

STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

21 NOVEMBER 2019

PRESENT:

Councillors A Little (Chairman), Norman (Vice-Chair), Ball, Banevicius, Grange, Greatorex, Spruce, Warfield, White and S Wilcox.

(In accordance with Council Procedure Rule No.17 Councillors attended the meeting).

21 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Checkland and Matthews

22 DECLARATIONS OF INTEREST

There were no declarations of interests.

23 MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were signed as a correct record.

24 WORK PROGRAMME

The Committee noted the work programme and reference was made to the discussions at the O&S Coordinating Group. It was noted that it was suggested to have an item on communications however it was agreed that as this had been considered recently, it was not required and for the Overview & Scrutiny Officer to send the report to the Committee for information.

RESOLVED: That the work programme be noted.

25 DRAFT MEDIUM TERM FINANCIAL STRATEGY 2019-2024

The Committee received a report on the draft Medium Term Financial Strategy (MTFS) for 2019-2024 which took into account the reports that had been approved at Cabinet and Council updating it. It was reported that there would be a consultation on the MTFS however this had been moved back to the General Election. The Cabinet Member for Finance and Procurement wished to record his thanks to the Head of Service and the Finance team for their work in producing the new MTFS.

The Cabinet Member then reported that it was a safety first budget but not a stand still one and that there was uncertainty after 2020-21. He reported that the final government settlement may not be known until after the Election but he would notify Members of it when received.

The Head of Finance and Procurement then gave a presentation giving further details on the balance of funding Local Government Finance reforms, revenue budget variations and Capital bids and a longer projection beyond the period of the MTFS.

The Institute of Financial Studies report on English Local Government Funding was released on 13th November 2019 and it was reported that Council Tax made up almost 50% of revenue

and Business Rates accounted for 30%. It was noted that the IFS report stated that the majority of Local Government would come from these sources from 2021/22 but would not be able to keep pace with rising demands and costs.

It was then reported that there had been a delay for New Homes Bonus and Business Rates/ Fair Funding and the Head of Service presented some scenarios regarding the Fair Funding Review and the impact on the budget if Car Parking income were to be included.

It was then confirmed that looking beyond the current MTFS, the gap between expenditure and funding continues to increase and needs addressing.

The Chairman then invited questions from the Committee and summarised that there were four major threats in the MTFS which were

- Pressure of Friary Grange Leisure Centre/new Leisure Centre and sinking funds
- Fair Funding Review (including the risk car parking income forms part of the review)
- Property Investment Strategy
- Housing Growth

It was confirmed that the Property Investment Strategy was for acquisition only and the property company was for residential development. It was noted that a review of the Property Investment Strategy would be forthcoming the Committee in the near

The Committee felt the Council was in the same position that it was last year with only one year settlement known so focus should be on the year 2020/21 when there would be no funding and the position of the New Homes Bonus and Business Rates were unknown and could affect the budget greatly. It was felt that there could be some difficult choices of what services could be delivered and whether those discussions would come to O&S first. It was noted that these choices were very much unknown at this time. It was also noted that any transitional period of the fair funding review was not yet known which would make any forecast different.

It was asked what response to consultations had been made and it was reported that along with other Local Authorities, it was been requested that the ability to locally set Council Tax be considered with scrutiny of those decisions being through local elections. The Committee noted the response but also felt that the responsibility to fund statutory services was that of central government and they could lose the sense of that requirement if they knew Councils could raise what funding they wished to. It was noted however that there were other routes that could be investigated including raising council tax bases over a number of years.

Officer wages were then discussed and it was asked what the impact would be if unions had their wish and there was a 10% raise over the forecasted 2%. It was reported that most councils were budgeting for 2% increases and more than this would have an effect without government funding.

It was requested that more information be included in future to include information on mitigation. It was agreed to send the report on Risks that was considered at Audit and Member Standards Committee to this Committee for information.

Members were pleased to see the Capital Bid forms included in the report and comments were made that there may be need for separate moderation as it was the Officers making the bid also making the score. It was noted that this had already been raised and would be considered further.

There was disappointment that there was not much in the Capital Programme that focused on the Burntwood area however if was reported that any suggestions would be welcomed.

RESOLVED: 1) That the contents of the Draft MTFS and the timetable for its further development be noted; and

2) That the views given by the Committee be considered as part of its development.

26 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That, as publicity would be prejudicial to public interest by reason of the confidential nature of the business to be transacted the public and press be excluded from the meeting for the following items of business which would involve the likely disclosure of exempt information as defined in **Paragraph 3 of Part 1 of Schedule 12A** of the Local Government Act 1972 as amended.

IN PRIVATE

27 FIT FOR THE FUTURE: FUNDAMENTAL REVIEW OF THE REVENUES AND BENEFITS SERVICE

This item was confidential and considered in private.

28 COMMERCIAL PROPERTY ACQUISITION - IRPL

This item was confidential and considered in private.

(The Meeting closed at 7.50 pm)

CHAIRMAN