

Our Council Scrutiny Panel

Minutes - 4 September 2019

Attendance

Members of the Our Council Scrutiny Panel

Cllr Alan Bolshaw
Cllr Milkinderpal Jaspal
Cllr Jane Stevenson (Vice-Chair)
Cllr Susan Roberts MBE
Cllr Dr Paul John Birch J.P.
Cllr Paula Brookfield (Chair)

In Attendance

Cllr Louise Miles

Cabinet Member for Resources

Employees

Tim Johnson
Earl Piggott-Smith
Alison Shannon
Claire Nye
Julia Nock
Kate Martin

Chief Executive
Scrutiny Officer
Chief Accountant
Director of Finance
Head of Assets
Director of City Assets & Housing

Part 1 – items open to the press and public

Item No. *Title*

1 **Apologies**

Apologies were received from the following:

Cllr Simon Bennett
Cllr Payal Bedi-Chada
Cllr Caroline Siarkiewicz

2 **Declarations of interest**

There were no declarations recorded.

3 **Minutes of previous meeting (12 June 2019)**

That the minutes of the meeting held on 12 June 2019 were approved as a correct record, and signed by the Chair.

4 **Matters arising**

5. Enforcement Agents Council Tax

Scrutiny Officer advised that a report on the findings from the HMRC pilot project has been added to the panel work programme for March 2020. The issue of the general indebtedness and business rates collection has been added to the future work programme. Tracey Richards, Recovery Manager, to present the report.

7. Customer Services Update

Cllr Brookfield advised the panel that new posts had been created in Customer Services Team and suggested that a report should be presented to a future meeting to allow to time to have an impact on the performance of the service. Lisa Taylor, Head of Customer Services, to be invited to present a report to a future meeting of the panel.

The Scrutiny Officer advised that a report on the new customer information system will be presented to the panel meeting on 20 November 2019.

5 **Cllr Louise Miles, Cabinet Member for Resources - Portfolio Holder Session**

Cllr Louise Miles, Cabinet Member for Resources, briefed the panel on key priorities and service delivery challenges within her portfolio responsibility.

Cllr Miles advised the panel that a major challenge to the Council is delivering a legal balanced budget at end of each year, while also continuing to manage a reduction of over £220 million in Government funding since 2010. This was highlighted as the most significant challenge facing the Council.

Cllr Miles briefed on the panel on the range of work done to drive out inefficiencies needed to achieve the annual savings target. The current level of uncertainty about future Government funding after April 2020 has made it difficult to plan ahead with confidence and one-off rather than sustained funding from Government has added to the challenge in trying to plan and budget effectively.

Cllr Miles commented that the biggest area of concern is funding for adult social care and children's services. The Council is working with local authorities across the region to develop creative solutions to help manage the costs in this area.

Cllr Miles commented on the work done to improve council tax collection rates.

The panel discussed the operation of the providers of children and adult care services and the impact of increases in provider costs. Cllr Miles advised the panel that work is being done with other local authorities to agree a West Midlands position to help manage the level of fees for adult and children care services.

The panel queried alternatives to the current provision of adult social care and whether the experience of neighbouring authorities could help to improve the situation and the level of scrutiny of different options.

The panel discussed the merits of bringing services previously delivered by the Council back into the control to reduce costs and deliver improvements. Cllr Miles commented that national policy direction is not aimed at bringing services back in house.

The panel suggested that the concerns about the funding challenges facing the service could be either be referred to Adults and Safer City Scrutiny Panel or Scrutiny Board to consider adding it to their respective work programme.

Claire Nye, Director of Finance, commented that colleagues in finance use benchmarking information when looking at the costs of services in order to enable them to be appropriately challenged. The Director of Finance added that the issue of quality and delivering value are also factors to be considered when looking at provision of services. The panel were reassured that that funding decisions are not made solely on the basis of cost.

The panel queried the financial implications for the Council of the recent decision to declare a climate change emergency.

Cllr Miles advised the panel that Cllr McGarrity had recently been appointed Climate Change Champion and suggested it might be useful to invite her to brief the panel at a future meeting. Cllr Miles advised the panel that Directors have signed up to the climate emergency declaration and will be looking at how resources are used in future spending priorities and plans. Cllr Miles offered to share work on this issue with the panel in due course.

Tim Johnson, Chief Executive, added that the Council faces major decisions about replacing its vehicle fleet and the need to balance the long-term costs of acting to respond to climate change against the short-term costs in investing in alternative provision and technology. The panel suggested that this issue could be referred to the Vibrant and Sustainable City Panel or the Sustainability Advisory Group to consider the climate change and cost implications of Council decisions.

Resolved:

1. The panel welcomed the presentation and thanked the Cabinet Member for attending the meeting.
2. The Scrutiny Office to suggest to Vibrant and Sustainable City Panel or the Sustainability Advisory Group to consider the climate change and cost implications of Council decisions. The findings to be shared with the panel.
3. The panel agreed to consider topics to be considered in the panel work programme.

6 **Strategic Asset Plan 2018-23 - progress report**

Julia Nock, Head of Assets, gave a presentation to update the panel on the progress of the Strategic Asset Plan Action Plan since January 2019, when the previous report was considered. The Head of Assets briefed the panel on key principles intended to inform the delivery of the priorities in the action plan.

The Head of Assets advised the panel of the key achievements at strategic and operational levels and details of future work detailed in the Forward Plan. The Head of Assets commented on the work being done to manage specific properties and projects listed in the appendix to the main report.

The panel were invited to comment on the report. The panel queried the merits of the Council being involved in Wolverhampton Public Sector Asset Management Board and sharing information about Council owned assets with other organisations.

