

# STRATEGIC (OVERVIEW AND SCRUTINY) COMMITTEE

29 JANUARY 2019

## PRESENT:

Councillors Strachan (Chairman), Mrs Woodward (Vice-Chair), Mrs Barnett (Vice-Chair), Mrs Evans, Greatorex, Powell, Rayner and Tittley.

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

## 25 APOLOGIES FOR ABSENCE

Apologies were received from Councillors Constable, Smith and White

## 26 THANKS TO OUTGOING COMMITTEE MEMBERS

As it was the last meeting of the municipal year and current Council, the Chairman wished to thank Members that would not be standing for re election for all their hard work and input to the Committee over the past council cycle.

Thanks were also given to the Chairman and Vice-Chairmen for their work over the past year.

## 27 DECLARATIONS OF INTEREST

There were no declarations of interests.

## 28 MINUTES OF THE PREVIOUS MEETING

The minutes of the last meeting were circulated and it was noted that regarding Capital projects, there was discussions around works to parks and housing as specific items.

**RESOLVED:** That the minutes of the previous meeting be signed as a correct record.

## 29 WORK PROGRAMME

The work programme was reported and it was confirmed that briefing papers had been received and noted by the Committee.

**RESOLVED:** That the work programme be noted.

## 30 MEDIUM TERM FINANCIAL STRATEGY (REVENUE AND CAPITAL) 2018-23 (MTFS)

The Committee received a report on the Medium Term Financial Strategy (MTFS) for the period 2018-23. It was reported that there was a statutory duty to set a balanced budget and to calculate the level of Council Tax for the district. It was also reported that the Chief Finance Officer (Head of Finance & Procurement) had a duty to ensure all figures provided for estimating and financial planning were robust and stand up to Audit scrutiny.

The Committee received a presentation from the Head of Finance & Procurement and he began by reporting to Members that the provisional Local Government Finance Settlement for 2019/20 had been received and with the elements of the removal of the negative revenue

support grant, additional New Homes Bonus, the successful application for a Business Rates pilot and additional grants, the budget would be balanced for 19/20 with a small transfer to General Reserves. It was reported that in terms of risk and uncertainty, both 18/19 and 19/20 were assessed as low but 2020/21 to 2022/23 were assessed as high because the Government was undertaking in 2020/21 major reviews of income streams related to Business Rates, Fair Funding and New Homes Bonus.

The Budget consultation was discussed and it was reported that there had been 340 responses received which was over double the amount from the 2017 consultation. It was reported that there was a legal duty to consult annually on the Council's Medium Term Financial Strategy and Officers were still considering the most appropriate means to engage with Council Taxpayers. The Committee felt that it was a high level of response for a consultation and it was asked what value had been put on the responses received. It was reported that the percentage response rate for the district was 0.75% of the number of Council taxpayers and although taken into account, the consultation findings were not the only strand of evidence used when formulating the MTFS. The Committee felt that although the response rate was deemed low, it was high for a local level consultation and showed consistent themes when considered against other consultations

Post 2020 scenarios were given regarding Business Rates and New Homes Bonus and it was noted that NHB had been gradually removed from the base budget to be prepared for the risk of its reform or it ceasing. It was also reported that it had been assumed in financial modelling projections that Council Tax would be increased by the maximum amount allowable without a referendum each year.

The Capital Strategy was reported and it was noted that capital expenditure had slipped due because more time was needed to launch the Property Investment Strategy and, in particular to ensure there was sufficient capacity, appropriate expertise and firm governance arrangements being established. It was then reported that there could be an opportunity to borrow some of the required funds internally. It was reported that this would be a lower cost option, reduce investment risk because there would be lower investment levels and would allow in the event of 'windfall' income early repayment without penalties. It was noted that a second opinion for this option would be sought from the Treasury Management Advisors Arlingclose. The Committee were in agreement with this idea and wished to limit the exposure to external borrowing and the associated risks. There was some concern regarding proceeding with strategy in the current climate and it was reported that there had been and continued research undertaken to monitor property prices and due diligence would be carried out. It was also reported that different sectors would be considered and this diversity in the portfolio would be used to manage risk.

