

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 14 February 2018

Present: Councillor R Caserta (in the Chair)
Councillors T Cummings, M Hankey, J Harris, Leach,
R Skillen, J Walker and S Wright

Also in attendance:

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

Apologies for Absence: Councillor E Fitzgerald and Councillor S Smith

OSC.389 DECLARATIONS OF INTEREST

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

Councillor Walker declared a personal interest in any item relating to Six Town Housing as he lives in a property owned by Six Town Housing.

Councillor S Wright declared a personal interest in any matter relating to staffing as his wife is employed in a Bury School.

OSC.390 PUBLIC QUESTION TIME

There were no members of the public present to ask questions under this item.

OSC.391 MONTH 9 2018/2019 CORPORATE FINANCIAL MONITORING REPORT

The Cabinet Member for Finance and Housing submitted a report informing the Committee of the Council's financial position for the period April to December 2017 and projecting the likely outturn at the end of 2017/18.

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

The Cabinet Member reported that the current projected overspend was £1.838m which represented approximately 1.36% of the total net budget of £135.330 and was a reduced figure from both months 3 and 6.

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

- Councillor Hankey referred to the delayed achievements and non-achievements of cuts options and asked whether the Council was confident that the savings targets could still be achieved.

Councillor O'Brien referred to the ongoing service redesigns and explained that actions relating to these were constantly being monitored. Where there were delays or where an objective was unachievable other savings were identified. It

was also explained that new funding streams were being researched and identified. The Council was confident that the savings targets can be achieved in the timescale.

- Councillor Hankey referred to the review of civic facilities which seemed to have been carried out in one form or another for at least 6 years' and stated that losses were still being recorded.

Councillor O'Brien stated that improvements and savings were expected to be seen in these areas.

- Councillor Harris explained that she was aware that schools were now in a position to decide who provided their contracted services such as catering and maintenance and cleaning. These were historically provided by the Council but some schools were looking to other providers. Councillor Harris asked what was being done to try to retain or regain the contracts within schools.

It was explained that the Council have established a Traded Services Group which have reviewed the way in which the Council was offering its services and had identified better ways of working. The Council will look to provide a high quality, competitive and appropriate service offer at a price that customers are willing to pay. There had already been meetings with head teachers and school business managers to discuss the offer to schools and it was reported that the revised packages would be with all schools by the end of March 2018.

- Councillor S Wright referred to the table at 4.3.3 within the report and the action being taken column in reference to Children, Young People and Culture Department. Councillor Wright asked why the column contained reasons for an overspend rather than an explanation of the actions being taken to address it.

It was explained that demand pressures drive up the cost and it was the Council's statutory duty to provide these services, Work was being undertaken in relation to prevention and early intervention but this would take time. It was reported that the Council was looking at options to provide in house higher level care.

Peter Lowe, Head of Financial Services - Children, Young People and Culture explained that each case was reviewed on a weekly basis to ensure that the level of support provided was appropriate. He also explained that if a parent/guardian was unhappy with the package in place they could take the matter to a tribunal who can override decisions. This could completely skew the figures.

- Councillor Caserta referred to the recent tendering process that had been carried out in relation to Radcliffe Market and asked how economical this was expected to be.

Councillor O'Brien explained that the Council had invested in the market and it wasn't hitting the targets required. The Council had tendered for an operator to promote and run the market and IMS had been successful in this process.

- Councillor Caserta asked how the Council could be sure that they are the right people to undertake the task.

Steve Kenyon explained that a full, competitive process had been carried out in relation to price and quality and scored independently, financial checks have been carried out and references sought.

Councillor O'Brien stated that a monitoring process would be put in place and if the arrangement was not working the Council would look at why and what action can be taken.

- Councillor Harris referred to the Council's asset portfolio and the income generated from this and asked if this was continuous income.

