

SCRUTINY BOARD (STRATEGY AND RESOURCES)

MONDAY, 16TH JULY, 2018

PRESENT: Councillor P Grahame in the Chair

Councillors G Almas, A Blackburn, S Firth,
J Goddard, R Grahame, D Jenkins,
J McKenna, D Ragan and M Robinson

14 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

15 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

16 Late Items

There were no late items.

17 Declaration of Disclosable Pecuniary Interests

No declarations of disclosable pecuniary interests were made.

18 Apologies for Absence and Notification of Substitutes

Apologies for absence were received from Councillor P Wray and Councillor A Smart. Notification had been received that Councillor R Grahame was to substitute for Councillor Wray, and Councillor D Ragan for Councillor A Smart.

19 Minutes - 18th June 2018

RESOLVED – That the minutes of the meeting held on 18th June 2018 be approved as a correct record.

20 Financial Performance - 2017/18 Outturn

The Head of Governance and Scrutiny Support submitted a report that introduced a report considered by the Executive Board at its meeting on 27th June 2018, which set out the Council's financial outturn position for 2017/18 for both revenue and capital.

The following were in attendance for this item:

- Councillor James Lewis, Executive Member for Resources and Sustainability

- Doug Meeson, Chief Officer, Financial Services
- Richard Ellis, Head of Finance

Members discussed a number of matters, including:

- *The Housing Revenue Account (HRA) surplus.* Officers present confirmed that underspend is carried forward and ring-fenced to the HRA for future spending. It was also noted that the surplus of £1.4m should be considered in the context of the HRA's turnover of £253m.
- *Successful VAT claim in relation to sports admissions.* Members were pleased to hear of the £7.3m income through VAT claims for sport admissions, and wished for their congratulations to the officers responsible to be noted.
- *Planning and Building Control Service.* The Board congratulated the service for generating a surplus income of £0.7m and suggested that some of the surplus be allocated to recruitment within Planning and Building Control services.
- *Unused Council-owned buildings.* Members noted a number of Council owned buildings in their wards that they knew to be vacant, some of which were suggested to have been vacant for a number of years. Officers present confirmed that they would supply the Board with the relevant information for all Council owned buildings Members listed. Members agreed for more detailed discussions to take place at a future Board meeting (minute 23 refers), to understand the prevalence of unused Council buildings across the city and the financial implications of this to the Council.
- *Housing Benefit budget shortfall.* Members sought clarity regarding the £1.9m shortfall and were informed by officers that when an overpayment is made, the grant received from central government is reduced. The level of overpayments was less than projected, which in turn reduces the level of income receivable from the Government. However, Members were also informed that there are other factors within the Welfare & Benefits service which have reduced the overall level of overspend in the service to £0.7m.
- *School reserves.* Members were informed that the large surplus in school reserves cannot be controlled by the Council, as budgets are determined directly by local authority maintained schools' governing bodies. Members were also informed that the figure represents the net balance carried forward for all schools, and will include deficits as well as surpluses.
- *Collection of Council Tax.* Members sought clarification of the monetary value of the percentages provided in the report. Officers informed Members that every 1% of Council Tax receivable equates to £3m. The overall target for Council Tax collection is 99%, since taxes are still being collected after the financial year in which they are due. The percentages shown are limited to in-year collection, whereas if account is taken of collection after the year that the debit is due then the collection rate is higher than that contained in the report e.g. Council Tax collected prior to 2013 is 99.31%. It was agreed that overall

collection rates and how this equated to money receivable should be included in future reports.

RESOLVED – That the contents of the report be noted and the requests for information be provided to the Board.

21 Financial health monitoring 2018/19 (Month 2)

The Head of Governance and Scrutiny Support submitted a report that introduced a report considered by the Executive Board at its meeting on 27th June 2018, which detailed the Council's projected financial health position for 2018/19 at month 2.

The following were in attendance for this item:

- Councillor James Lewis, Executive Member for Resources and Sustainability
- Doug Meeson, Chief Officer, Financial Services
- Richard Ellis, Head of Finance

RESOLVED – That the contents of the report be noted.

22 Treasury Management Outturn for 2017/18

The Head of Governance and Scrutiny Support submitted a report that introduced a report considered by the Executive Board at its meeting on 27th June 2018, which provided a final update on Treasury Management Strategy and operations in 2017/18.

The following were in attendance for this item:

- Councillor James Lewis, Executive Member for Resources and Sustainability
- Doug Meeson, Chief Officer, Financial Services
- Richard Ellis, Head of Finance

Members discussed a number of matters, including:

- *Minimum Revenue Position (MRP)*. Concerns around the impact of MRP on the Council's budget from 2020/21 where there is a requirement to increase the level of budgetary provision for this. . Officers assured Members that the Council's latest Medium Term Financial Strategy, to be received at July's Executive Board will reflect this requirement.
- *Challenge regarding the 2016/17 Statement of Accounts*. Members were concerned about the status of the objection, and were informed that the objection was in regards to the Council's use of Lenders Option Borrowers Option (LOBOs). However, Officers were expecting to receive a positive response from KPMG by the end of the month and would be reporting back to the Corporate Governance and Audit

Committee in due course. Members were also informed that there had not been any objections to the 2018/19 Statement of Accounts.

- *Protective claim against Barclays.* The Board acknowledged the Council's recent action to issue a protective claim against Barclays in connection with the bank's involvement in manipulation of the Libor benchmark rate and its impact on the Council's entry into certain LOBO transactions with the bank.

RESOLVED – That the contents of the report be noted.

23 Work Schedule

The Head of Governance and Scrutiny Support submitted a report setting out the main issues highlighted and discussed at the Board's previous meeting in June 2018 and introducing the Board's proposed 2018/19 work schedule for consideration.

The Principal Scrutiny Adviser introduced the report and outlined the areas within the work programme.

The Board also acknowledged that a working group meeting had been arranged for 1st August 2018 to discuss the potential scope for the Board's forthcoming Inquiry into the Digitalisation of Services.

RESOLVED – That the outline work programme presented at the meeting be agreed, with the addition of an item focusing on unused Council-owned buildings to the September schedule.

24 Date and Time of Next Meeting

The next meeting of the Scrutiny Board – Strategy and Resources to take place on Monday 10th September 2018 at 10:30am (pre-meeting for all Board Members at 10:00am).

(The meeting concluded at 11:50am)