

Minutes of: OVERVIEW AND SCRUTINY COMMITTEE

Date of Meeting: 11th February 2020

Present: Councillor R Caserta (in the Chair)
Councillors T Cummings, J Harris, N Jones, B Mortenson,
Susan Southworth, R Walker

Also in Attendance: Councillor O'Brien

Public Attendance: Two members of the public were present at the meeting.

Apologies for Absence: Councillor S Smith (CL), Councillor L Smith, Councillor M Powell and Councillor C Walsh

OSC.XXX **DECLARATIONS OF INTEREST**

OSC.XXX PUBLIC QUESTION TIME

Mrs Susan Sollazzi from Bury Climate Action submitted the following question: "Given that the revenue and capital reports you are about to consider include no allocations aimed at achieving Bury Council's stated aim of becoming carbon neutral by 2030, and given that such aim cannot be achieved without considerable investment of both revenue and capital (for example in appointing a Climate Officer and team to formulate and coordinate climate action planning; in improving housing stock and replacing vehicle fleets to reduce emissions) could the Scrutiny Committee Members state whether they are satisfied that the Council is taking its pledge to the people of Bury sufficiently seriously, and if not, what powers they have to ensure the required change?"

Councillor Caserta pointed out that as this is a scrutiny committee it cannot really explain the Council's position with regards to this question.

Councillor O'Brien, agreed that the question raised an important issue, which was passed unanimously at Council. He explained that there had been a lot of positive action since the passing of the resolution, including the banning of fracking on Council land; partnership working with a number of agencies on the City of Trees; reducing use of plastic and introducing a deposit return scheme; and increased recycling.

Councillor O'Brien, stated that there was nothing specifically for this issue in the budget, but committed to resource being available in terms of financial and officer capacity as soon as possible. However, the key thing is not for the Council to do this to communities, but to work with them, schools, businesses and other groups as all had a part to play.

OSC.XXX MONTH 9 CORPORATE MONITORING REPORT

Councillor O'Brien, Cabinet Member for Finance & Housing attended the meeting to present this item, however, it was assumed that all members of the committee had read the report and the following questions and comments were made:

Councillor Harris asked why the libraries are reported as making a loss, when the numbers were so reduced and why is there a forecast overspend at the gallery and museum. Councillor Harris stated this showed a lack of control.

Councillor O'Brien explained that the gallery and museum had an unrealistic savings target as they were expected to generate more income. The libraries are now fewer in number and are better placed to serve the community. They are expected to make savings in the future.

Councillor Walker raised concerns about the central library as this has lost two thirds of its floor space and the area used for exhibitions is often closed to set up or take down exhibits. Has this brought in the international tourists members believed it would. The Cultural Quarter has twenty four bars in it.

Councillor Harris supported this point, stating the venue had a lot of potential and asked if a change in the team running it was needed, bringing in someone with more expertise.

Councillor O'Brien stated that when Tony Trehay had previously presented initiatives to the committee, there has been a lot of progress, including Bury Town of Culture, Victoria Wood statue and exhibit, etc. and we need to take the initiative and build on these. We need a different niche that places like Manchester and Salford.

Councillor Jones raised concerns about unrealistic targets and that the level of reserves had dropped again.

Councillor O'Brien pointed out that we were in the last year of a three year cycle of £32m cuts, on top of the £67m that had already taken place. This is compounded with the national picture of uncertainty, and pressure on Adult Social Care and Childrens' budgets. Therefore, £4m shortfall is a relatively small amount, which will further reduce to £3.5m next year and although it gave him no pleasure in reporting this, it had to be considered along with issues like fair funding for the borough and increased pressures on fewer staff. He also pointed out that we have more in general reserves than we had in 2010, which better protects the Council from any unexpected shocks to the system.

Councillor Jones disagreed and stated that there was not enough transformation. He pointed out that a £47k increase in bank charges showed that the organisation was not well run. This totalled to £0.5m over a five year period. If the Council invested in improvements it would not pay as much. He agreed that there are unforeseen costs in Adults and Childrens' services, but there are other services such as libraries reducing from twelve to four and did this result in a reduction in staffing or are the same people running fewer libraries.

