

Minutes of a meeting of the Corporate Overview and Scrutiny Committee held on Thursday, 2 February 2017 at Committee Room 1 - City Hall, Bradford

Commenced 5.30 pm
Concluded 7.35 pm

Present – Councillors

CONSERVATIVE	LABOUR	LIBERAL DEMOCRAT
BM Smith Rickard Cooke	Arshad Hussain Warburton Green Watson Bacon	J Sunderland

Observers: Councillors Hinchcliffe and V Slater

Councillor Arshad Hussain in the Chair

84. DISCLOSURES OF INTEREST

The following disclosures of interest were received in the interest of clarity:

- (i) Councillor Bacon disclosed an interest in the item relating to the Qtr 3 Financial Position Statement (Minute 88) as she was member of a Trade Union.
- (ii) Councillor Sunderland disclosed an interest in the item relating to the Poverty Strategy (Minute 89) and she was actively involved in a number of poverty related activities in the community.

ACTION: *City Solicitor*



85. MINUTES

Resolved –

That the minutes of the meetings held on 5 and 11 January 2017 be signed as a correct record.

86. INSPECTION OF REPORTS AND BACKGROUND PAPERS

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

87. REFERRALS TO THE OVERVIEW AND SCRUTINY COMMITTEE

There were no referrals made to the Committee.

88. QTR 3 FINANCIAL POSITION STATEMENT FOR 2016-17

The report of the Director of Corporate Services (**Document “AK”**) provided Members with an overview of the forecast financial position of the Council for 2016-17.

It examined the latest spend against revenue and capital budgets and forecasted the financial position at the year end. It stated the Council's current balances and reserves and forecasted school balances for the year. The report was also being considered by the Executive at its meeting on 7 February 2017.

The Strategic Director Corporate Services gave a synopsis of the main financial messages arising from the report:

- That the Council was forecasting that spend would be £0.2m above the approved budget of £378.1m. This represented a £5.8m improvement from the forecast position reported at the Quarter 2 stage, this was mainly due to a £2m improvement on central budgets.
- a 2.0m reduction in the Health and Wellbeing services forecast overspend to £3.2m, due to a £0.8m improvement in Purchase Care, a £0.7 utilisation of non recurrent funding and £0.5m of further underspends across the department.
- A £0.6m increase in the Department of Finance underspend to £1.2m, due mostly to further reductions in IT costs following the end of the IBM contract.
- A further £1.2m of smaller scale improvements shared across Human



Resources, Children's Services, Regeneration and non service.

- At the 31st December 2016 allocated and unallocated reserves stood at £150.4m of which £116.6m related to the Council and £33.8m related to Schools.
- During the financial year there had been a net reduction in total reserves of £17.3m, including £11.4m of reserves to support the budget.
- Unallocated reserves currently stood at £13.8m as a contingency reserve.
- Regarding Capital Expenditure, the position for the Capital Investment Plan stood at £80.2m.
- Regarding Council Tax collection rates, these were higher than the forecasted amount, however in relation to Business Rates the position was less favourable with a projected shortfall of £5.8m, mainly caused by the impact of successful appeals.

During the discussion Members asked a number of questions, the questions together with the responses are detailed below. Strategic Directors and Assistant Directors were also present at the meeting to respond to service specific budget issues that were raised.

A Member ascertained how the Council dealt with the rolling over of loans and interest rates; and spending below its budgeted forecast and not borrowing. In addition he asked how the balance in capital spending was regulated. He also requested that a briefing note be provided to Members which set out how the capital account worked and its impact on the revenue account.

In response the Strategic Director Corporate Services stressed that a number of factors would impact on the revenue budget, so reported savings compared to the forecast spend was partly due to the lower than planned capital expenditure and lower interest rate loans. Whether this would be repeated next year was difficult to predict, however the capital plan was generally quite ambitious and capital schemes were normally delivered slower than planned, which assisted the revenue budget.

A Member asked for a laymen's interpretation of allocated and unallocated reserves, and a definition of when the Council would fail to deliver services, due to the inadequacy of the reserves.

In response the Strategic Director Corporate Services stated that allocated reserves were reserves earmarked for a specific purpose or set aside for a known future liability. In addition it referred to money that had been set aside but not fully committed to spend or generated revenue retained by the Service. He added that unallocated reserves referred to money that was held in contingency and would be used for specific purposes and that £62m of unallocated reserves had been used this year.



In terms of the adequacy of the Council's finances, the Strategic Director explained that in his Section 151 report to the Executive and Council budget setting process, he would set out the deliverability of the budget and the adequacy of the reserves, and therefore an assessment was made at that stage.

In response to a question on Section 106 contributions and how this was reflected in the position statement, the Strategic Director explained that Section 106 contributions would normally show up in the capital expenditure part of a scheme development.

In relation to a question regarding Business Rates / Council Tax collection rates target, the Strategic Director explained that in terms of Business Rates, there was a projected deficit of £5.8m this year and in this context, in future years a lower collection rate was being forecasted.

In response to a question relating to earmarked reserves and estimating the cost of providing services, the Strategic Director explained that in designating reserves, an estimate was made of what the amount should be and assumptions were made regarding volatility, time to implement and liability. However departments were constantly challenged on the level of their reserves and whether the spend was still needed.

