

Overview and Scrutiny Committee

Thursday, 11th February, 2021

MINUTES

Present:

Councillor Joe Baker (Chair), Councillor Jennifer Wheeler (Vice-Chair) and Councillors Salman Akbar, Michael Chalk, Peter Fleming, Andrew Fry, Ann Isherwood, Mark Shurmer and Yvonne Smith

Also Present:

David Thain

Officers:

Kevin Dicks, Chris Forrester, Sue Hanley, Claire Felton, Kate Goldey, Deb Poole and Judith Willis

Democratic Services Officers:

J Gresham

70. APOLOGIES AND NAMED SUBSTITUTES

There were no apologies for absence.

71. DECLARATIONS OF INTEREST AND OF PARTY WHIP

There were no declarations of interest nor of any Party Whip.

72. MINUTES

RESOLVED that

the minutes of the meeting of the Overview and Scrutiny Committee held on Monday, 18th January 2021 be approved as a true and correct record and signed by the Chair.

73. PUBLIC SPEAKING

There were no registered public speakers on this occasion.

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Chair

**74. MEDIUM TERM FINANCIAL PLAN 2021/22 TO 2024/25
(INCLUDING THE CAPITAL PROGRAMME AND HOUSING
REVENUE ACCOUNT) - PRE-SCRUTINY**

The Head of Financial and Customer Services presented the Medium Term Financial Plan 2021/22 to 2023/24 (including the Capital Programme and the Housing Revenue Account (HRA)). During the delivery of this presentation the following matters were highlighted for Members' consideration:

- A key proposal detailed in the report was that Council Tax should be increased by £5. This would result in a slightly higher return to the Council than an increase of 2.99 per cent and was the maximum level at which Council Tax could increase.
- There had been a significant financial gap for 2021/22 which had been addressed in the report.
- This budget gap had partially been addressed through projected income and savings.
- The Council had also received funding for one year only from the New Homes Bonus (NHB), which had not been anticipated.
- There were unavoidable pressures which had had to be built into the budget.
- A key pressure on the Council's financial position was related to Rubicon Leisure Limited. A significant proportion of the Covid-19 grant funding that the Council had received from the Government would be allocated to addressing the financial pressures relating to the company.
- In excess of £700,000 of earmarked reserves had been used to help balance the budget for 2021/22.
- The capital bids included one in respect of Disabled Facilities Grants. These were not funded by the Council but were distributed by the authority.
- A capital bid had also been included for electric vehicle charging points and Officers were anticipating that the Council would receive grant funding to support this initiative.
- The capital programme had been reprofiled as a number of projects in the programme could not be delivered during the Covid-19 pandemic. This reprofiling work enabled the Council to realign the MRP (minimum revenue provision) in respect of investment income.
- The proposed budget would result in a return of £44,000 in 2021/22 to balances. However, there remained gaps in the budget for the 2022/23 and 2023/24 financial years which would need to be addressed moving forward.

Overview and Scrutiny Committee

Thursday, 11th February, 2021

- There remained some uncertainty about what would replace NHB funding for Councils in the future. There was also continuing uncertainty in relation to the Fair Funding Review and localisation of business rates.
- The impact of the Covid-19 pandemic during the period of the plan was a risk factor that was difficult to address.
- The Council had already distributed a lot of grant funding to local businesses that had been impacted by the Covid-19 pandemic.
- Another risk to the Council's future budget position was Brexit. There remained uncertainty about how Brexit would impact on local businesses, which in turn could have implications for the business rates collected by the Council.
- The position of the HRA had improved significantly when compared to recent years. This was partly due to the fact that the Council was once more able to increase rents paid by Council tenants as well as to an improvement in the turnaround times for void properties.
- The Council was intending to invest in more Council houses and this was reflected in the HRA capital programme, where capital reserves would fall from £13 million to £3 million.
- Officers were anticipating that there would be an increase in capital receipts which would have a beneficial impact on the HRA moving forward.