Steve Kenyon explained that this was continuous income. All of the asset base had been reviewed and a majority of it was let but rents were lower than the Council would like due to market forces. It was explained that the out of borough assets were yielding close to 6% annually which was a respectable return.

- Councillor Caserta referred to the Council having to generate income and asked how entrepreneurial it could see itself becoming.

Councillor O'Brien stated that the Council needs to look at what it can do more of to generate income, there were services that the Council could offer to private customers and these needed to be promoted. The Council also needed to ensure that the business opportunities within the borough were there and this was becoming more possible with the work that was being done on a Greater Manchester level.

Steve reported that the Growth Strategy and Business Plan had been approved by Cabinet at its meeting in November 2017. This sets out a broad and high-level outline of the Council's key priorities for physical, economic, social and environmental growth that the Council intend to pursue.

- Councillor Walker asked what the Council was doing to expand the culture offer within the borough.

It was explained that there was a vibrant business community and lots on offer culturally across the borough. The Growth Strategy referred to earlier includes the cultural offer and how to strengthen and improve this.

- Councillor Leach referred to council spaces such as the sculpture centre and asked to what extent the spaces were used to generate income.

Councillor O'Brien explained that the sculpture centre held evening events and other civic buildings provided a full calendar of events from gigs and comedy to markets. The Council was keen to promote what Bury had to offer from Ramsbottom to Prestwich.

- Councillor Leach asked what support the Council could offer to new start-up businesses.

Councillor O'Brien explained that there was business rate relief available for businesses taking on new build premises and new start-ups would be able to access business groups within the town for help in relation to skills and other advice.

It was agreed:

That the financial position of the Council, as at 31 December 2017, be noted.

OSC.392 REVENUE BUDGET & CAPITAL PROGRAMME 2018/2019. TO 2019/2020

The Cabinet Member for Finance and Housing submitted a report setting out details of the Capital Programme for 2018/19 to 2019/20 and the Revenue Budget for 2018/19 to 2019/20. A draft budget consultation pack 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 Local Government Finance Settlement for 2018/19 to 2019/20
- Forecast outturn for 2017/18
- The budget strategy for 2018/19 to 2019/20 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.

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

- Councillor Harris asked for the schools' funding to be explained.

Peter Lowe, Head of Financial Services - Children, Young People and Culture explained that there were currently changes to the way that schools were funded going through parliament but the primary legislation was not as yet in place.

It was anticipated that the changes would see greater emphasis placed on deprivation.

The new schools' funding would be put in place over the next three years.

It was agreed:

That the report be noted.

OSC.393 HOUSING REVENUE ACCOUNT 2018/2019

A report from the Cabinet Member for Finance and Housing was submitted which detailed the proposed Housing Revenue Account (HRA) for 2018/2019. 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 had been prepared on the basis of the Government's requirement for a decrease in dwelling rents of 1% for 2018/19 for General needs and Sheltered Extra Care properties.

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

- Councillor Caserta referred to the introduction of Universal Credit which was being rolled out and asked whether there was any information available in relation to rent collection rates for tenants claiming this.

Councillor O'Brien reported that the current rent collection rate for the 500 tenants on Universal Credit was 98.82%.

- Councillor Jamie Walker asked whether there were any figures available to show collection rates for younger people.

Councillor O'Brien stated that he would make sure this information was available for the Council meeting on 21 February 2018.

It was agreed:

That the report be noted.

OSC.394 TREASURY MANAGEMENT STRATEGY 2018/2019

The Cabinet Member for Finance and Housing submitted a report setting out the suggested Strategy for 2018/2019 in respect of the following aspects of the Treasury Management Function:-

- 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 re-scheduling
- The investment strategy
- Creditworthiness policy

- Policy on use of external service providers

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 2018/19 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.

Councillor J Walker asked that the hard work being done in relation to treasury management be supported.

It was agreed:

That the report be noted.

COUNCILLOR R CASERTA
Chair

(Note: The meeting started at 7.00 pm and ended at 8.40 pm)