In response to a question relating to the cost of providing Local Authority adult social care compared to the private sector, it was pointed out that this data was available and could be disseminated, albeit to say that in overall terms the cost of local authority care was higher.

In response, a Member stated that in making this comparison, it was important to fully understand the significant pension contribution the Council had to make.

In response to a question regarding the cost of adult social care, the Strategic Director Adults explained that significant savings had been made in the budget and that this should be seen in the context of additional demands placed on the Service, however the Service was now much better equipped in managing early intervention, which was resulting in more timely and appropriate help being offered. The Service was also going through a big transformational change programme, where a number of services were being re profiled, with an emphasis on providing more at home care as appose to long term residential care.

In response to a question regarding the support the Council could offer to private residential homes in order to ensure that they did not fail there inspection. The Strategic Director highlighted that there was already a good working relationship with a number of homes in the district and that most homes offered a good standard of care. In addition the Care Quality Commission Registrations showed significant improvements across the sector.



A Member suggested that a breakdown of the unit costs associated with the different aspects of care would give Members a better breakdown and understanding of the Adult Social Care budget.

In relation the Children's Services and Looked After Children a Member ascertained how many children were placed outside of the district due to capacity issues with the district. The Assistant Director Social Care acknowledged that there were approximately 20 or so children that were placed outside of the district, however placements were regularly reviewed to ensure they were appropriately placed and although there were significant costs associated with placing a child outside the district, this was a national issue and specialist care came at a significant additional cost to the Authority.

Resolved –

- (1) That the Strategic Director Corporate Services and officers from the respective service areas be thanked for providing detailed responses to Members' questions.**
- (2) That this Committee requests that the impact of funding of the Pension Fund on the Councils budgets be considered at a future meeting.**

ACTION: Strategic Director Corporate Services.

89. BRADFORD POVERTY SCRUTINY REVIEW AND CORPORATE OVERVIEW AND SCRUTINY COMMITTEE RECOMMENDATIONS PROGRESS REPORT

The Strategic Director Place submitted a report (**Document "AL"**) which provided a progress update on implementation of the recommendations made by this Committee on the 29 June 2016 and Executive on the 19 July 2016, that followed the Bradford Poverty Scrutiny Review.

During the discussion a Member ascertained what additional work was being undertaken to alleviate food poverty in the district. In response the Assistant Director stated that better coordination was taking place between food banks and in particular he commended the work of Inn Churches.

The Chair welcomed the work that had taken place since this Committee had undertaken the Scrutiny Review and he ascertained what the time frame was in devising the Poverty Strategy. In response the Assistant Director stated that the Strategy should be ready by July 2017. In addition the framework was set out in Appendix 3 of the report and stressed that there was a lot of poverty related activity that had taken place, which needed bringing together in one coherent plan.

A Member stated that although there were a lot of activities taking place, there was little in the way of quantifiable data in the report which would help to analyse



and quantify the work being undertaken.

A Member stressed that a particular group of concern were the 18-24 young single men, and some information around this cohort would be useful.

Resolved –

That this Committee requests that the Poverty Strategy be presented to this Committee, which also includes quantifiable data that analyses the impact of the activities that are being undertaken as part of the Strategy.

ACTION: Strategic Director Place

90. DISCRETIONARY PAYMENTS

The Assistant Director Revenues, Benefits and Payroll submitted a report (**Document “AM”**) which provided an update on the support provided by the Council, to financially vulnerable residents, through the Discretionary Housing Payments (DHP) scheme and the Assisted Purchase Scheme (APS) during the period 1 April 2016 to 31 December 2016.

In explaining the schemes, the Assistant Director stated that a report on DHP will be considered by the Executive in March and he requested the Committee's views on how the scheme could be shaped in the future.

During the discussion the Chair ascertained what engagement work had been undertaken with landlords regarding DHP. In response the Assistant Director stated that some work had been done with the Housing Options team as well as using our own systems to try get landlords on board, however there were some real difficulties engaging with private landlords, which were historical in nature.

In relation to a question on the process of dealing with claimants, the Assistant Director stated that this was partly a reflection on how applications were now processed, and if applicants failed to submit information within a specific timescale then the award would be automatically rejected. However if they resubmitted the requested information, the application would be looked at afresh.

A number of Members expressed their concern at the lack of accommodation for single people and the lack of training and job opportunities for this cohort. The Assistant Director acknowledged the comments made and suggested that the DHP scheme could be modified to extend help to the under 35s on the proviso they engage with agencies in finding suitable training / employment.

Resolved –

That a report on Discretionary Payments be submitted to this Committee in 12 months time.

ACTION: Assistant Director Revenues, Benefits and Payroll



91. CORPORATE OVERVIEW AND SCRUTINY COMMITTEE - WORK PROGRAMME 2016/17

The Chair of the Corporate Overview and Scrutiny Committee submitted a report (**Document “AN”**) which set out the Corporate Overview and Scrutiny Committee work programme for 2016/17.

Resolved –

That the work programme 2016-17 continues to be reviewed regularly during the remainder of this Municipal Year.

ACTION: 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.

THESE MINUTES HAVE BEEN PRODUCED, WHEREVER POSSIBLE, ON RECYCLED PAPER

