

Minutes of a meeting of the Corporate Overview and Scrutiny Committee held on Tuesday, 27 February 2024 at 5.00 pm in Committee Room 1 - City Hall, Bradford

Commenced 5.00 pm
Concluded 6.30 pm

Present – Councillors

LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT	GREEN
Azam Alipoor Robinson D Green Mohammed	Loy	Stubbs	Love

Observer: Councillor Hinchcliffe, Leader of Council

Councillor Azam in the Chair

60. DISCLOSURES OF INTEREST

No disclosures of interest in matters under discussion were received.

61. MINUTES

Resolved –

That the minutes of the meeting held on 11 January 2024 be signed as a correct record.

62. INSPECTION OF REPORTS AND BACKGROUND PAPERS

There were no appeals submitted by the public to review decisions to restrict documents.

63. REFERRALS TO THE OVERVIEW AND SCRUTINY COMMITTEE

There were no referrals made to the Overview and Scrutiny Committee

64. UNIVERSAL CREDIT

The Strategic Director Corporate Resources submitted a report (**Document “AC”**) which examined the progress of, and plans for, the full roll out of Universal Credit and the implications for residents and the Council. Colleagues from the Department of Work and Pensions were also present to provide additional information and respond to Members’ questions.

During the presentation, it was stated that the roll out of Universal Credit was 71% complete. It was also stressed that the managed migration of Housing Benefit claimants onto UC was also progressing well.

In response to a question regarding the roll out of UC and the challenges going forward, it was stated that there were more challenges expected as those on legacy benefits migrated to UC. It was acknowledged that there were particular challenges with this cohort and therefore help and advice would still be available, including home visits where necessary and referrals for advice to the Citizens’ Advice Bureau, in particular for those in receipt of Employment and Support Allowance.

For those claimants who did not have access to the internet, they were still being seen in person on a fortnightly basis and IT access would be provided to them on site. However, it was acknowledged that not every client had the ability to navigate through this process.

It was stressed that given the migration of Housing Benefit claimants to UC, the workload in Housing Benefit had dropped, and therefore the work of business rates and housing benefit had now been separated, with a greater automation of the cases being referred from the Department for Work and Pensions.

In response to a question on the number of claimants in Bradford in receipt of Employment and Support Allowance, it was stated that this information will be provided outside of this meeting, adding that ESA recipients had complex needs and how we dealt with them during the migration process was a crucial element.

A Member suggested that more outreach work was needed in order to reach claimants in need of advice and support around UC migration. In response it was stated that outreach work had been undertaken, however it was worth looking at as to how this can be further extended in certain areas of the district.

Resolved –

That the Committee requests a further progress report be presented in 12 months, which focuses on the implementation of Universal Credit across the District.

To be actioned by – Strategic Director for Corporate Resources

65. BUSINESS RATES AND COUNCIL TAX COLLECTION

The Strategic Director Corporate Resources submitted a report (**Document “AD”**) which examined performance in and challenges for Business Rates and Council Tax collection.

The new Business Rates Rating List came into force on 1 April 2023. The report also examined this and set out an approach to encouraging early engagement by residents in Council Tax collection.

In relation to a question regarding the volume of Council Tax that was written off after five years, it was stated that this was in the region of 2%, after all other avenues had been exhausted.

The Chair stated that whilst the Council was doing well in terms of collection rates, families were under considerable financial pressure and therefore what engagement was taking place with these families, prior to any enforcement action.

In response, it was stated that families were contacted via email, text on the amounts due, therefore reminders were set up to encourage early engagement, in case there were payment issues and this increased over time. Vulnerability was taken into account and residents were also signposted to support that was available and wider debt advice they could tap into, thereby reducing the number of Council Tax summons that had to be issued.

In relation to Business Rates Collection, again the estimated collection rate was in the region of 98%, after applying any rate relief.

In response to a question regarding large scale appeals based on technicalities, it was stated that regular meetings were held with the Valuations Office, and we would have a better idea in around six months if there were any particular large-scale appeals in the offing.

In terms of the amount of Business Rates handed over to Government this was primarily a year end calculation and appropriate adjustments were made as part of the NNDR1.

In relation to a question regarding the challenges posed by empty homes in the district in the collection of Council Tax, it was stressed that every effort was made to trace property owners using a variety of methods in order to recoup any outstanding balances as well as encouraging via our Empty Homes Team to get those properties back into use and signpost owners to grants that may be available to renovate homes. In cases where owners were difficult to trace and were traced some time down the line, charges could be imposed retrospectively.

Resolved –

That this Committee requests that a further progress report is presented in the new municipal year.

To be actioned by – Strategic Director for Corporate Resources.

