

## **BUDGET SCRUTINY COMMITTEE**

Minutes of a meeting of the Budget Scrutiny Committee of the Bolsover District Council held in the Council Chamber, The Arc, Clowne on Wednesday 14<sup>th</sup> November 2018 at 1400 hours.

### **PRESENT:-**

Members:-

Councillor S. Peake in the Chair

Councillors P.M. Bowmer, J.A. Clifton, C.P. Cooper, P.A. Cooper, A. Joesbury, C.R. Moesby (until Minute No. 0454), T. Munro, K. Reid, J.E. Smith, P. Smith, K.F. Walker, D.S. Watson and J. Wilson

Also in attendance was Councillor A.M. Syrett (until Minute No. 0454)

Officers:-

D. Swaine (Chief Executive Officer) (until Minute No. 0454), K. Hanson (Joint Strategic Director – Place) (until Minute No. 0454), D. Clarke (Joint Head of Finance and Resources), J. Wilson (Scrutiny and Elections Officer) and A. Brownsword (Senior Governance Officer)

Also in attendance were Mr. S. Kitchen and Mr. P. Roberts of Arlingclose.

### **0449. APOLOGIES**

Apologies for absence were received from Councillors A. Anderson, G. Buxton and R.A. Heffer

### **0450. URGENT ITEMS OF BUSINESS**

The Chair consented to the following item of business being heard at the end of the agenda:

Recommendation from Council on 7<sup>th</sup> November 2018 – Appointments to Outside Bodies – Sheffield City Region Combined Authority Audit Committee and Scrutiny Committees

### **0451. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **BUDGET SCRUTINY COMMITTEE**

### **0452. MINUTES – 30<sup>TH</sup> MAY 2018**

Moved by Councillor R.J. Bowler and seconded by Councillor J. Wilson

**RESOLVED** that the minutes of Budget Scrutiny Committee held on 30<sup>th</sup> May 2018 be approved as a true and correct record.

### **0453. ORDER OF BUSINESS**

The Chair consented to the order of business being changed.

Councillor C.R. Moesby left the meeting during the following item of business.

### **0454. INVESTMENT STRATEGY**

Councillor Syrett introduced the report that had been presented to Executive on 5 November. The report set out the financial pressures facing the Council and summarised the measures being taken to maximise income, reduce costs and redesign services. The report also set out the Council's financial position up to 2021/22 highlighting the general fund surplus and shortfalls during that period.

Members sought clarification as to the aim of the Investment Strategy given the Council had an Asset Management Strategy. The Chief Executive Officer explained that purpose of an Investment Strategy was to assist Councillors in determining suitable investment opportunities. He added that the strategy could provide guidance and parameters to inform investment decisions, taking into account factors such as the level of risk, the potential income generation, and how the investment could support economic growth or provide a social return.

The Chief Executive Officer gave a presentation which considered:

- The current budget and future shortfalls and financial pressures
- A summary of the Statutory guidance on investments for Councils as set out in the 'Statutory Guidance on Local Gov Investments – S51 (1) (a) Local Government Act 2003
- An example of the potential rate of return from commercial property investments and areas of risk associated with reduced occupancy and increased costs
- Potential Investment criteria and a weighting mechanism
- Details of the Executive report recommendations and the reasons for them

The Chief Executive Officer confirmed that the Council had managed its financial position well and was in line to maintain a surplus in 2019/20. This was as a result of effective management and successful participation in the Derbyshire Business Rates Retention Pilot. Consequently, The Council's cash reserves gave some freedom to invest, however the future financing of local government remained

## BUDGET SCRUTINY COMMITTEE

uncertain and at this stage it was not clear if a further Business Rate retention scheme would be secured at a lesser 75%. Given the need for local authorities to look at secure investments taking into account the cumulative risks Statutory guidance had been produced to ensure that Councils were risk aware and could demonstrate a robust and informed decision making process. It was noted that previous investments had been made under the prudential code, but the new guidance must be considered for future investments and this came in force in April 2019. Subsequently any investment strategy needed to reflect the key elements of the statutory guidance.

