

## CORPORATE OVERVIEW AND SCRUTINY COMMITTEE

### MINUTES OF MEETING Tuesday, 11 February 2020

**PRESENT:** Councillor O'Neil (in the Chair); Councillors Bamford, Hussain, Mir, O'Neill, O'Rourke, Rana and Wraighte

**OFFICERS:** J. Murphy (Chief Finance Officer); S. Smith (Head of Corporate Finance), M. Garraway (Committees & Constitutional Services Manager)

**APOLOGIES FOR ABSENCE:** Councillor Boriss, Councillor Holly, Councillor Joinson, Councillor Nolan, Councillor Robinson and Councillor Williams

#### 142 DECLARATIONS OF INTEREST

Councillor Wraighte declared a personal interest in relation to matters relating to Transport for Greater Manchester on the grounds of being an employee of the organisation.

#### 143 MINUTES

It was noted that Councillor O'Rourke had sent his apologies for the meeting held on 13 January 2020, which had not been recorded within the minutes of the meeting.

#### RESOLVED

**That with the addition of Councillor O'Rourke to the apologies received the minutes of the meeting of the Corporate Overview and Scrutiny Committee meeting held on 13 January 2020 be approved as a correct record and signed by the Chair.**

#### 144 WORK PROGRAMME 2019/2020

The Overview and Scrutiny Committee reviewed the work programme for 2019/20. In considering items which hadn't been assigned to a meeting Members were advised that they could arrange to visit the contact centre by contacting the Assistant Director for Information, Customers and Communities.

#### RESOLVED

**That the report be noted.**

#### 145 RESOURCES AND NEIGHBOURHOODS DIRECTORATE PLANS 2019-20: QUARTER 3 PERFORMANCE UPDATE

The Committee received a report from the Assistant Director (Information, Customers and Communities) detailing the progress at the end of Quarter 3 (1st October - 31st December 2019) towards achievements of the targets contained in the Resources Directorate Plan 2018/2019 and in the Neighbourhoods Directorate Plan 2018/2019.

In considering the Resources Directorate element of the report, Members were informed that 90% (18) of the actions included in the Directorate Plan

2019-20 are ongoing and due to be complete by the action due date. Two actions had been completed.

In relation to the Neighbourhoods Directorate element of the report, Members were informed that 57% (4) of the actions included in the Directorate Plan 2019-20 were ongoing and due to be complete by the action due date. Two actions had been completed with one further action incomplete for which the due date had passed.

Members raised concerns that a new version of the Corporate Plan had not as yet been presented to the Committee or had been implemented for the start of the municipal year. It was reported that the Corporate Plan would be submitted to the next meeting of the Committee.

**RESOLVED:**

That the Resources and Neighbourhoods Directorate Plans 2019-20 Quarter 3 Performance be noted.

**146 FINANCE UPDATE REPORT 2019/20**

The Chief Finance Officer presented a report updating Members on the Council's forecast 2019/20 financial position as at the end of November 2019.

It was reported that the overall position taking account of the projections currently being forecast by services as at the end of November 2019 was a breakeven position, which included a contribution from the Equalisation Reserve for the pooled fund pressures and an expected refund from Greater Manchester Combined Authority.

Members sought clarification on plans to address the forecasting pressures of £6.977m in Children's Services, predominantly due to External Residential Placements and SEND pressures. It was reported £2.951m was attributable to external residential placements, with the 2018/19 growth in cared for children continuing to be cared for in 2019/20. Of the £4.292m within High Needs, £0.262m was the pressure on Council funded areas and the remaining £4.030m was related to a pressure on the Dedicated School Grant (DSG). The pressures were in relation to a continued rise in numbers of children with education health care plans and children requiring SEND support. The growth in numbers was not unique to Rochdale, this was a national trend with the majority of local authorities facing pressures on their High Needs DSG. The allocation from the DSG reserve would leave a deficit position and the Council will be required to submit a 3 year recovery plan to the Department for Education at the end of the financial year to bring the reserve back into a surplus position.

**RESOLVED**

That the report be noted.

**147 COLLECTION FUND 2019/20**

The Chief Finance Officer introduced a report updating Members on the on the forecast Collection Fund outturn position for 2019/20 as at the end of November

2019. The Collection Fund Position for 2019/20 is a forecast surplus of £1.779m, comprising:

- £1.103m surplus relating to Business Rates;
- £0.676m surplus relating to Council Tax.
- The Council's share of the forecast 2019/20 Collection Fund outturn surplus is £1.668m.

## **RESOLVED**

**That the report be noted.**

### **148 TREASURY MANAGEMENT STRATEGY 2020/21**

The Chief Finance Officer presented the 2020/21 Treasury Management Strategy (TMS) which outlined how the Council would meet the requirements of the relevant legislation, codes of practice and guidance that form the Prudential Framework.

It was noted that the Treasury Management Strategy was the Council's policy for ensuring that:

- Borrowing in the long term is undertaken for capital purposes
- Borrowing plans are affordable and achieve best value
- Total debt remains within our authorised limit and prudential indicators
- Risks are identified and controlled
- Cashflows are managed to ensure that the Council can meet its financial obligations

It was reported that the Council intended to maintain an under-borrowed position for the period covered by the Strategy, using its own internal balances to fund capital expenditure whenever possible but being aware of the possibility of interest rate rises. Members were reminded that Interest rates were currently relatively low and expected to rise slowly over the next three years. It was noted that the Council's overall borrowing requirement increased over the period of the strategy.

The Committee were informed that the Council's treasury investment priorities would continue to place emphasis on security over return. Minimum credit criteria would be set to ensure the creditworthiness of counterparties which would be closely monitored throughout the year to minimise risk. Limits were also placed on the amounts that can be placed with individual institutions and the durations of investments.

## **RESOLVED**

**That the report be noted.**

### **149 CAPITAL INVESTMENT AND DISPOSAL STRATEGY FOR 2020/21**

The Committees received a report from the Chief Finance Officer outlining the capital, investment and disposal strategy for the Council which outlined how the Council would meet the requirements of the relevant legislation, codes of

practice and guidance that form the Prudential Framework, and MHCLG Guidance on Local Authority Investments.

It was noted that the 2020/21 Capital Investment and Disposal Strategy was the Council's policy for ensuring that the following outcomes were met:

- To provide an overview of the Council's plans for capital investments/disposals, and asset management planning.
- To set out the governance process for approval and monitoring of capital expenditure, and any related long-term liabilities.
- To show how the Council's planned capital expenditure will be funded within the context of relevant funding limits, how any external debt will be repaid, and what the associated costs are.
- To set out the Council's approach to commercial activities including due diligence, risk appetite and proportionality in respect of the Council's overall resources.
- To summarise the knowledge and skills available to the Council, and whether these are considered to be commensurate with its risk appetite.

Members were reminded that the Strategy was a high-level overview of how the Council's capital expenditure, capital financing and treasury management activity contribute to the provision of services. The Strategy provided an overview of how risks were managed, and what the implications are for future financial sustainability. The purpose of the Strategy was to set out how the Council takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability.

## **RESOLVED**

**That the report be noted.**

### **150 BUDGET 2020/21 - 2022/23 - LOCAL GOVERNMENT ACT 2003 REQUIREMENTS**

The Deputy Chief Finance Officer presented to Members a report that would be sent to the next Cabinet meeting with the proposed Revenue Budget, Capital Programme, and Council Tax 2020/21 for recommendation to Budget Council. It was noted that the information contained in the report was subject to the Final Local Government Finance Settlement and approval of the Mayor of Greater Manchester precepts for 2019/20.

Members were informed that the report set out the key financial challenges and issues which would be faced by the Council over the period 2020/21 to 2022/23 and provided details of the assumptions and estimates which underpin the budget. The budget also took into account the latest known developments both regional and at a local level and reports on the integration of health and social care within the pooled budget arrangements.

The Committee was informed of the revenue proposals which were being recommended to Cabinet to enable a balanced budget to be considered and presented to Budget Council for approval. It was noted that the capital

programme being recommended to Cabinet had been consulted on during the Autumn 2019. This would also be presented to Budget Council for approval.

## **RESLOVED**

**That Cabinet be advised that the Corporate Overview and Scrutiny Committee recommends approval of the report.**

### **151 DISCRETIONARY FEES & CHARGES**

Consideration was given to a report of the Chief Finance Officer detailing proposals following the annual review of discretionary fees and charges as part of the budget setting process.

At the meeting of Cabinet on 29 October 2020, Members approved an increase charges in line with inflation, with the exception to services relating to bereavement. After consultation with services, it was requested that inflation not be applied to the following areas:

- Car Parking – Budget Pressure funding had been provided to the service in previous financial years. It was considered that increasing the charges was likely to bring further financial pressures to the service.
- Facilities Management Charges – Budget Pressure funding had been provided to the service in previous financial years. Increasing the charges was likely to bring further financial pressures to the service.
- Taxi Licenses – There was an impending legal challenge of Local Authorities and, based on an extensive benchmarking exercise, it had been recommended that fees remain static to mitigate legal challenge and any cost award.
- Land Charges – Based on Greater Manchester benchmarking, there was a risk that by increasing the cost of search fees this will create future budget pressures.
- Liability Orders – In line with Government guidance, current charges cover the cost incurred. A further increase was not recommended.
- Music Service Charges – Based on a benchmarking exercise, charges amended to reflect competitive private tuition market.
- Food Hygiene Charges – Charges amended to ensure consistency with Greater Manchester. Careline/Support@Home – These Adult Care charges are subject to an ongoing tender exercise and will be reported to Cabinet in a separate paper.
- Town Hall Meeting Rooms – Due to closure of Town Hall in 2020, no uplifts have been applied.

