

Confident, Capable Council Scrutiny Panel

Minutes - 22 November 2017

Attendance

Members of the Confident, Capable Council Scrutiny Panel

Cllr Alan Bolshaw
Cllr Jacqueline Sweetman
Cllr Andrew Wynne (Vice-Chair)
Cllr Payal Bedi-Chadha
Cllr Paula Brookfield
Cllr Dr Michael Hardacre
Cllr Louise Miles (Chair)
Cllr Udey Singh
Cllr Ian Brookfield
Cllr Stephen Simkins

In attendance

Cllr Andrew Johnson (Portfolio Holder -
Resources)

Employees

Claire Nye (Director of Finance)
Michelle Howell (Finance Business Partner)
Julia Cleary (Scrutiny and Systems Manager) (Minutes)
Martin Stevens (Scrutiny Officer)

Part 1 – items open to the press and public

Item No. *Title*

- 1 **Apologies**
Apologies were received from Cllr Craig Collingswood and Cllr Caroline Siarkiewicz.
- 2 **Declarations of interest**
There were no declarations of interest.
- 3 **Minutes of previous meeting**
Resolved:
 - a) That the minutes of the previous meeting be amended to say, The Wolverhampton Law Society.

- b) That it be noted that Cllr Miles was not a member of the Wolverhampton Law Society but the National Law Society and that Cllr Wynne acted as a solicitor in Wolverhampton.

4 **Matters arising**

There were no matter arising.

5 **Draft Budget and Medium Term Financial Strategy 2018-19 to 2019-20**

Cllr Johnson introduced the report and provided the Panel with an overview of the budget process. There had been various transactional changes which were shown in the appendix but that the Council had managed to produce a balanced budget for 2018/19 despite fact that recycling savings had been deferred due to issues with the contractor.

There were a great many items under the resources portfolio and 3 items under governance including health and safety and the lone worker system which had come in under budget as a one off. There had also been some drawing down of grants and those savings would be reversed for next year.

Under the resources portfolio the big saving had been in relation to the management restructure and formed the upfront payments to the pensions investment fund. It was confirmed that the savings listed in relation to the pensions investment fund were listed twice and the larger figure was a one off saving and the other was ongoing.

It was confirmed that overall there would be very little impact on services. The Panel questioned what was being used out of the reserves as it was not obvious in the report and there were concerns that the Council could be eroding reserves. The Portfolio holder stated that the reserves had not been used and that this was from a specific reserve which had already been set aside for this purpose but that he would send details through.

There were concerns from the Panel that even though the Council was proposing a balanced budget the way in which it was being done appeared very complicated with savings this year and putting them back in next year, the Panel noted that if it wasn't for these accountancy entries then there wouldn't be a balanced budget.

The Portfolio holder stated that these grants needed to be used this year and that in relation to the pensions fund the Council had made upfront payments so had already paid an element of next year's costs.

The Finance Director stated that there were one offs that were helping the Council to balance the budget and that our external auditors had looked at this and they were happy with this approach and the overall strategy.

A Member queried section 2.3 of the report and what the final sentence meant. The Portfolio holder stated that this section referred to some additional savings that had been made and that these had been built into the October budget report (Appendix A page 107 of the pack). One of the biggest items was that the Government had offered capital receipts flexibility for transformation and that this had been brought into the budget due to the refuse issue.

One member stated that he had found the process very difficult and requested that Officers write reports in the most straightforward language possible.

The Panel thanked the Portfolio Holder and all the staff who had in extraordinary circumstances offered the City a balanced budget.

The Panel noted that the consultation events had been quite poorly attended. The Panel queried how well the Council got a steer off big bodies such as the Police and West Midlands Combined Authority as there could be implications for budget setting.

The Portfolio Holder stated the homelessness housing first grant had been approved by leaders of Combined Authority, as it was for Birmingham and the Black Country. It was very welcome and that the Mayor, Andy Street had made the grant application at the requisite time.

It was also confirmed that the increased costs should be covered by the £12 million awarded to the Metro Mayor and that this should mitigate any further call for increases from the 7 authorities within the Combined Authority.

Infrastructure works were included in the devolution deal and in the budget, these were capital areas and it was hoped that the capital raising mechanism in the deal would enable work to be done without any cost to the authority.

The Panel thanked Officers for the production of the draft finance guide booklet and stated that it was excellent and requested that the final version be made available on the Council's website.

The Portfolio Holder stated that he would also circulate an article that he had prepared previously that helped to break down the differences between capital and revenue finances.

Resolved:

- a) That feedback be provided to Scrutiny Board for consolidation and onward response to Cabinet on the Draft Budget 2018-2019, in particular those elements that were relevant to this Scrutiny Panel, including specifically:

the Financial Transactions and Base Budget Revisions summarised at Appendix A.

the other underlying assumption to the 2018-2019 Draft Budget as detailed at Appendix B.
- b) That feedback be provided to Scrutiny Board for consolidation and onward response to Cabinet on the approach to Budget Consultation for 2018-2019.

6 **Setting the Council Tax Base**

A briefing note was submitted to provide the Panel with an overview of the Council Tax Setting process and changes in the Council Tax Base.

In the past, there had been a different process which had meant calculating the deficit and dividing this by number of properties. Now there could only be up to a 1.99% without having to hold a referendum.

The Panel noted that there was a 97% collection rate and queried how this compared with other authorities. The Cabinet Member for Resources considered that this was a good standard.

The Panel noted that recent changes in legislation would enable the Council to charge 100% Council Tax on empty properties if it chose to. The Panel considered that this might take away the financial incentive to keep properties empty. The Cabinet Member stated that the Council would have to be very careful as this may impact on people who the Council would not want it to impact upon such as people who had passed away or gone into a nursing home perhaps as a transitional phase before returning home and their families. There was a need to go into the detail of the proposals to see in what circumstances the Council could charge. The Panel agreed that it was important to do this and get the right outcome especially with the added implications of Universal Credit which might also impact on housing migration in the City with more people looking to Wolverhampton Homes.

Resolved: That the briefing note be received and noted.

7 Specific Reserves Working Group Terms of Reference and Nominations

Resolved: That the Panel:

- a) Approve the terms of reference for the specific reserves working group.
- b) Accept the nominations for and approve the membership of the specific reserves working group.