

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 Thursday, 28th November 2019 at 10:00 hours.

PRESENT:-

Members:-

Councillor Jen Wilson in the Chair

Councillors Rose Bowler (Vice-Chair), Derek Adams, Allan Bailey, Anne Clarke, Jim Clifton, Tricia Clough, Pat Cooper, Paul Cooper, David Dixon, Maxine Dixon, David Downes, Andrew Joesbury, Chris Kane, Tom Munro, Evonne Parkin, Janet Tait and Rita Turner.

Officers:- Theresa Fletcher (Head of Finance and Resources & Section 151 Officer), Joanne Wilson (Scrutiny and Elections Officer) and Thomas Scott (Governance Officer).

Also in attendance at the meeting were Councillor Clive Moesby (Portfolio Holder – Finance & Resources) (up to Minute No. 486), Stephen Kitching (Arlingclose – Client Director) (up to Minute No. 483) and Paul Roberts (Arlingclose – Assistant Client Director) (up to Minute No. 483).

479 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Jane Bryson, Tracey Cannon, Tom Kirkham, Peter Roberts, Dan Salt and James Watson.

480 URGENT ITEMS OF BUSINESS

There was no urgent business to be considered at the meeting.

481 DECLARATIONS OF INTEREST

There were no declarations made at the meeting.

482 MINUTES

Moved by Councillor Andrew Joesbury and seconded by Councillor Tom Munro.

RESOLVED that the Minutes of the Budget Scrutiny Committee held on 1st August 2019 be approved as a correct record.

BUDGET SCRUTINY COMMITTEE

483 TREASURY MANAGEMENT BRIEFING BY ARLINGCLOSE

The Chair welcomed Stephen Kitching (Client Director) and Paul Roberts (Assistant Client Director) to the meeting from Arlingclose treasury advisory company. Both gave the Committee a presentation with advice on how to manage the Council's treasury. This included:

- Management of the Council's investments, cash flows, banking arrangements, money market transactions (short term) and capital market transactions (long term)
- Effective control of the associated risks
- Pursuit of optimum performance (within the context of effective risk management)

The presentation also informed the Committee of Members' roles in financial management:

1) Role of the Council

- Set the budget and capital programme
- Receive a capital strategy
- Approve the Treasury Management Strategy
- Approve the Investment Strategy
- Approve the Prudential Indicators including the Capital Financing Requirement and the Authorised Limit
- Approve Treasury Management Indicators
- Receive mid-year and annual reports (minimum)

2) Role of Elected Members

- Decide the Council's appetite for risk and return
- Review policies, strategies and budgets
- Approve division of responsibilities
- Receive and review reports including Performance reports, Audit reports, and acting on recommendations
- Challenge, where appropriate

Members were informed that borrowing limits were set by Council and the auditors' role was to ensure borrowing did not exceed the limits set.

It was explained that gilts were Government bonds, so the yield meant the return on those bonds and the Government's cost of borrowing, which the Council's long-term borrowing costs would be based on.

A Member asked where he could find the Capital Programme and the Capital Strategy. The Section 151 Officer explained that the Capital Programme was on the Extranet and the Capital Strategy would be considered at the next scheduled Budget Scrutiny Committee meeting on 30th January 2020.

BUDGET SCRUTINY COMMITTEE

Councillor Tricia Clough entered the meeting.

A Member enquired how the Council's exposure to investment risk was determined. The Section 151 Officer explained that the Council followed Arlingclose's risk ratings, adding that the Council was a very low risk Council (in terms of investment risk) in comparison to other local authorities.

The Chair thanked the two representatives from Arlingclose for the presentation.

Both representatives left the meeting.

RESOLVED that the presentation be noted.

484 BUDGET MONITORING REPORT - QUARTER 2 - JULY TO SEPTEMBER 2019

The Section 151 Officer presented the report to update Committee on the financial position of the Council following the second quarter's budget monitoring exercise for the General Fund, the Housing Revenue Account (HRA), Capital Programme and Treasury Management activity.

Moved by Councillor Ray Heffer and seconded by Councillor Jen Wilson.

RESOLVED that the report be noted.