The proposal to implement Replacement Bin Charges is subject to an ongoing public consultation ending in early February. Cabinet recommends the delegation of the implementation of any changes to Replacement Bin charges, to the Portfolio holder for Environment, the Portfolio holder for Finance, and the Service Director for Neighbourhoods, once the outcome of consultation was known. Members of the Overview and Scrutiny Committee raised concerns on the impact of charging for replacement bins on members of the public.

## **RESOLVED**

**That Cabinet be advised the Corporate Overview and Scrutiny Committee supports the proposed increase in discretionary fees and charges with the exception of the implementation of charges for replacement bins.**

### **152 BUDGET REPORT AND MEDIUM TERM FINANCIAL STRATEGY 2020/21**

The Chief Finance Officer presented to Members a report setting out the proposed Revenue Budget, Capital Programme, and Council Tax 2020/2021 for recommendation to Budget Council via Cabinet. It was noted that the information contained in the report was subject to the Final Local Government Finance Settlement and approval of the Mayor of Greater Manchester precepts for 2020/21.

Members were informed that the report set out the key financial challenges and issues which would be faced by the Council over the period 2020/21 to 2022/23 and provided details of the assumptions and estimates which underpin the budget. The budget also took into account the latest known developments both regional and at a local level and reports on the integration of health and social care within the pooled budget arrangements.

The Committee was informed of the revenue proposals which were being recommended to Cabinet to enable a balanced budget to be considered and presented to Budget Council for approval. It was noted that the capital programme being recommended to Cabinet had been consulted on during the Autumn 2019. This would also be presented to Budget Council for approval.

## **RESLOVED**

**That Cabinet be advised that the Corporate Overview and Scrutiny Committee recommends approval to Council.**

### **153 SAVINGS PROGRAMME 2020/21 TO 2021/22 – UPDATE FOLLOWING CONSULTATION**

The Chief Finance Officer introduced a report updating Members on the results of consultation on the proposed Savings Programme 2020/21 to 2021/22.

Following consultation it was recommended that the following savings proposals should be approved:

- NH-2020-21-002 Cease delivery of non-statutory wider tobacco control work, following the completion of the workforce consultation.
- NH-2020-21-013 Bowling Pavilions utility charges to users (smart meters).

Following consultation there has been a reduction of £4,000 in the total savings, in relation to proposal NH-2020-21-002 Cease delivery of non-statutory wider tobacco control work. This would now progress to Workforce consultation and will be implemented through the Council's Delegated

Decision Making process and therefore will not be reported back to Council for approval to implement.

Following consultation it was recommended that CS-2020-21-003 - Proposal to relocate Milnrow Youth Centre be withdrawn.

**RESOLVED**

**That the report be noted.**

**154 2020/21 DISCRETIONARY BUSINESS RATE RELIEF POLICY**

The Chief Finance Officer presented to the Committee a report setting out proposed amendments to the Discretionary Business Rate Relief Policy. Members were presented with the draft 2020/21 Policy document noting that it assumed that all the recommendations would be adopted at Budget Council and following the Budget on 11 March 2020.

The Government had established a £300m discretionary fund over 4 years from 2017/18 to support businesses who have experienced a large increase in their rateable value following the 2017 revaluation and were most affected by the change. To qualify for relief, the following conditions must all apply:

- The rateable property has a 2017 rateable value less than £200,000;
- The rateable property must have been on the Valuation Office Agency rating list on 1 April 2016 and 1 April 2017;
- The ratepayer must have been in continual occupation before 1 April 2017; and
- After all other reliefs have been applied, the increase in the billing amount is more than 5% of 2016/17.

The funding allocated by Government for 2020/21 was £7,395, which equated to £90 for each qualifying businesses.

Members were advised that the Government was re-introducing Pub Relief from 1 April 2020 at a flat rate of £1,000. Pubs that were open to the public and have a rateable value below £100,000 would qualify. This was to be paid in addition to Retail Relief. From 1 April 2020, Retail Relief was to be increased to a one half discount. Retail premises that were open to the public and has a rateable value below £51,000 will qualify. Cinemas and music venues were to be added to the list of qualifying businesses from 1 April 2020.

**RESOLVED**

**That the report be noted.**

**155 EXCLUSION OF PRESS AND PUBLIC**

**RESOLVED**

**That the Press and Public be excluded from the meeting during consideration of the following three items of business, in accordance with the provisions of Section 100A (4) of the Local Government Act 1972, as amended.**

#### REASON FOR THE DECISION

Should the press and public remain during debate on these three items there may be a disclosure of information that is deemed to be exempt under Parts 1 and 4 of Schedule 12A of the Local Government Act 1972.

#### **156 PROPERTY INVESTMENTS – PERFORMANCE & RISK Q3 2019/20**

The Chief Finance Officer introduced a report inform Members of the performance of the Council's commercial property investments, and highlighting the associated risks.

It was reported that the Commercial Investment Fund/Asset Development Fund investments were achieving / exceeding the performance targets that were established for this activity; that a review was being undertaken with respect to the application of savings targets to the Direct Development Fund; and that risks are identified and are being appropriately managed.

#### **RESOLVED**

**That the report be noted.**