A question was asked regarding whether the Council was looking to mitigate the negative impact of HS2 on business rates within the District. Councillor Syrett noted that although there were a few positives of HS2, Bolsover District would be negatively impacted by the creation of HS2. The Chief Executive Officer noted that the 28 miles of the District would be affected and HS2 were being urged to look at how to maximise the opportunities this could present to reduce the negative impact and support growth.

In response to a comment on the purpose of the Executive report, the Leader clarified that it set out three recommendations including the production of a draft investment strategy. It also requested that a further executive report be provided setting out a detailed analysis of the performance of the Councils non housing property portfolio to help inform any future investment decisions. The report also sought that Executive give regard to other areas of investment that could support delivery of its corporate aspirations in order to prioritise areas where more detailed analysis was required.

Moved by Councillor T. Munro and seconded by Councillor J. Wilson  
**RESOLVED** that the report be noted.

Councillor A.M. Syrett, the Chief Executive Officer and the Joint Strategic Director – Place left the meeting.

### **0455. UPDATE FROM ARLINGCLOSE**

Mr. S. Kitching – Arlingclose gave a presentation to Committee which looked at:

- Treasury Management
- Members Responsibilities
- Economic Outlook
- Investments
- Borrowing

It was noted that the borrowing authorisation limit was set by Council and Members could challenge if appropriate. It was preferable to borrow from other local authorities in the short term and from the Public Works Loan Board for longer term loans who provide an interest rate based on government borrowing.

## **BUDGET SCRUTINY COMMITTEE**

Members asked questions including what effect Brexit may have and it was noted that most of the Council's borrowing was UK domiciled which posed no concerns.

Moved by Councillor S. Peake and seconded by Councillor R. Bowler  
**RESOLVED** that the presentation be noted.

Mr. S. Kitching and Mr. P. Roberts left the meeting.

### **0456. MEDIUM TERM FINANCIAL PLAN – BUDGET MONITORING REPORT QUARTER 2 – APRIL TO SEPTEMBER 2018**

The Joint Head of Finance and Resources presented the report which provided an update on the financial position of the Council following the second quarter budget monitoring exercise for the for the General Fund, the Housing Revenue Account, Capital Programme and Treasury Management Activity.

It was noted that the Council had a good surplus, but it was not yet known if the Council had been successful in the Business Rates Pilot.

Moved by Councillor S. Peake and seconded by Councillor R. Bowler  
**RESOLVED** that the report be noted.

### **0457. REVISED BUDGETS**

The Chair noted that the revised budget item had been deferred.

### **0458. UPDATE FROM SCRUTINY CHAIRS**

#### **1. Healthy, Safe, Clean and Green Scrutiny Committee**

The Chair noted that the Review of Authority's Perception of Young People and the update on homelessness were ongoing.

#### **2. Customer Service and Transformation Scrutiny Committee**

The Chair of the Customer Service and Transformation Scrutiny Committee noted that the Review of Delivery of Environmental Health and Licensing and the Review of Standards Committee – Operational Review were both in the final stages and draft reports were being prepared.

## BUDGET SCRUTINY COMMITTEE

### 3. Growth Scrutiny Committee

The Chair of Growth Scrutiny Committee noted that the Committee were close to finalising their report on monitoring growth which looked at growth, property strategy and rental income (Review of Income Generation).

#### **0459. URGENT ITEM OF BUSINESS RECOMMENDATION FROM COUNCIL ON 7<sup>TH</sup> NOVEMBER 2018 – APPOINTMENTS TO OUTSIDE BODIES – SHEFFIELD CITY REGION COMBINED AUTHORITY AUDIT COMMITTEE AND SCRUTINY COMMITTEES**

Councillor Reid presented the report and noted 3 substitutes were required for both Audit and Scrutiny Committees, but that the same 3 Members could substitute for both. It was noted that the substitutes needed to be from the Majority Group.

Moved by Councillor J. Smith and seconded by Councillor S. Peake

**RECOMMENDED** that Council approve the following Members as substitutes for the Sheffield City Region Combined Authority Audit Committee and Scrutiny Committees:

Councillor T. Munro  
Councillor P. Smith  
Councillor J. Wilson

(Senior Governance Officer)

The meeting concluded at 1536 hours.