66. QTR 3 FINANCE POSITION STATEMENT FOR 2023-24 AND 2024-25 BUDGET UPDATE

The Director of Finance submitted a report (**Document “AE”**) which provided Members with the forecast year-end financial position of the Council for 2023-24 and set out the unprecedented scale of its financial challenges. It outlined the revenue and capital budgets and the year-end forecast financial position based on information at the end of December 2023. It stated the Council’s current reserves and school balances.

The report also summarised the ongoing action being undertaken to address the current challenges and further urgent action that will be required to secure a sustainable financial position. The Council had applied for Exceptional Financial Support from Government which if agreed, would be provided in the form of a capitalisation directive which would allow the Council to borrow to fund revenue expenditure.

A capitalisation directive is however only an interim solution. To achieve a financially sustainable position, the Council and the Trust will need to deliver a combination of; significantly higher level of savings than is currently proposed; additional income, further asset disposals and further capital expenditure reductions.

A continuous cycle of identifying new savings and other measures to reducing the gap will need to be embedded in 2024-25. The report also provides a budget update for 2024-25 taking account of the completion of the NNDR1 form that sets the Business rates base, and further updates in relation to the Exceptional Financial Support request.

The Director of Finance added that the forecast overspend for 2023/24 would be £75m, which included the use of £48m one off reserves, with the overspend primarily related to Childrens and Adults Social Care, details of which were set out in the report.

The Bradford Children’s and Families Trust had developed a business plan which aims to get back to 2023/24 contract price levels by 2027/2028, however the cost in placements had gone up over time.

The request for Government support was alluded to, the details of which were set out in the report; the response from the Government for assistance would not be known till early March and we had therefore been advised to hold back setting a Budget till that time. The assistance being sought would only be an interim measure to get the Council back onto a sustainable financial footing.

In relation to the 2024/2025 budget additional resources had been made available and they were set out in the report.

During the discussion it was stated that the average cost of children’s placement was in the region of £338k a year, however did we have any indication of the cost difference in term of the public and private sector.

In response it was stated that this was difficult to compare, with an

acknowledgement that there was a profit margin in the external market and where there were vacancies a cost was associated with that vacancy. It was suggested that further information around costs and comparative analysis around this could be provided in future reports.

In response to a question around the budget pressures in Sports and Culture and whether there was a rationale for employing more permanent staff as oppose to part time/casual staff to save on costs. In response the Strategic Director Place explained that this was an area of particular focus going forward and analysing the staffing structure and the cost of casual staff. However, given the nature of some of the activities we undertook in this area, casual staff were an important and necessary part of this service delivery.

In response to a question on the proposed Capitalisation Directive, it was stated that we were looking a £80m for 2023/2024 and £140m during 2024/2025. As part of the capitalisation directive, revenue spending could be funded from capital receipts.

In relation to a question on the Asset Disposal Programme, a Member stated that in selling certain assets, the Council would also end up losing the existing income stream, and although there would be a short term gain in disposal and the capital receipt it generated, in the long term would be a financial loss and therefore further work was needed to ensure this presented a value for money proposition.

In response the Leader stated that the use of reserves and the sale of assets was a Government Directive, in order to bridge the fiscal gap, however this was not a viable way of funding local government. In terms of selling assets, we will aim to get the best value.

In response to a question on the pressures facing the Children's Trust, it was stressed that the need in Bradford was greater compared to other areas of the country, and that the Trust was looking at early interventions and more family focused help to prevent children going into care in the first place and this work was bearing fruit and we were seeing a shift in the numbers of children going into care. However, the cost of placements remained an issue and the Trust was looking at a proactive plan regarding placements.

In relation to a question regarding service provision overall, the Leader stated that residents can be assured that we will still be providing services going forward and that our ambitions to grow the district and create jobs remained a priority. The Strategic Director Place added that Bradford's contribution to the wider prosperity of the country were important, with our ambitions for rail and development of mass transit in the region providing us with huge growth potentials going forward.

Resolved –

That the Committee considered the report and thanked officers for their attendance.

To be actioned by – Strategic Director for Corporate Resources.

67. WORK PROGRAMME

The Chair of the Corporate Overview & Scrutiny Committee submitted a report (**Document “AF”**) which included the Corporate Overview and Scrutiny Committee work programme for 2023/24, which are attached as appendix 1 to Document “AF”.

Resolved –

That the Committee discussed and amended the work programme.

To be actioned by: Overview and Scrutiny Lead

Chair

Note: These minutes are subject to approval as a correct record at the next meeting of the Corporate Overview and Scrutiny Committee.

THIS AGENDA AND ACCOMPANYING DOCUMENTS HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER