

OVERVIEW AND SCRUTINY PERFORMANCE AND VALUE FOR MONEY

SELECT COMMITTEE

09/01/2020 at 6.00 pm



Present: Councillor Ahmad (Chair)
Councillors Stretton, Williamson, Byrne and Hulme

Also in Attendance:

Mark Stenson	Head of Corporate Governance
Mark Hardman	Constitutional Services
Craig Dale (item 8)	Head of Operational services and Transportation
Anne Ryans (items 9 and 10)	Director of Finance
Andy Cooper (items 9 and 10)	Senior Finance Manager
Peter Wood (item 11)	Head of Strategic Estates and Facilities Management
Bryn Cooke (item 12)	Head of Strategic Housing and Property Partnerships

1 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Haque and Phythian.

2 URGENT BUSINESS

There were no items of urgent business received.

3 DECLARATIONS OF INTEREST

There were no declarations of interest received.

4 PUBLIC QUESTION TIME

There had been no public questions received for consideration at this meeting.

5 MINUTES OF THE LAST MEETING

RESOLVED – that the minutes of the meeting of the Overview and Scrutiny Performance and Value for Money Overview and Scrutiny Committee held on 7th November 2019 be approved as a correct record.

6 MINUTES OF THE OVERVIEW AND SCRUTINY BOARD

RESOLVED – that the minutes of the meeting of the Overview and Scrutiny Board held on 22nd October 2019 be noted.

GREATER MANCHESTER COMBINED AUTHORITY HOUSING, PLANNING AND ENVIRONMENT OVERVIEW AND SCRUTINY COMMITTEE

RESOLVED – that the minutes of the meeting of the Greater Manchester Combined Authority Housing, Planning and Environment Overview and Scrutiny Committee held on 14th November 2019 be noted.

WASTE MANAGEMENT POSITION STATEMENT, INCLUDING RECYCLING

Further to considerations relating to recycling and to the waste levy at meetings of the Select Committee held on 5th February and 7th November 2019 respectively, the Select Committee received a position statement with regard to waste management issues. The position statement built on the content of the Waste Management Strategy 2013/14 and considered the importance of balancing performance (recycling rates) and cost avoidance (revenue and disposal budgets) moving forward.

Three basic indicators, all of which were linked, could be used to judge Waste Management Service (WMS) performance:-

- operational performance – WMS had made significant operational efficiency savings by changing to a 2-weekly and then a 3-weekly collection system, with a weekly collection of food and garden waste, across Oldham. This provided the optimal way (in terms of recycling performance and operational efficiency) to collect waste;
- disposal performance – changes to waste collection systems had also produced significant cost saving in the disposal budget as residents managed their waste more efficiently and made better use of recycling services. The household recycling rate (HRR) had improved from 38.88% to 44.65% over four years to 2018/19, a performance considered good when comparing Oldham's socio-economic position to other authorities; and
- environmental performance – efficiency savings had been made, with collection rounds at full capacity and the fleet including the cleanest and most fuel efficient vehicles available and, across Greater Manchester, a target of 96% of Greater Manchester's waste being diverted from landfill through a variety of means.

The position statement also made a SWOT – strengths, weaknesses, opportunities, threats – assessment of the WMS. It was concluded that while WMS had successfully implemented a number of major service changes which achieved a HRR of 44.65%, careful assessment needed to be made as to the actual benefits to the service and the Council as a whole before improving performance further. Without an obvious driver for improvement in domestic tonnage figures, the Service must maintain its current performance level through Officer work and effective communications. Continued improvement in the trade waste service was considered vital for the WMS as budgets

remained under continued pressure and concerted effort to maximise waste reduction techniques should be made wherever possible.

The priorities for 2019/20 were therefore to increase the number of contracts and income generated by the trade waste service; to focus on all activities and communications aimed at removing recyclable waste from the waste stream before it is required to be disposed of; and ensuring that contamination levels within recycling waste streams do not exceed the maximum limits for load rejection.

Noting that low grade plastics went into the grey bin, a Member queried whether there was any benefit in separating out this material for collection. It was noted that this material had a high calorific value which was of benefit for the energy recovery incinerator facility and that there was no real alternate market for such waste.

With regard to efforts to redirect more food waste, Members were advised that there was a general reluctance to recycle food because of perceived 'smell' issues, rather than any lack of provision of bin liners. This had been backed up by a residents' survey. Members commented on their own feelings and experiences of food recycling, and it was asked whether, with local Members' support, the Service could produce and/or support distribution of leaflets. It was indicated that this could be considered alongside existing activities.

