

OVERVIEW AND SCRUTINY BOARD

1 November 2017

PRESENT: Councillors Jolley (in the chair), Bellamy, Brocklehurst, Lewis, Morris, Ord and King

Councillors Boshell – Statutory Deputy City Mayor
Councillor Hinds – Lead Member for Finance and Support Services

OFFICERS: Debbie Brown – Director of Service Reform
Joanne Hardman – Chief Finance Officer
Steven Fry – Project Delivery Lead
Tony Thompstone – Finance Manager
Karen Lucas – Principal Democratic Services Advisor

1. APOLOGIES FOR ABSENCE

Apologies for absence were submitted on behalf of Councillors Barnes, Clarkson, Mullen and Turner.

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. TRANSFORMATION PROGRAMME UPDATE.

Councillor Boshell, Debbie Brown and Steven Fry attended the meeting to provide members of the Board with an update on the progress of the Transformation Programme.

The presentation provided an overview on progress of the individual projects – Customer Business Model, Integrated Place, and Commissioning & Procurement, what is being delivered in terms of change and organisational development and information on the financial outlook of the programme, as well as key milestones.

Members were informed that the programme continues to report to the City Mayor's Budget Briefing with regular updates submitted to Councillor Boshell as Executive Lead and Cabinet Briefing.

Customer business model - the shift to digital:

Debbie reported that customer interaction is gradually moving to digital channels as quicker, easier and better solutions are being developed and rolled out, details of the individual projects are detailed in the presentation.

Integrated Place:

The original proposition was largely focussed on reforming neighbourhood management arrangements with partners and other council services at a local level. However, this was overtaken and influenced by developments at GM and the maturing devolution agenda which led to a change of direction. A GM work stream has established a new model of integrated working at a neighbourhood/place level using whole system methodology.

Procurement and Commissioning:

This saving target was predicated on improved category management and contract management rather than any significant transformation.

Debbie informed members of the 'Salford Shapers' who test new online forms that the council are developing or to give their views on web content to see if things make sense before they go live, this then enables the council to make online services as simple and straightforward to use as possible.

<https://yourzone.salford.gov.uk/social-zone/get-involved/shaping-our-city/>

The presentation prompted the following observations from members of the:-

- Suggested introduction of an App to enable people to book and pay for extra collections of waste;
- The importance of carrying out customer satisfaction surveys to provide quality data going forward.

Councillor Jolley asked for the following:

- Analysis in regard to the contact centres performance for call waiting times;
- Aggregated budget figures in future reports;
- Member training to encourage own reporting.

RESOLVED: THAT, Councillors Boshell, Debbie and Steven was thanked for addressing the Board.

4. TREASURY MANAGEMENT STRATEGY MID YEAR REVIEW 2017/18

Councillor Hinds, Joanne Hardman and Tony Thompstone attended the meeting to provide members with an overview of the Mid Year Review prior to submission to Full Council on 15th November.

This mid year report has been prepared in compliance with CIPFA's Code of Practice, and covers the following which are discussed in more detail in the report submitted:

- Economic update and interest rates - growth in the first half of 2017 was the slowest for the first half of any year since 2012;
- Treasury Management Strategy Statement and Annual Investment Strategy update
- The Council's Capital Position (Prudential Indicators) - The forecast Capital Financing requirement has increased from the original estimate due to the forecast increase in capital expenditure to be financed by borrowing;
- Investment Portfolio 2017/18 - in accordance with the Code, it is the Council's priority to ensure security of capital and liquidity, and to obtain an appropriate level of return which is consistent with the Council's risk appetite;
- Borrowing - the Council's capital financing requirement (CFR) for 2017/18 is £667.3m;
- Debt rescheduling - no debt rescheduling has been undertaken to date in the current financial year.

RESOLVED: THAT, the report be commended for consideration at the next meeting of full Council.

5. 2018/19 REVENUE BUDGET UPDATE.

Councillor Hinds explained that the estimated funding gap is continually updated to reflect revised funding and expenditure assumptions. Current working assumptions reflect an

increase in the funding gap in future years due to budget pressures being experienced in 2017/18.

Members were informed that Service Groups continue to identify mitigating actions and refine assumptions regarding the underlying budget pressures that will need to be included within budget projections.

Joanne Hardman informed members that the process for setting the 2018/19 budget will be similar to previous years and will include:-

- Consideration of existing budget pressures and mitigations;
- Development of savings proposals by service groups supported by detailed proformas to identify impacts;
- Consideration of the potential use of any reserves and balances to provide short term support to the revenue budget;
- Creation of a savings tracker;
- Setting the capital programme including the impact upon the revenue budget.

The timescale for the budget process is detailed within the report and includes a report to Overview and Scrutiny on 7 February 2018 to cover:-

- Spending requirement;
- Resources;
- Financial settlement;
- Savings proposals.

Executive Members and directors to be invited to present their service group proposals.

Joanne informed members of the Technical Consultation by Government for the 2018/19 financial settlement which ends on 26 October 2017. The consultation includes a number of issues and invites responses from interested parties. The main headlines of the consultation are set out in the report submitted.

A response is being prepared on behalf of the City Council with the government's response being set out in the provisional settlement later this year.

From 2018-19 elected Combined Authority mayors can raise additional resources through a precept (or additional charge) on local council tax bills, unless an Order is made that prevents them from doing so.

In response to questions from members; officer confirmed that the precept may only be set with the agreement of the Combined Authority.

The report prompted a number of questions and observations from members of the board:

- The impact from the reforms to the New Homes Bonus and loss of monies;
- Concerns in regard to the significant budget pressures on Children's Services;
- Clarification from Councillor Hinds that the Better Care Funding was a three year allocation, in which the council are in the first year.

RESOLVED: THAT, the Board will receive details on the development of the 3 year budget at the meeting scheduled in December.

6. MINUTES OF THE MEETING HELD ON 4 OCTOBER 2017

RESOLVED: THAT, the minutes of the meeting held on 4 October be approved as a correct record.

7. MATTERS ARISING FROM PREVIOUS MEETINGS

02 August 2017 – Minute 3, page 2 *Business Rates Pilot* - it was noted that examples to aid members' understanding of the pilot had not yet been provided and it was agreed that this should be followed up. Information requested from officers.

06 September 2017 - Minute 3, pages 2-3 *Update on Greater Manchester Combined Authority* – it was noted that the information requested had not yet been provided and it was agreed that this should be followed up, along with a request for greater clarification of the GM Mayor's powers in relation to Compulsory Purchase Orders. Information requested from officers.

8. OVERVIEW AND SCRUTINY BOARD WORK PROGRAMME

The board noted the work programme as presented.

In relation to the Workforce Strategy spotlight review, a further meeting be scheduled for the sub group.

RESOLVED, THAT, the work programme be noted as presented.

9. ANY OTHER BUSINESS

There were no items of any other business.