Councillor O'Brien confirmed that the savings from the libraries was mainly due to a reduction in staffing. He also pointed out the transformation of the Council was not finalised yet, but the Strategic Commissioning Board has been set up to

oversee progress. Councillor O'Brien highlighted a number of initiatives to make savings, including working with the CCG to avoid duplication; increase in business start-ups; greater scrutiny of delivery of proposals by senior officers; planning over the next three years to be better able to adapt to challenges; and freeing up earmarked reserves which are no longer needed. However, he confirmed that there is still a lot of work to do.

Councillor Caserta asked why there was going to be joint financing of the Council and the CCG.

Councillor O'Brien confirmed that the two organisations have shared objectives. Both organisations need each other to make transformation work.

Councillor Caserta asked why the Council's budgets was risked by the £8.7m debt and £2m loss from the CCG being brought in to the two organisations. Why was the risk split 50:50 when places like Rochdale had 70:30 shared risk?

Councillor O'Brien stated that it was an ongoing, shared risk for the benefit of the people of Bury.

Mike Woodhead stated the CCG had broken even on budgets over the last five years, although this year they needed additional support. The share of risk is based on how much each organisation brings in, hence different agreements in places like Rochdale. Bury's agreement was made at Cabinet in March 2019 and sets out the risks and benefits.

Councillor Jones noted underspend / carry over of £900k refurbishment monies for the market and asked why this had happened.

Councillor O'Brien explained that undertaking such work is not unusual and it was important to engage with the market traders.

Councillor Jones asked what had been achieved by the Executive Director of Economic Growth, as a lot had been promised but nothing seemed to have been delivered, examples of Prestwich and Radcliffe initiatives were given. A question was also asked as to why Radcliffe was not part of the future high street fund bid.

Councillor O'Brien confirmed that there had been successes, such as the new bus station in Radcliffe, new Lidl, and the 'Jewel in the Crown' – the market. Initiatives had to be planned strategically, which is why it was felt Prestwich, and not Radcliffe, be part of the future high street fund bid.

Councillor Walker asked if consideration had been given to merging some back office services, e.g. Legal Services, with other authorities.

Councillor O'Brien stated that benchmarking had shown Bury to be the most efficient and lean, therefore unlikely to get much benefit from co-working with other authorities at this time.

Mike Woodhead also pointed out that the creation of the Corporate Core with the Council and CCG would bring about further, internal efficiencies.

Councillor Caserta raised concerns about the comment of the 'Jewel in the Crown' as it was not clear what benefits this was having for the Council or the community.

Councillor Caserta raised concerns about Table 11 where surpluses of over £4m for Council Tax and Business Rates were higher than the combined figure of just over £2m reported last year. Were the figures last year wrong / hidden last time and was the increase in Council Tax, blamed on austerity, justified?

Mike Woodhead and Lisa Kitto explained that this is due to different assumptions being made by people responsible for this. Therefore, last year's figures were correct based on the assumptions made at the time.

The report was noted.

OSC.XXX TREASURY MANAGEMENT REPORT

Councillor O'Brien, Cabinet Member for Finance & Housing attended the meeting to present this item, however, it was assumed that all members of the committee had read the report and the following questions and comments were made:

Councillor Harris asked for more information on how the Council invested in property and are we getting good returns.

Councillor O'Brien confirmed we were getting better returns than if the money was in the bank and that this information on individual investments would be made available.

Paul Lakin also confirmed that the property in Lytham that was empty is under offer to a national retail chain.

Councillor Walker asked who advised on investments and are we saddling future Councils with long term debt.

Lisa Kitto explained that investment was a specific area and specialists Link Advisors are used. This is also not long term debt. It is also structured to pay less now and more in 20-25 years time when the value of the loan will be less due to inflation.

Councillor Jones stated that for years the administration had blamed austerity and the government for the state of the Council's budgets. But a lot of money had just been found and asked why this had only been done now.

Councillor O'Brien stated this was nonsense, we had lost £100m from Council budgets and the minor accounting change identified this year was not comparable. New capacity and leadership now had led to changes of decisions on financial management.

It was agreed:

The report be noted.

OSC.XXX REVENUE BUDGET REPORT 2020/21

Councillor O'Brien, Cabinet Member for Finance & Housing attended the meeting to present this item, however, it was assumed that all members of the committee had read the report and the following questions and comments were made:

Councillor Caserta asked if there was any risk to income from potential Government clawback of Business Rates.

