currently held which will reduce the year end forecast deficit by £2m.

Highest areas of overspend are:

One Commissioning Organisation £1.4m

This has reduced from the forecast of £1.92m at quarter 2. The forecast overspend is due to slippage on savings delivery and increased demand, partially offset by underspends due to staff vacancies. The mitigation of the £0.7m of Persona savings continue to be a challenge and requires further work.

Children's Services £6.452m

This is an increase from the £3.5m reported at quarter 2 and assumes the use of £1.5m of the reserve created at the end of 21/22. The balance was due to be retained to fund the family safeguarding model into next year. However, this could be released in year subject to the approval to recreate this reserve next year.

£4.784m up from £2.7m at quarter 2 of the overspend is within social care and safeguarding due to increased numbers and complexity of packages and the heavy reliance on agency workers and additional staffing costs.

Education and Inclusion is also forecast to overspend by £2.117 with circa £1.5m of this being within SEN transport.

Operations Department £3.47m

A slight rise from the £3.15m at quarter 2 and £1.788m up from £1.6m this is due to inflationary pressures on fuel and energy costs. It should be noted that the utilities reserve is held separately but this is only £1.5m across all Council services.

Members were then invited to ask questions.

- Councillor Birchmore asked for clarification on the item "Engineers including Parking" table referring to 7D - Operations Directorate

Donna Ball, Executive Director advised this information can be shared following the meeting.

- Councillor Vernon questioned if this reduction of income is due to losing income from the flexi hall being built.

Donna Ball Executive Director of Operations advised this is not in the budget it will have an impact in a future year.

- Councillor Bernstein asked for reassurance that the savings can be delivered

Councillor Gold Cabinet Member for Communities and Finance advised regular meetings are in place, plans will be made on how to deliver the savings and departments will all take accountability for the delivery.

- Councillor Boles, Children and Young People Scrutiny Chair questioned the residential spaces available being significantly lower than the eligible children and the SEND transport eligibility criteria.

Jeanette Richards, Executive Director for Children and Young People advised the eligibility criteria for SEND transport is done on a case-by-case basis. In addition, members were informed that spend on high-cost provision is a challenge as costs are increasing. For those who require residential care we are looking to place them in family settings.

- Councillor Boroda asked how the 'let's do it strategy' is helping us?

Councillor Gold, Cabinet Member for Communities and Finance advised members it has developed how we work with communities, how we develop local services and develop local offers.

- Councillor Vernon asked what new processes have been introduced to effectively to make the savings.

Councillor Gold, Cabinet Member for Communities and Finance advised the detailed new processes were presented and the Performance and Finance Sub-Group on the 07.02.23. As part of the finance restructure each department has a finance business partner; there is an executive delivery group to monitor savings; a project plan has been developed; finance reports go to Cabinet and will be reported back on to Overview and Scrutiny throughout the year.

- Councillor Walsh questioned if there is a transport offer for children who have to travel out of their locality to School.

Jeanette Richards, Executive Director for Children and Young People confirmed that there is no budget for this offer.

- Councillor FitzGerald, Chair of Health Scrutiny Committee asked about the large vacancy in Adult Social Care

Will Blandamer Executive Director, Health and Adult Care advised he is keen to fill vacancies in Adult Social Care and we have used short term measures to support the vacancies and strengthen the workforce.

- Councillor Pilkington wished to highlight that often services around statutory services take the pressure off statutory services.

Councillor Gold, Cabinet Member for Communities and Finance advised that a lot of this early intervention and preventative work is done by the Neighborhood Teams and community working.

- Councillor Birchmore asked for further information on the highways and housing budget.

In response Councillor Gold advised it is typical the highways work is don't towards the end of the financial year due to cool dry weather.

- Councillor Bernstein questioned why the cost of borrowing was estimated so high and resulted in a large underspend.

Councillor Gold confirmed this has now be re-modeled and intends to be more accurate going forward.

It was agreed:

1. Members note the report.

OSC.8 HOUSING REVENUE REPORT

Councillor Gold, Cabinet Member for Communities and Finance advised members that this report forms part of a suite of documents relating to the Council's budget setting process for 2023/24 and establishes the Housing Revenue Account budget for 2023/24. Councillor Gold highlighted that the report proposes the rent levels for Council Housing for Dwelling and Garage rents, Sheltered Support, Management, Service and Heating charges and Furnished Tenancy charges. In addition, the report establishes the Management Fee paid to Six Town Housing for 2023/24.