Following the presentation of the report, the Portfolio Holder for Finance and Enabling Services, Councillor David Thain, was invited to speak on the report. Councillor Thain commented that the Council had achieved a balanced budget for 2021/22 despite the impact that the Covid-19 pandemic had had on local authority finances. The proposed budget aligned more closely with the Council's strategic purposes and supported the green thread that ran through the Council Plan. There remained the need to make savings moving forward and further decisions would need to be taken. Councillor Thain concluded by thanking the Financial Services department for their hard work and the Budget Scrutiny Working Group, particularly the Chair, for their work during the year.

Members subsequently discussed the report in detail and welcomed the positive news about the position of the HRA. The Committee noted that the Repairs and Maintenance team had been prioritising urgent work during the Covid-19 pandemic and questions were raised about the extent to which work that had not been completed during this time had been factored into the budget. Officers clarified that it was recognised that this work would need to be completed once the threat posed by Covid-19 had receded and for this reason

Overview and Scrutiny Committee

Thursday, 11th February, 2021

the savings for this service achieved in 2020/21 had not been built into the budget for future years.

Reference was also made to the bid that had been submitted for Christmas lights and questions were raised about the need for an annual bid to be submitted in respect of this matter. Members suggested that additional funding should be requested from local businesses to help cover these costs moving forward.

The Committee noted that a significant level of reserves was being used to balance the budget in 2021/22 and Members questioned whether this was prudent and the extent to which any limits were placed on the use of reserves for this purpose. The Committee was informed that the reserves had been in place for some time but had never been used, therefore it was appropriate to use the reserves for this purpose. However, it was acknowledged that reserves could not be reused again at a later date and the budget would need to be balanced in a different way in future years.

During consideration of this item the Chair of the Budget Scrutiny Working Group, Councillor Jenny Wheeler, advised Members that the group had recently discussed the potential for tensions to arise between the resources available to the Council and the services that the authority delivered. Many Councils faced similar tensions, as local authorities needed to be able to fill gaps where there was considered to be market failure. To address these tensions, the Council needed to achieve service efficiencies moving forward in order to continue to meet the needs of residents and deliver in relation to the strategic purposes.

The financial support that had been and continued to be provided by the Council to Rubicon Leisure Limited was also discussed. Members acknowledged that the appropriate body to scrutinise the financial position of the company was the Shareholders Committee, not the Overview and Scrutiny Committee. Given the significant amount of funding involved, Members urged the Shareholders Committee to scrutinise the financial position of the company and contributions from the Council in detail moving forward.

Consideration was given to the information that had been provided in the report about proposed savings and income. Members raised concerns that there was not always sufficient detail available to enable Members and the public to assess the value of the proposals. By contrast, further detail was provided in the financial monitoring reports and this made those documents easier for Members to review. Officers acknowledged this issue and

Overview and Scrutiny Committee

Thursday, 11th February, 2021

confirmed that this would be raised for consideration at a forthcoming meeting of the Corporate Management Team (CMT).

Clarification was requested with respect to the purpose of the £8,000 savings that had been proposed for equalities. Officers explained that these savings had arisen as an Officer had requested a reduction in working hours. Clarification was also requested about the purpose of the proposed extra income for the community lottery. The Committee was advised that this related to the income from the community lottery in cases where participants did not nominate a local charity that would receive their contribution. This budget would be allocated to supporting local community groups.

RESOLVED that

the report be noted.

75. EXECUTIVE COMMITTEE MINUTES AND SCRUTINY OF THE EXECUTIVE COMMITTEE'S WORK PROGRAMME - SELECTING ITEMS FOR SCRUTINY

Members considered the minutes of the meeting of the Executive Committee held on Tuesday, 19th January 2021.

The latest edition of the Executive Committee's Work Programme for the period 1st March to 30th June 2021 was also considered by the Committee. The Chair commented that many of the items on the work programme had already been selected for pre-scrutiny.