Continuing the discussion regarding the Capital Strategy, it was raised that there was still an inequity across the district. It was reported that a meeting with Burntwood members and the Leader and Deputy Leader of the Council had taken place however there did not seem to be no evidence of extra investment in Burntwood from the Council. Some frustration was expressed that there would still be funding for the Garrick Theatre and for enabling works at the Birmingham Road Site (BRS). It was reported that projects for the Burntwood area would be forthcoming in the future.

BRS was considered further and it was reported that funding for the enabling works would be funded from the earmarked reserve that were still in place following the decision not to fund the Friarsgate Scheme. These reserves had been put in place to cover any short term revenue implications during construction such as loss of car parking and therefore because this risk no longer existed they were available to fund these works. When asked, it was confirmed that no long term budgets had been allocated to the project as it was unknown what the scheme could look like or how it would be delivered until the masterplanning stage had been completed however this would be updated as soon as practicable.

The Committee thanked the Finance and Procurement Team for all their hard work and believed that it was a difficult environment for Officers to plan in with all the uncertainties.

- RESOLVED:**
- 1) That the 2019/20 Revenue Budget, including the Amount to be met from Government Grants and Local Taxpayers of £11,371,400 and proposed level of Council Tax (the District element) for 2019/20 of £175.07 (an increase of £5.8 or 2.99%) for Band D equivalent property be noted;
  - 2) That the MTFS 2018-23 Revenue Budgets be noted;
  - 3) That the MTFS 2018-23 Capital Strategy and Capital Programme be noted;
  - 4) That the requirements and duties that the Local Government Act 2003 places on the Authority on how it sets and monitors its Budgets, including the Chief Finance Officer's report on the robustness of the Budget and adequacy of Reserves be noted.

### **31 COMMUNICATIONS ACTIVITY REPORT**

Members received a report on information requested by the Committee regarding the council's communication activity. It was reported that there was a small team doing both internal and external communications. It was reported that this included the website which was the only borough or district council in the area to receive 4 stars by Better Connected and had done for the past three years. It was then reported that the corporate print contract was reducing year on year and many aspects would soon be going paperless including Committee papers. It was noted that all current printing contracts were subject to a Fit for the Future review.

It was noted that communication routes had been explored and discussed with a focus group and this feedback gave no clear preferences for any specific channels as it was felt a broad range of communications would reach different groups.

The makeup of participants was varied for this qualitative research, reflecting the wide customer demographic that the council has. It was noted that the focus group gave more a qualitative source of feedback than with a full consultation exercise. It was discussed how best to reach the rural areas especially the older generations in these areas and it was reported that it was difficult and print media was not widely available as there were not the distributors of papers or the properties were not always accessible. It was suggested that Parish newsletters be utilised to help with this issue and it was noted that information was being passed to Clerks however it would be helpful to have editor contact details given to the Communications team for inclusion in distribution lists.

Members asked how value for money was being measured and it was reported that it was considered against take up on services for example, green waste subscription. It was also reported that benchmarking of the size of the team and the level of communications activity had been carried out against neighbouring local authorities. It was reported that it was clear that it was deemed favourable taking into account the size of department.

Tourism and communications was discussed and it was reported that following the management restructure in 2016, the tourism service was now part of Economic Growth rather than being combined with corporate communications, however the two teams still worked closely together on design to aid branding and marketing. Members had some concern that there was no longer a synergy between the two areas as one of the biggest areas for publications was for tourism materials.

Members expressed concern at the relaxed language used on some social media platforms and requested that this be considered further and all views be represented when engaging via

these means. It was also requested that demographic details be reported when reporting consultation responses.

Opt-In communications were discussed and it was reported that this was being explored however GDPR implications needed to be considered and it made clear how personal information would be used. It was suggested and agreed that the Innovation Task Group look at this in greater detail.

**RESOLVED:** That the report be noted.

(The Meeting closed at 8.10 pm)

CHAIRMAN