Members were informed that for 2023/24 individual social and affordable rents will be set at the Governments rent cap of 7% with effect from 3rd April 2023.

- Councillor Birchmore flagged about the transfer of 280 properties to Springs Tenant Co-operative which is a 3% reduction in properties for Six Town Housing to Manage.
- Members discussed the rent lost on empty properties being projected to be 1.07% over the course of 2022/23; this will mean a reduction in rent income of approximately £22k as the original budget allowed for a void level of 1%. They asked for reassurance on what is being done to get to this projection.

Members were advised this have been discussed with Six Town Housing and has been agreed as deliverable with them.

- Councillor Birchmore questioned the future of Six Town Housing

Lynne Ridsdale, Deputy Chief Executive advised work is being done on this and there will be a report sent to Cabinet on proposals by the end of the financial year.

- Councillor FitzGerald flagged that there is a strong possibility that new legislation may be brought forward on work required to properties that will need to be done by Six Town Housing.
- Councillor Vernon questioned information regarding the lost income from the Fern Hill Caravan Site

In response Paul Lakin, Executive Director of Place advised that travellers have been decanted to alternative sites across the country.

In conclusion Councillor Vernon thanked all for their questions and responses.

OSC.9 BUDGET REPORTS

Councillor Gold, Cabinet Member for Communities and Finance provided an overview of the budget reports, there comprised of:

- The Council's Budget 2023/24 and the Medium-Term Financial Strategy 2023/24 - 2026/27 (Appendix 4 attached)
- The Dedicated Schools Grant and setting the schools Budget 2023- 24
- Capital Strategy and Capital programme 2023/24
- Flexible use of Capital Receipts Strategy 2023/24
- Treasury Management Strategy and Prudential Indicators 2023/24

Councillor Gold advised members the budget is set amongst the backdrop of the economic crisis, the war in Ukraine, rising energy costs, rising interest rates, rising inflation and also the local context of the Children's Improvement journey and workforce shortages, particularly social workers. The funding settlement did result in a welcome increase in grants over and above those previously anticipated, but these are nonrecurrent. The proposal is to approve an increase in Council Tax of 2.99% in terms of General Council Tax and a further 2% for the Adult Social Care Precept in each of the 2023/24 and 2024/25 financial years.

Spending pressures identified within the budget reports are:

- £1million for utilities
- £1million per annum for 2 years to fund the children's safeguarding model

Councillor Gold, Cabinet Member for Communities and Finance opened to questions from Committee Members.

- Cllr Boles questioned about the increase in Education Health and Care Plans and stated we have more people than ever before with them, he asked if this a concern for future overspend and what reassurances do we have that these monies provided to schools are spent effectively.

Jeanette Richards, Executive Director of Children and Young People advised it is ensuring need for children is appropriately met and EHC plans are a vehicle to ensuring this. Bury has seen growth in the number of children who require an EHC Plan. Bury has strengthened the

support before EHC Plans to support children and families and supporting schools. In addition, once a child does have a plan it is about ensuring it is robust and scrutiny to check the planned support does yield better outcomes for the child. There is also multi agency audits of Education Health and Care Plans.

- Councillor Lancaster questioned the Councillors Discretionary Budget

Committee Members were advised it is not in the budget.

- Councillor Lancaster questioned if consideration to selling the Restaurant in Lytham St Annes has been given.

Paul Lakin, Executive Director of Place advised the property has been re-let, and there are tenants in the building, there are several properties that were acquired simultaneously several years ago and they are continually monitored.

- Councillor Moss asked for assurances about the use reserves

In response Sam Evans Executive Director of Finance advised she has undertaken a piece of work this year looking at all of the reserves and this will be completed as part of the year end process, we will have the amount of reserves to smooth but we are not in a position to not use any further so we will be looking to replenish reserves in future

- Councillor Walsh asked about the reduction in Public Health staffing and asked to express thanks to their work and expertise especially over the pandemic.

Will Blandamer, Executive Director of Strategic Commissioning advised the Council benefited greatly from the department for public health and through their expertise. There are several savings identified in public health there are savings around a closer management structure for Substance Misuse and there are also opportunities to ensure the budget reflects several parttime posts in the team. We are looking at the number of consultant posts in the team and we can reduce the senior leadership due to the effective management of the team. Will assured members of the effective leadership of the team and quality of wider staff.