485 REVISED BUDGETS 2019/20 PRESENTATION

The Section 151 Officer gave a presentation to Members on Revised Budgets 2019/20. This included:

- General Fund (2019/20 position)
- From shortfall to surplus – Q1 and Q2 (savings made between the February 2019 report and the Q2 monitoring report)
- From shortfall to surplus – Revised budgets (changes to reflect the revised calculations and forecasts, and savings to help prepare for the future)
- Housing Revenue Account (HRA)
- HRA main changes for revised budgets
- Extra pension costs (shortfall from the Local Government Pension Scheme)
- Capital Programme (level of spend for 2019/20 from capital projects)
- Reserves and balances (opening and closing position on main useable reserves)

A Member referred to the net reduction in salaries in the HRA section of the presentation (shown as £171,000) and enquired what had caused this reduction. The Section 151 Officer explained that the figure was arrived at due to a number of vacant posts being held. Members questioned if the Executive had considered the impact of holding vacant posts on the emergency repairs service. The Portfolio Holder – Finance & Resources agreed that he would relay this question to the Portfolio Holder - Housing & Community Safety.

BUDGET SCRUTINY COMMITTEE

Following the discussion of the housing service, Members referred to the recent floods in Clowne and thanked Council officers for their hard work in tackling them. The Portfolio Holder - Finance also thanked all Members who helped to tackle the floods as well.

The Section 151 Officer concluded the presentation with the following summary:

- For 2019/20 and the revised budgets for general fund and housing revenue account, it was estimated that the Council would achieve a surplus for both.
- The level of reserves was considered to be adequate to fund planned expenditure and potential issues/risks that the Council could face.
- The capital programme for 2019/20 was fully financed and did not include any borrowing where Minimum Revenue Provision (MRP) was payable.
- The Council continued to monitor developments by Ministry of Housing, Communities & Local Government (MHCLG) on Business Rates and the Fair Funding Review.

The Portfolio Holder - Finance added to the summary by explaining that the review of Business Rates had been transferred to 2020.

RESOLVED that (1) the presentation be noted

(2) the Members request the Portfolio Holder – Finance & Resources investigate the Members’ concern about vacancy levels within the HRA and the delivery of the emergency repairs service.

(Portfolio Holder – Finance & Resources /Scrutiny & Elections Officer)

486 SETTING OF COUNCIL TAX 2020/21 PRESENTATION

The Section 151 Officer gave Members a presentation which explained what the available options would be for the Council when setting Council Tax for 2020/21. This included:

- Financial position (latest table in the quarter 2 budget monitoring report)
- Timescales (report and meeting dates deadlines for Council Tax setting)
- Council Tax setting history (decisions taken for 2018/19 and 2019/20)
- Council Tax options for New Year 2020/21 (percentage increases and what they would mean for Band D properties and Council revenue)
- Council Tax options for future years (how the Council’s future Council Tax options would be impacted by changes to Business Rates Retention, the introduction of the Fair Funding Review and the Business Rates Reset)
- Financial position for Council Tax increase assumption of £5

BUDGET SCRUTINY COMMITTEE

The Section 151 Officer explained that the maximum local authorities could increase Council Tax by was either £5 or 2%, depending on which was higher for each local authority. In the Council's case, £5 was the higher amount.

The Section 151 Officer added that in early January 2020, the Ministry of Housing, Communities and Local Government would clarify the exact Council Tax increase thresholds for triggering a referendum.

A Member made reference to how the Government based its allocation of grant funding for each Council on how much each Council had increased Council Tax. The Member enquired if the Government made allowances for inflation when they calculated this. The Section 151 Officer explained that the Government would calculate what the limit for each Council was first, and then make other assumptions (like inflation) later in the process.

A Member enquired if the Council Tax increases took into account new housing developments. The Section 151 Officer explained that forecasts were estimated based on last year's tax base. Because the taxbase was not up to date at the time of the meeting, the presentation did not include any growth in property numbers. The tax base, including growth through new developments, was due to be updated by the time Council considered the setting of Council tax.

The Portfolio Holder - Finance & Resources explained that the Executive would look to increase Council Tax if it meant protecting the Council's services. He added that the Council was losing Government grants regardless of how much the Council increased Council Tax. A Member enquired if a Council Tax increase meant an increase for small business rates as well. The Portfolio Holder - Finance & Resources advised the Member that these rates were set by the Government.

A Member enquired if there was any financial assistance for struggling small businesses. The Section 151 Officer explained that the Council offered a Small Business Rate Relief.

The Chair thanked the Section 151 Officer for the presentation.

The Portfolio Holder - Finance & Resources and the Section 151 Officer both left the meeting.

RESOLVED that the presentation be noted.

487 BUDGET SCRUTINY COMMITTEE WORK PROGRAMME 2019/20

Committee considered their Work Programme for 2019/20.

Moved by Councillor Ray Heffer and seconded by Councillor Andrew Joesbury.
RESOLVED that the Work Programme 2019/20 be noted.