Mike Woodhead confirmed that amounts in the pilot are confirmed until 2021.

Councillor Harris asked if it seemed that we are better off as a Council this year.

Councillor O'Brien replied that this is the least worst settlement we have had in a long time, but we still need to keep up with our plans as these figures were only for one year and we do not know if there will be increased demands from Adult and Childrens' social care.

It was agreed:

The report be noted.

OSC.XXX HOUSING REVENUE ACCOUNT

Councillor O'Brien, Cabinet Member for Finance & Housing attended the meeting to present this item, however, it was assumed that all members of the committee had read the report and the following questions and comments were made:

Councillor Harris asked if, based on the levels of bad debt reported, we had not got to grips with this and what plans were for collection.

Councillor O'Brien noted this concern, reflecting that a lot of this is due to the roll out of Universal Credit, the impact of which has been recognised by the Government. He confirmed that there were a range of initiatives in place to collect this debt, such as teams in Six Town Housing and work with Citizens' Advice.

Councillor O'Brien also pointed out that, while we should not be complacent, our levels of bad debt provision are adequate.

Councillor Caserta asked for Mike Woodhead's views and also whether the Council Tax team, reported as successful in the past, still existed.

Mike Woodhead confirmed that arrears can be volatile but we are strengthening our debt recovery processes and looking to improve all the time.

Councillor O'Brien confirmed the Council Tax team still existed and were successful. Work was ongoing to look to replicate their success in the collection of housing debts.

It was agreed:

The report be noted.

OSC.XXX DEDICATED SCHOOLS GRANT

Councillor O'Brien, Cabinet Member for Finance & Housing attended the meeting to present this item, however, it was assumed that all members of the committee had read the report and the following questions and comments were made:

Councillor Walker asked what was meant by 'high needs'.

Steve Goodwin explained the Dedicated Schools Grant was split between three different categories of needs in 2015. The high needs block relates to children that cost the most to educate, although the reasons for this could be quite varied. We have a five year plan to get a more sustainable and longer term plan to cover accumulated debts. This is required to be achieved in five years by the Department of Education, otherwise they will introduce their recovery plan. Steve Goodwin stated he is confident we will not need to use this.

Karen Dolton confirmed this is the cost to the authority, not the school. A report is to be brought to a future meeting to show if we are getting value for money

It was agreed:

The report be noted.

OSC.XXX CAPITAL STRATEGY AND PROGRAMME

Councillor O'Brien, Cabinet Member for Finance & Housing attended the meeting to present this item, however, it was assumed that all members of the committee had read the report and the following questions and comments were made:

Councillor Jones asked if the £10m spend on the operational fleet was a breakdown upgrade.

Donna Ball confirmed that most of the fleet was at the end of its operational life. It would be replaced on a three year phased programme. The waste fleet is likely to be first as replacements can take up to a year to get. It is also hoped to trial an electric vehicle.

Councillor Caserta asked for a breakdown of spend in Radcliffe.

Councillor O'Brien confirmed this will be brought back later this year.

Mike Woodhead also confirmed that future spend will need to go through a more rigorous capital gateway with Manchester City Council, to provide plans are credible, rational and value for money.

Councillor Caserta asked for a breakdown on s106 monies.

Mike Woodhead stated there is an annual report done by the monitoring officer which will include this.

Councillor Caserta asked what we do with bequests of money.

Mike Woodhead confirmed that there is around £0.75m of money. A future item will be brought back with detail on this.

Councillor Jones pointed out that two of the six townships apparently did not get any funding.

Councillor O'Brien stated this was not listed specifically, for example Whitefield would be subject to investment at Wheatfields and the Uplands. However, as there were no specific details nothing was shown in the report.

Councillor Caserta asked that the committee and local councillors be kept in the loop on any township decisions.

Councillor Harris expressed concerns that money should not be spent just because it was there.

Paul Lakin concurred.

Councillor Jones asked who signs off the expenditure, particularly high amounts.

Councillor O'Brien explained there was a top level process for operational decision sign off.

Councillor Jones asked who signs off smaller amount.

Lynne Ridsdale stated there was a consistent delegated approval process. A report on spend in Radcliffe will be brought to a future meeting.

It was agreed:

The report be noted.

COUNCILLOR R CASERTA
Chair

(Note: The meeting started at 7.00 pm and ended at 8.55pm)