RESOLVED that

- 1) the minutes of the meeting of the Executive Committee held on Tuesday, 19th January 2021 be noted; and**
- 2) the content of the Executive Committee's Work Programme for the period 1st March to 30th June 2021 be noted.**

76. OVERVIEW AND SCRUTINY WORK PROGRAMME

Members considered the content of the Overview and Scrutiny Committee's Work Programme and noted that there were no updates.

77. TASK GROUPS, SHORT SHARP REVIEWS AND WORKING GROUPS - UPDATE REPORTS

Overview and Scrutiny Committee

Thursday, 11th February, 2021

The following updates were provided in respect of the work of the Scrutiny Task Groups and Working Groups:

a) Budget Scrutiny Working Group – Chair, Councillor Jenny Wheeler

Councillor Wheeler advised the Committee that the latest meeting of the Budget Scrutiny Working Group had taken place that week. During the meeting, Members had pre-scrutinised the Medium Term Financial Plan and had received a presentation on the subject of the Covid-19 grant funding that had been received by the Council during the pandemic.

The following meeting of the group was due to take place on 17th March 2021. During the meeting, Members would interview Officers about the Covid-19 grant funding, interview a representative of Black Radley regarding the Council's progress with commercialism and pre-scrutinise the third quarter monitoring update report in respect of the Council's budget.

b) Dementia Task Group – Chair, Councillor Michael Chalk

Councillor Chalk explained that the group had been unable to interview a clinician about dementia, primarily due to the pressures placed on the health service by the Covid-19 pandemic. The group would be holding a meeting the following month to discuss progress.

During consideration of this update Members were advised that it was unlikely that the group would be able to report back to the Overview and Scrutiny Committee on 18th March 2021 as originally intended. Therefore, Members agreed that the timeframes for the investigation should be extended and the group should aim to complete their review after the local elections in May 2021.

c) Performance Scrutiny Working Group – Chair, Councillor Andrew Fry

Councillor Fry advised that a meeting of the group had taken place in January 2021. During this meeting, an interview had been held with the Heads of Community and Housing Services and Environmental and Housing Property Services about the Housing Services provided by the Council. This had included consideration of information about the turn around times for

Overview and Scrutiny Committee

Thursday, 11th February, 2021

void properties and the group had agreed that the subject should be revisited for further scrutiny in 12 months' time.

Members were advised that a further meeting of the group would take place in March 2021.

d) Unicorn Hill Task Group – Chair, Councillor Peter Fleming

The Committee was informed that the following Members had been nominated to serve on the Task Group: Councillors Fleming (Chair), Baker, Beecham and Smith. Officers would be contacting Members shortly to organise the first meeting of the group.

RESOLVED that

- 1) **the deadline for the Dementia Task Group be extended to after the local elections in May 2021; and**
- 2) **the update reports be noted.**

78. EXTERNAL SCRUTINY BODIES - UPDATE REPORTS

Councillor Michael Chalk provided a verbal update on the latest meeting of the Greater Birmingham and Solihull Local Enterprise Partnership's (GBSLEP's) Overview and Scrutiny Committee meeting. Members were advised that during that meeting the Chair of the Committee had invited Councillors to identify areas of work delivered by the LEP which would be suitable for further scrutiny. Councillor Chalk urged Members to let him know if there were any areas that they wanted him to raise with the Committee on their behalf.

During consideration of this update, clarification was requested regarding the level of young people who were were employed, which had been highlighted at 9.1 per cent in the update provided in the agenda. Councillor Chalk explained that this related to the level of young people who were not in employment, education or training (NEETs) in the whole of the area covered by the LEP and not specifically to the Borough of Redditch. These figures were derived from data provided for December 2020 and there was the possibility that the levels had changed by February 2021.

Overview and Scrutiny Committee

Thursday, 11th February, 2021

The Meeting commenced at 6.30 pm
and closed at 7.25 pm