BUDGET SCRUTINY COMMITTEE

488 UPDATE FROM SCRUTINY CHAIRS

Members were given updates on the recent work of the other three Scrutiny Committees. The Chairs of the Committees gave the updates.

Customer Service & Transformation Scrutiny Committee

The Chair of the Customer Service & Transformation Scrutiny Committee updated Members on the work of their Committee:

Between August and November 2019, the Committee had considered a range of reports. Some of them had been regular performance monitoring reports such as:

- Corporate Plan quarterly updates
- Customer Service Standards and Complaints

Other reports the Committee had considered included:

- The review and revision of the Rent Arrears Policy
- The development of the new website including compliance with new accessibility regulations and a demonstration of the site being developed

The Committee had two Review Topics for this year:

- The Re-letting of Council Properties – the Committee was near the end of evidence gathering for this review and had started to map this back to the scope and formulate some early recommendations. This review also incorporated the current review of the Housing Allocations Policy, which the Committee was aiming to look at in detail again at the next meeting
- The customer experience and the Council's approach with New Bolsover Model Village redevelopment – the Committee was still gathering evidence for this review but had started to map this back to the scope to assess where there were gaps in information, and to agree further information required.

The Committee had embedded a programme of monitoring updates from the Transformation Governance Group and was to keep colleagues updated on the work of the Committee on this area of service delivery, as the Committee receives further information.

The Committee has completed post-scrutiny monitoring against two past reviews and these were progressing well:

- An operational Review of Standards Committee; and
- The Review of Delivery of Environmental Health & Licensing

The monitoring was due to be completed in March next year.

BUDGET SCRUTINY COMMITTEE

Healthy, Safe, Clean & Green Communities Scrutiny Committee

The Chair of the Healthy, Safe, Clean & Green Communities Scrutiny Committee updated Members on the work of their Committee:

The Committee had received a range of performance monitoring reports such as:

- Corporate Plan quarterly updates
- Health & Wellbeing Strategy – assessing delivery of the Strategy and action plan and current trends

The Committee had also received reports to assess:

- The Building Resilience Programme – looking at Phase 1 Outcomes, aspirations for Phase 2 and embedding the scheme and the learning, ensuring sustainability to the work completed to date
- The Council's approach to the Climate Emergency – following the motion considered by Council earlier in the year. Members were briefed on the Carbon Reduction Plan and the Council's short and long term plans to address issues at a local and national level

The Committee had been involved in the development of the new Joint Animal Welfare Policy and provided feedback as part of the consultation process, prior to adoption.

Post-scrutiny monitoring had taken place against two past reviews:

- The Authority's Perception of Young People – this was progressing well and the monitoring was due to complete in March 2020.
- The Committee had received the final monitoring report for the Review of Environmental Enforcement. All recommendations had been successfully implemented and all Members were due to receive a briefing on the progress of the service shortly at Council.

The Committee had identified two topics for Review this year:

- Children in care and Care Leavers – the Committee has looked in detail at proposals for the Care Leavers Offer, and assessed the Council's approach via Housing Services and the partnership working in place. The Committee still had some evidence to gather but this review was progressing well.
- Mitigation of Air Pollution – the focus as on existing monitoring areas, the District's four main towns, and around schools. The Committee had incorporated the motion presented to Council earlier in 2019. This review was not progressing as fast at this stage and was potentially to extend into 2020/21.

BUDGET SCRUTINY COMMITTEE

Growth Scrutiny Committee

The Chair of the Growth Scrutiny Committee updated Members on the work of their Committee:

The Committee had received a range of performance monitoring reports for the both the Corporate Plan and the Growth Strategy, which included specific performance indicators agreed by Scrutiny. To date performance was relatively on track.

The Committee's current review topic was examining Current and Future External Funding. The Committee had been assessing the Council's approach to identifying funding and how it develops projects and goes through the bidding process. The Committee had gathered evidence from a number of internal and external sources including more recently the D2N2 Local Enterprise Partnership, which was very informative. The Committee had started to map the evidence to the scope and identify potential recommendations. This work was to be finalised in 2020 before the end of the municipal year.

3) In early 2020, the Committee was aiming to complete some additional work in relation to the private rented sector, including examining the role of Members and how they work with partners. This was to look also at the approach of housing associations, accredited landlords and how the Council can secure improvements and ease any negative impact from poorly managed private rented housing.

Moved by Councillor Ray Heffer and seconded by Councillor Tom Munro.

RESOLVED that the updates from the three Scrutiny Committee Chairs be noted.

The meeting concluded at 11:50 hours.