

## CORPORATE SERVICES OVERVIEW AND SCRUTINY PANEL

TUESDAY, 12 FEBRUARY 2019

PRESENT: Councillors David Burbage (Chairman), Mohammed Ilyas, Eileen Quick, Lynne Jones and Julian Sharpe

Also in attendance: Councillors MJ Saunders and Edward Wilson

Officers: Russell O'Keefe, Andy Jeffs, Duncan Sharkey, Rob Stubbs, Ruth Watkins, Kevin McDaniel and David Cook.

### APOLOGIES

Apologies for absence were received by Cllr L Evans and Cllr Brimacombe. Cllr Jones attended as a substitute for Cllr Brimacombe.

### DECLARATIONS OF INTEREST

There were no declarations of interest received.

### MINUTES

The Part I minutes of the meetings held on 23 October 2018 and 20 November 2018 were approved as a true and correct record.

### TREASURY MANAGEMENT

The Lead Member for Finance and Economic Development introduced the report that contained the 2019/20 the Treasury Management Strategy 2019/20 and also provided a summary of treasury activity in 2017/18.

The Lead Member informed that Cabinet had approved that Council adopts the new strategy that showed how the Council prudently, efficiently and effectively managed its finances in accordance with legislation. Although Cabinet had already approved the report the Panel could still 'call it in' if they had any concerns.

The Panel were informed that paragraph 4.6 of the report showed that investment return for 2017/18 was 0.61% compared to the benchmark of 0.60%. At the end of the financial year 2017/18 the Council borrowed £20,000,000 in the short term with this being repaid in full by the 1st May 2018.

The Chairman mentioned that this was a straight forward report showing that the council properly handled treasury management.

Cllr Clark questioned why the authority continued to carry borrowing when the reserves were above the recommended level.

The Lead Member informed that long term external borrowing was £57,049,000 with an average interest rate of 4.97% that had been inherited and carried for the past 12 years. The authority continued to monitor if it was prudent to continue to carry on repayments above current inflation levels or repay early with associated penalties.

**Resolved unanimously: that the Panel endorsed the recommendations contained within the report.**

## BUDGET REPORT 2019/20

The Lead Member for Finance and Economic Development introduced the proposed 2019/20 budget report and informed that Cabinet had approved the budget and recommended it to Council.

The Panel were informed that since their agenda pack had been issued there had been further additions and amendments to the budget report. It was recommended that £50k be made available to the Eton information centre, £132k for CCTV replacement including Oaken Grove and £4.5m to cover the costs of purchasing waste vehicles as part of the upcoming waste contract procurement decision. In response to a question from the Chairman it was noted that the contract was for 8 years and was due to start in October 2019.

Cllr Jones mentioned that there was a lot of planned capital expenditure and wondered how this was to be paid for over the coming years. The Panel were informed that there was a number of infrastructure projects that were required to support the emerging BLP and regeneration projects. The assumption was that we would be spending £75m above that what we receive from central government. The income generated from the four joint venture sites exceeded planned expenditure and the council if it wished could be debt free.

The Chairman asked if this Panel was the last one to review the report as he had not seen any comments from the other Panels. He was informed that this was the last Panel to review the report and that there had been no objections raised by any of the other Panels with them all endorsing the report. Cllr Da Costa and Cllr Stretton both abstained from voting at their respected Panels. Cllr Werner had mentioned that the administration had not met its manifesto commitments regarding community wardens and had requested CCTV in Oaken Grove, which had subsequently been added to the budget.

The Chairman asked about the predicted outturn position and was informed that there had been a reduction in the predicted general fund due to £700k redundancy costs. The reserve balance remained healthy at £8.2m.

The Chairman asked why council tax had been set at 2.99%. The Lead Member informed that this was the maximum that could be set without requiring a public referendum and he doubted that residents would vote for increased taxation. It was also prudent to look at the medium term outlook as pressures would continue and it was not known how business rates retention would be allocated. It was also prudent to prepare for against a national backdrop of continuing political uncertainty, including the impact of Brexit, and demand and costs of social care in both adults and children's services.

The Chairman asked that if there was no cap what level of council tax would have been set. The Panel were informed that there was collective collaboration at Cabinet and this was a question that had not been asked. The £3.5m being added to reserves was prudent and he did not think there would be a need to increase it above 2.9%.

Cllr E Wilson asked if the Lead Member was happy with the level of reserves built on uncertainty rather than risk. The Lead Member replied he was.

The Chairman asked if the increased reserves was within the rules or if a new policy was needed.

Cllr Sharpe asked about the schools budget and if it was sufficient. The Panel were informed that 24 months ago it became clear that SEN were becoming more demanding and as a consequence the Schools Forum set about trying to reduce the pressure that was being felt nationally. There was mixed success and the forum had money to initiate work to reduce the high needs deficit. The local authority remained the back stop for the deficit but so far the risk was small.

The Chairman asked if we were being complacent allowing schools to run up a deficit. The Director for Children's Services informed that there was only one school with a deficit and they had a five year recovery plan in place that was monitored every term. It was also noted that all secondary schools were academies and thus they were responsible for their budgets.

Cllr Ilyas mentioned that the majority of schools were either good or outstanding and asked if there was provision in the budget to maintain this. The Panel were informed that there was a school expansion programme in place and the Schools Forum had agreed a growth fund to cover the delay in government funding when a school takes on additional pupils. With nine out of ten schools be good or outstanding results in more funds being available to support the schools requiring improvement.

Cllr Sharpe asked about the provision of affordable housing for teachers and was informed that affordable housing was available for key workers and that there was mixed tenure. The biggest demand for affordable housing from teachers was not newly qualified but in the medium term. Every new development using RBWM property was providing affordable housing.

The Chairman thanked the Lead Member and officers for producing the budget that was under inflation.

**Resolved that: the Corporate Services O&S Panel endorsed the report going to Council. The Panel requested clarification regarding the regulations / policy on increasing council reserves and if part of the increase was due to an Brexit risk or assumption. (Cllr Jones abstained from voting)**

LOCAL GOVERNMENT ACT 1972 - EXCLUSION OF THE PUBLIC

**RESOLVED UNANIMOUSLY: That under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the remainder of the meeting whilst discussion takes place on the grounds that they involve the likely disclosure of exempt information as defined in Paragraphs 1-7 of part I of Schedule 12A of the Act.**

The meeting, which began at 6.30 pm, finished at 8.55 pm

CHAIRMAN.....

DATE.....