- Councillor Walsh questioned about the reduction in apprenticeship posts.

Sam Evans, Executive Director of Finance advised as part of the Finance restructure there was the creation of 13 new apprenticeship posts which are all new posts 6 of those posts have been retained and a number of staff have moved onto new training as part of the apprenticeship levy so it is not cutting staff it is only removing unfilled posts projected in the restructure.

- Councillor Walsh asked about the proposed removal of financial innovation and project team.

Sam Evans, Executive Director of Finance and part of the restructure there are a large number of pieces of work needed. So as part of the restructure there has been the establishment of a team that will do these as project work, and they will be in place until September 2024 following the upskilling of the teams.

- Councillor Bernstein highlighted the reserves are low and we do not want them to go lower; is the culture right and what is the strategy for building up reserves.

Councillor Gold, Cabinet Member for Communities and Finance advised that since the last budget there have been massive increases in demand and inflation. Departments have progressed and changed over the last twelve months and will continue to change. Officers will be continually monitoring the budget and joined up working will continue across all the departments. In addition, Sam Evans Executive Director of Finance advised we recognise that next year was not going to be the year to build our reserves due to the size of the gap, but every external funding is scrutinised and everything we do is then considered to replenish reserves.

- Councillor Vernon questioned the reserves position currently.

Sam Evans Director of Finance advised that based on calculations currently leaves us with at a 7% and CIPFA resilience states we should be between 5-10% based upon our current revenue budget.

- Cllr FitzGerald asked how the measurement of the Equality and Impact Assessment takes place and how it takes place on a person level. In addition, Councillor FitzGerald expressed that knowing how many people are impacted by certain decisions will be beneficial.

Cllr Gold advised Section 22 states the NHS is legally responsible for part such as the reminder calls for medication; this will be a phased approach for the NHS to take up these responsibilities along with pharmacies. Will Blandamer, Executive Director advised there will be reporting and reviewing mechanisms in place to ensure there is not a negative impact. There is a lot of reviewing of packages, but some will be establishing new systems of working. The impacts will be tracked through the key performance indicators in the Corporate Plan and the state of the Borough Report.

- Councillor Green highlighted the potential care visits for medication being changed to pharmacies or GP's and Councillor Walsh raised concerns around people falling through the gaps especially in regard to mental health such as non-compliance with medication and the risks of a psychotic break.

In response Will Blandamer Executive Director advised that we are one of the last Council's to provide this as it is NHS duty, and we won't just stop we just won't pick up new cases.

- Councillor Moss highlighted the pay award, and this has been built in for next year; in addition, he asked about risk

In response Lynne Ridsdale, Deputy Chief Executive advised there is a risk register and this is monitored regularly and is articulated in the papers.

- Councillor Birchmore questioned if Bury is expecting any dividends in the investment in the airport this year and how are the loan repayments.

In response Sam Evans, Executive Director of Finance advised it will be 2026/27 when we are expecting dividends coming back. However, in terms of loan repayments we have had a conversation with the Financial Director of Manchester Airport Group and they are intending to make a first loan interest repayment this financial year which is expected by the end of March 2023.

- Councillor Birchmore also asked if the interest has increased on the loan, we took out for Manchester Airport Group.

Members were advised it was borrowed at a fixed rate.

- Councillor Bernstein questioned about Project Safety Valve and the risk

Sam Evans, Executive Director of Finance advised that we recently submitted our latest submission to the Department for Education and our advisors have submitted a positive report too. We are working with the Department for Education, and we have the national dispensation, so it is not a risk to reserves at this time.

- Councillor Vernon questioned about the budget setting over the next two years

Sam Evans, Executive Director of Finance advised we are setting a one-year budget but we can increase our Council Tax and Adult Social Care value for two years so we can plan towards our 2024/25 budget.

Councillor Vernon thanked Councillor Gold, Cabinet Member for Communities and Finance for his attendance this evening. In addition, he thanked Councillor FitzGerald and Councillor Boles for their attendance as Chairs of Health Scrutiny and the Children and Young People Scrutiny Committee. Members of the Committee also wished to thank staff for their work over the last year.

OSC.10 URGENT BUSINESS

There was no urgent business.

COUNCILLOR D VERNON
Chair

(Note: The meeting started at 7.00 pm and ended at 8.45 pm)