

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 11 February 2016

Present: Councillor I Gartside (in the Chair);
Councillors D Bailey ; K S Briggs; J Daly; T Holt; M Hankey

Public in attendance: 2 members of the public were present.

Also in attendance: Councillor R Shori – Deputy Leader of the Council and
Cabinet Member for Finance and Housing

Apologies for absence: Councillor D Cassidy, Councillor James, Councillor E
O'Brien, Councillor N Parnell (cl), Councillor C Preston (cl)
and Councillor T Tariq (cl)

OSC.704 DECLARATIONS OF INTEREST

Councillor Bailey declared a personal interest in Minute OSC.708 below, Draft Budget 2016/17, in any matters relating to Radcliffe Hall Primary School as a Governor and parent at the school.

OSC.705 PUBLIC QUESTION TIME

Linda Watson, representing the Re-instate Bury Central Library Group, made reference to the report on the Sculpture Centre considered by the Committee at the last meeting. A request was made for a more detailed breakdown of financial figures to back up the assertion in the report that the operation of the Centre had a neutral budget effect.

It was agreed:

That the information requested be provided to the Chair of the Re-instate Bury Library Group

OSC.706 MINUTES OF THE MEETING HELD ON 13 JANUARY 2015

It was agreed:

That the Minutes of the meeting of the Overview and Scrutiny Committee, held on 12 January 2016, be approved as a correct record and signed by the Chair.

OSC.707 CORPORATE FINANCIAL MONITORING REPORT – APRIL 2015 TO DECEMBER 2015

The Deputy Leader of the Council and Cabinet Member for Finance and Housing submitted a report informing the Committee of the Council's financial position for the period April to December 2015 and projecting the likely outturn at the end of 2015/16.

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

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

- In response to a question concerning demand pressures within Communities and Wellbeing, the Deputy Leader highlighted the need for a 4 year plan and made reference to a number strategies in place to reduce demand pressures within adult social care.
- Councillor Daly suggested that a review of parking strategies and fees needed to be undertaken to support local businesses and prevent a negative effect on the town centre.
- The Chair, Councillor Gartside, highlighted the level of overspend in Resources and Regulation as a proportion of the overall Council budget. In response to a suggestion to restructure the budget to take account of this the Interim Executive Director of Resources and Regulation referred to the gross budget level within Department and explained that much of the variance is linked to income recovery.

It was agreed:

That the financial position of the Council, as at 31 December 2015, be noted.

OSC.708 DRAFT BUDGET 2016/17

The Deputy Leader of the Council and Cabinet Member for Finance and Housing submitted a report setting out details of the Capital Programme for 2016/17 to 2018/19 and the Revenue Budget for 2016/17. A draft programme of savings and consultation responses were appended to the report.

The report recommended that the Capital Programme be limited to those schemes fully funded from external sources.

With regard to the revenue budget the report outlined details of:

- The final Local Government Finance Settlement for 2016/17
- Forecast outturn for 2015/16
- The budget strategy for 2016/17 and the approach to balancing the budget.

The report examined the robustness of the assumptions behind the budget forecast and contained an assessment of the adequacy of the Council's balances.

The Deputy leader reported to the Committee that he had written to the Chancellor as Bury had not been included within the recent £300m allocation of transitional funding.

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

- In response to a question from Councillor Daly, the Deputy Leader of the Council highlighted the need for the Council to move towards being self sufficient and the importance of growing revenues, attracting businesses and investing in order to be more effective in dealing with cost pressures.

- Councillor Holt highlighted the pressures being experienced by staff and stressed the need to invest to further develop skills and knowledge.
- In response to a question from the Chair, Councillor Gartside, the Interim Executive Director of Resources and Regulation, outlined that the Government have processes to monitor spend on Adult Care Services where Authorities adopt the social care precept.
- In response to questions relating to the Early Intervention Grant the Interim Executive Director of Resources and Regulation explained that this was already rolled into the main settlement.
- With regard to the issue of business rate retention, it was explained that the actual mechanism for how the process will work was still awaited.
- In response to a question from the Chair concerning school potentially setting a deficit budget, the Interim Executive Director of Resources and Regulation explained that he would not advocate this course of action.
- Councillor Bailey highlighted the potential negative effect on central education services if more schools move towards academy status. The Deputy Leader recognised the need to ensure that services provided by the Authority were competitive and flexible to meet the needs of individual schools.

It was agreed:

That the report be noted.

OSC.709 DRAFT HOUSING REVENUE ACCOUNT 2016/17

A report from the Deputy Leader of the Council was submitted which detailed the proposed Housing Revenue Account (HRA) for 2016/2017. The report set out proposals in respect of Dwelling and Garage rents, Sheltered Support, Management Amenities, Heating and Furnished Tenancy charges and Fernhill Caravan site tenancy charges. The report set out proposed a 1% rent decrease for dwellings other than sheltered and extra care in line with the requirements of the Welfare Reform and Work Bill

During discussion of this item, Members of the Committee raised concerns in relation to the cost pressures of providing a 1% rent reduction; the impact of right to buy; and the effect of Universal Credit.

It was agreed:

That the report be noted.

OSC.710 TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2016/2017

The Deputy Leader of the Council and Cabinet Member for Finance and Housing submitted a report setting out the suggested Strategy for 2016/2017 in respect of the following aspects of the Treasury Management Function:-

- Treasury limits in force which will limit the Treasury risk and activities of the Council
- Prudential and Treasury Indicators
- The current treasury position
- Prospects for interest rates
- The borrowing strategy
- The borrowing requirement
- Debt re-scheduling
- The investment strategy
- The minimum Revenue Provision Policy

The primary objective of the Council's Treasury Management Function would continue to be the minimisation of financing costs whilst ensuring the stability of the Authority's long-term financial position by borrowing at the lowest rates of interest and by investing surplus cash to earn maximum interest, all at an acceptable level of risk.

The overall strategy for 2016/17 would be to finance capital expenditure by running down cash/investment balances and using short term temporary borrowing rather than more expensive longer term loans.

During discussion of this item, Councillor Hankey placed on record his appreciation for the good work undertaken by the Council's Treasury Management Team.

It was agreed:

That the report be noted.

COUNCILLOR GARTSIDE
Chair

(The meeting started at 7pm and ended at 8.25pm)