

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 6 February 2024

Present: Councillor D Vernon (in the Chair)
Councillors R Bernstein, C Birchmore, N Bayley, D Green,
T Pilkington, G Marsden, E Moss, M Rubinstein and S Haroon

Also in attendance: Councillor R Gold (Cabinet Member for Finance and Communities) and Councillor E O'Brien (Leader and Cabinet Member Strategic Growth) Lynne Ridsdale, Chief Executive, Kate Waterhouse, Executive Director, Jacqui Dennis, Monitoring Officer and Chloe Ashworth, Democratic Services.

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

Apologies for Absence: Councillor A Arif

OSC.1 APOLOGIES

Apologies were received from Councillor Arif, Councillor Haroon attended as a substitute.

OSC.2 DECLARATIONS OF INTEREST

There were no declarations of interest.

OSC.3 PUBLIC QUESTION TIME

There were no public questions.

OSC.4 MEMBER QUESTION TIME

There were no Member questions.

OSC.5 MINUTES

That the minutes of the meeting held on 09.01.2024 be approved as a correct record and signed by the Chair.

OSC.6 HOUSING REVENUE ACCOUNT BUDGET REPORT

Councillor Gold Cabinet Member for Finance and Communities attended the meeting supported by Officers, to provide an update on the Council's Housing Revenue Account Budget Report. An accompanying report had been circulated in advance of the meeting and provided the following information:

- The budget for the Housing Revenue Account (HRA) for 2024/25 and forms part of the Council's budget setting process for 2024/25.

- It proposed the rent level and proposed increase for Council Housing, Dwelling and Garage rents, Sheltered Support, Management, Service and Heating charges and Furnished Tenancy charges.
- The HRA will transfer back to the Council management with effect from 1st February 2024. The report set out the budget assumptions and has been prepared based on the management costs being the same as the fee paid to Six Town Housing.

In discussing the report the following issues and questions were raised:

Members discussed the increase in rent increases and the effects this could have on individuals and Council arrears. Members were informed that Social housing rents are not pegged to the Local Housing Allowance and there is no requirement to do so as LHA is for private renters.

Social Rents are calculated by reference to a formula rent for each property as set out in the RSH Rent Std in accordance with the Government's Policy Statement on Rents for Social Housing 2022. The average 50- week rent in 23/24 is £86.95 (£83.60 for a 52-week equivalent) across all property groupings. For 24/25 that will increase to £90.04 (52 week).

Members requested a breakdown of type of property and what the increase in rent will be to be circulated following the meeting.

Members raised concerns regarding any impacts the raise may have on vulnerable residents and the impact of the debt that may be incurred. Members were advised the Council is mindful of the impact on residents, provision has been increased for bad debt, rent arrears are tracked to monitor impact and we aim to work closely with residents to provide support.

Discussions took place regarding the rent increase for residents in social housing. Members were informed that around one third of the claimants would have their rent covered by housing benefit.

Members requested that the local housing allowance indicative figure is circulated following the meeting.

Members requester further information be provided following the meeting regarding more properties being returned to the Council needing work following tenants leaving and if the 1% target is from Six Town Housing or set by the Council.

Kate Waterhouse, Executive Director advised that there is a current stock condition survey of council housing taking place and due to be complete by the end of March 2024.

Members sought assurances that the rent increase will provide improved repairs and services for residents.

It was agreed:

1. The Overview and Scrutiny Committee note the report.
2. Members note the rent increase proposed.

OSC.7 THE COUNCIL'S REVENUE BUDGET AND THE MEDIUM TERM FINANCIAL STRATEGY

Councillor Gold Cabinet Member for Finance and Communities attended the meeting supported by Officers, to provide an update on the Council's revenue budget and the medium term financial strategy. An accompanying report had been circulated in advance of the meeting and provided details of the following:

1. The key elements of the 2024/25 budget proposals and the framework for the longer-term Medium Term Financial Strategy (MTFS) 2024/2027
2. The latest financial information that will underpin the 2024/25 budget and the Medium Term Financial Strategy.
3. The process that will lead to the agreement of the budget and the setting of the 2024/25 Council Tax at Full Council on the 21 February 2024.

The report is part of a suite of financial reports including:

- Council Tax Setting
- Capital strategy 2024/25 to 2026/27
- Treasury Management Strategy 2024/25
- The Dedicated Schools Grant and the schools' budget 2024/25

Members were informed that on the 05th February 2024 more funds were announced by the government but the council is awaiting formal notification and the terms of the funding.

In discussing the report the following issues and questions were raised:

Members raised questions regarding the justification of some of the key assumptions within the report. In response members were advised that the assumptions are based on inflation projections based on information provided by our financial advisors. The Childrens budget has been constructed this year using a zero based budgeting approach and reflects the spend profile of the Directorate. A brief discussion took place regarding the Children and Young People pressures and plans to support the directorate with the budget.

Discussions took place regarding the NHS deficit and impacts this could have on the Councils budget. Members were informed that we are operating as a system and connect NHS pressures with the Councils budget. Work to support the system is surrounding innovation, reform and the transformation of elective care. Members also discussed the impact of budget deficits with relation to children and adolescent mental health services.

Discussions took place regarding Project Safety Valve monies, members noted that this runs out in 2025. Members were informed that we have placed a submission for the funds to be renewed and the budget is based on this being accepted. If the submission is not accepted it will be a financial risk for the Council.

Discussions took place regarding the allocation of funds towards road improvements. Members were advised that this is made up within the capital programme and there will be an increase on last year's figure. This figure will be for road improvements and highway maintenance such as active travel, additional highways resurfacing and micro asphalt surfacing.

Members requested confirmation following the meeting of the figure for energy assumptions.

Members held discussions regarding council tax banding and the addition of large extensions. Members were advised that council tax of enhanced properties is not reviewed until if/when the property is sold. If a property makes significant changes to the dwelling such as a complete rebuild or split into multiple units it can be reviewed. Members wished for information regarding the methodology for payment of Council Tax on Houses of Multiple Occupants to be circulated following the meeting.

The Committee sought assurance regarding the reliability of external funding. In response members were advised over £75million of the external funding is coming from the government or government backed organisations; £27m from Department for Education, £17m Levelling Up and £19m from the Greater Manchester Combined Authority. So the council is confident, if funding is delayed then we would delay the schemes therefore financial risk is low.

Members welcomed the approach taken in the budget setting report but sought assurances on changes required to deliver the savings. These approaches are in line with our corporate strategy and strategic use of financing, treasury management and strategic application of grants and funding.

Members requested the figure for the all-weather pitch be circulated to members following the meeting.

Members sought confirmation that the council is confident that a section 114 notice is not required. Members were advised that work took place over summer 2023 and investments were made to bring in expertise to undertake a fundamental review of financial management procedures and the reserves strategy. During the last year work on treasury management and updates presented throughout the last year have shown improvements and provided confidence to set the current budget.

Discussions took place regarding the Financial Improvement Panel. Members were informed that if the Council can achieve an improved position by Quarter 1 2024/25 the panel could be stood down.

Members discussed the borrowing strategy and changes to interest rates. Members were advised of planned borrowing and how this will be aligned with planned interest rates. Members were advised that the council borrows from the public works lend board which allows the Council to borrow at a slightly lower rate than the bank rate.

Committee members wished to place on record thanks to officers for the work conducted to produce the budget.

It was agreed:

1. The reports be noted

OSC.8 URGENT BUSINESS

There was no urgent business.

COUNCILLOR D VERNON
Chair

(Note: The meeting started at 7.00 pm and ended at 8.46 pm)