The Head of Assets responded that the value of the work of the group is the opportunity to share information with colleagues, which is invaluable particularly as the organisations represented have similar property management responsibilities across Wolverhampton.

The Head of Assets added that at the first meeting of the group in January 2019, there was a discussion about the idea of jointly locating Council services with West Midlands Fire Service (WMFS). WMFS explained that they were looking to re-locate their service in an area that the Council was also looking for a site to deliver services, which led to a discussion about developing shared facilities on the same site that could be included in the overall development.

The proposed scheme has the potential to reduce costs and improved efficiency in the management of both organisations' respective property portfolios. The Council would have not been aware of this opportunity if this meeting had not happened.

The panel queried whether the Council would be expected to fund the project. The Head of Assets advised the panel that a feasibility study is nearing completion for a Health and Social Care Hub. The feasibility study would look at different options for delivering and funding of any proposed scheme to co-locate services with WMFS.

The panel queried the reference in the report to creating small /medium housing infill sites. Kate Martin, Director of City Assets and Housing, commented that the reference describes the size of land offered for housing developments which are surplus to Council needs, but agreed to review the wording to make this clearer.

The panel queried the implications of the climate change declaration when considering the impact of green space and the balance to deliver the principal of optimising the financial return and commercial opportunities from the rationalisation and disposal of land and buildings. The Head of Assets advised the panel that the issue of reducing the carbon impact is considered as part of current and future building developments.

Cllr Miles commented on discussion with colleagues in WM Living to consider the impact on the environment and specific issues such as using 'grey water' in new housing developments. The panel discussed the cost implications of retro fitting existing older buildings to respond to the challenge of climate change and the strategy of effectively managing the maintenance of Council owned land and buildings. Kate Martin, Director of City Assets and Housing, advised the panel the climate change implications are considered in the development of new homes by WV Living and also future legislation.

The panel discussed the Council's policy of land disposal and the priority between housing and commercial developments in terms of maximising business or domestic rates. The Director of City Assets and Housing advised the panel that the future use of a site will be determined by planning classification. The Director Head of Assets commented that the Council has been successful in achieving its reserve price when land is sold at auctions.

The Director Head of Assets commented on the consideration given to developments such as I10 and I11 and future developments such as I9, while also seeking to maximise financial return.

Resolved:

The agreed to note the report. The panel welcomed the progress of the action plan.

7 **Treasury Management-Annual Report 2018-2019 and Activity Monitoring Quarter One 2019-2020**

Alison Shannon, Chief Accountant, presented the Treasury Management Annual Report and quarterly monitoring activity report. The Chief Accountant highlighted areas that would be of interest in the reports to the panel. The Chief Accountant commented on discussions with the Council's treasury management advisers to consider future interest rates changes and the financial implications depending on different outcomes for current Brexit discussions.

The Chief Accountant commented on main findings and the panel were invited to comment on the reports.

The panel queried the reasons for submitting the report to the panel which had previously been shared with Councillors in other meetings. The Director of Finance commented that the panel has specific responsibility within the regulations to assure itself that the Council is complying with its financial obligations. The Director of Finance also explained that the comments from the panel on these reports will be fed into future developments of the treasury management strategy.

The Director Finance commented on the treasury management training session and how it would contribute to better understanding of the information presented to the panel. The Director of Finance welcomed comments from the panel on the training session.

The panel discussed the Council's cash flow balances and the average cash balances figures detailed in the report.

Resolved:

1. The panel agreed to note the report.
2. The panel was satisfied that the Council is operating within the approved Prudential and Treasury Management Indicators and also within the requirements set out in the Council's approved Treasury Management Policy Statement during 2018-19.

8 **Review of the assumptions in the MTFs in relation to Corporate Resources**

Claire Nye, Director of Finance, explained the background to presenting the briefing paper for review and comments on the financial assumptions about corporate resources that help inform the budget planning process. The Director of Finance explained that this paper was in response to a request by the panel to be involved at a much earlier stage of budget planning cycle.

The panel discussed the financial assumptions detailed in the briefing paper.

The panel queried the level of external borrowing. Cllr Louise Miles, Cabinet Member, advised the panel that current borrowing levels are significantly below the limit set by Council and the figure is closely monitored.

The panel discussed the frequency of monitoring of the Council's cash balance figure. The Director of Finance advised the panel that the treasury management team monitor the cash balance and cashflow forecasts on a daily basis.

The Cabinet Member advised the panel that key treasury management data is presented to Cabinet Members and Directors for information regularly.

The panel discussed the use of reserves. The Cabinet Member advised the panel that good use is made of specific and earmarked reserves. The Council has general reserves of £10 million and Directors are challenged about the level of reserves and their appropriateness. The Cabinet Member commented on the important work of the Specific Reserves Working Group. The panel supported the prudent and low risk approach taken by the Council during a period of financial uncertainty. The Director of Finance welcomed the contributions of the panel and any questions that would help to better understand the financial assumptions detailed in the paper and improve the content.

The panel suggested that the adult social care budget is a topic that could be added to the panel work programme.

Resolved:

1. The panel agreed to note the report and agreed to receive further presentations assumptions in the MTFS from the Director of Finance.
2. The issue of adult social care budget to be added to the panel work programme.

9 **Our Council Panel - Draft Work Programme 2019 20**

Earl Piggott-Smith, Scrutiny Officer, presented the report. The panel were briefed on changes to the draft work programme. The panel were invited to suggest topics for the future. The Chair invited nominations for members of the Specific Reserves Working Group – the following Councillors accepted the invitation:

Cllr Paula Brookfield
Cllr Jane Stevenson
Cllr Alan Bolshaw

The meeting closed at 19:50