An apparent disparity between reported refuse disposal figures at paragraph 2.2 to the submitted report and the figures shown in connection with the Levy Allocation Methodology Agreement (LAMA) at paragraph 2.2.2 to the submitted report was noted, and it was asked that clarification be forwarded to the Chair.

RESOLVED that the submitted Waste Management Position Statement be noted.

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REVIEW OF FINANCIAL PERFORMANCE - QUARTER 2: REVENUE MONITOR AND CAPITAL INVESTMENT PROGRAMME 2019/20

The Select Committee were provided with an update on the Council's 2019/20 forecast revenue position and the financial position of the capital programme as at 30 September 2019 (Quarter 2), together with the revised capital programme 2019/23.

The revenue position forecast was for a deficit variance of £1.625m, compared with £3.805m at Quarter 1, after allowing for approved and pending transfers to and from reserves. The most significant areas of concern were People and Place, Children's Services and Community Services and Adult Social Care and an overview on the major issues driving the projections were provided. Action would continue to be taken for the remainder of the financial year to address variances and

to take the mitigating action. The overall position was to a limited extent being managed by offsetting some favourable variances.



The financial position could be regarded as an early warning of the potential year end position if no corrective action was taken. However, management were reviewing and challenging planned expenditure across all service areas and were looking to maximise income. Further work needed to be done if the outturn was to be closer to a balanced position at year end.

Information on the Quarter 2 position for the Dedicated Schools Grant (DSG), Housing Revenue Account (HRA) and Collection Fund was outlined in the report. While there were no significant issues of concern in relation to the HRA, the Collection Fund was forecasting an in-year deficit of £195k. The DSG continued to be a financial challenge with a projected deficit increase in 2019/20. Action was being taken with the aim of reducing the cumulative deficit and bringing the DSG towards a balanced position.

The report also outlined the most up-to-date capital spending positions for 2019/23 for approved schemes, noting that the revised capital programme budget was £65.052m at the close of Quarter 2, a decrease from the original budget of £84.332m. Actual expenditure to 30 September 2019 was £25.590m, or 39.34% of the forecast outturn. It was probable that the forecast position would continue to change before the year end, with additional re-profiling into future years.

In response to comments of the Chair that the report appeared to suggest drift and a lack of control over budgets, it was noted that regular budget updates were provided to the respective Management Teams; that while issues in demand-led services such as Children's and Adults' Social Care were complex, activity including cost recovery groups addressing issues such as out of Borough placements, reviewing the local estate etc were in place; and the work undertaken by Finance Service staff in discussing options, progressing transformation plans etc with Services were advised. With regard to budget pressures on adults' and children's social care and the impact on people, the investment being put into such services was noted, for example looking to manage people better and bring services and individual's back into the Borough.

A Member noted increasing reliance on Business Rates and queried the implication of any government decision to increase the exemptions from Business Rates. It was noted that the government 100% funded any exemption which was of benefit to the Council as it did not need to pursue payment. Overall, the calculation of business rate income was dependent upon the number of business and rateable values meaning that this was a complex and volatile calculation.

RESOLVED that -

1. the Revenue Budget Monitoring Report 2019/20 Quarter 2 – September 2019 and associated appendices be noted;
2. the Capital Investment Programme Report 2019/20 Quarter 2 – September 2019 and associated appendices be noted.

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OLDHAM CARES SECTION 75 POOLED BUDGET - MONTH 6 POSITION

The Select Committee received a report providing an update on the Section 75 Pooled Budget agreement between Oldham Council and Oldham Clinical Commissioning Group (the CCG) and the forecast position as at month 6, 2019/20.

The Council and the CCG had entered into a Section 75 Pooled Budget to facilitate a whole system approach to deliver care to the citizens of Oldham. A revised agreement was being drafted to incorporate a wider range of service areas from both the Council and the CCG. Until that revised agreement was signed, only the items included as part of the 2018/19 signed agreement remained in scope and which, updated for 2019/20 values, were the subject of the submitted report.

The 2019/20 Oldham Cares Section 75 pooled budget was £148.92m and the monitoring position as at month 6 projected a year-end forecast of £152.18m, or an adverse variance of £3.26m. Most of this variance related to Oldham Council services, some of which was offset by favourable variances outside the Section 75 budget areas whilst the rest was expected to be brought back into balance by the year end after the application of management action. Further to queries, the Select Committee was advised that legislation dictated which items could or could not be included in a Section 75 agreement. As a result, some income items sat outside the agreement but were used to offset deficit in the budget.

Further to a query, it was reported that the Transformation Fund was held by Oldham CCG who reported to the Commissioning Partnership Board. Accountability on the Fund ultimately was back to the Greater Manchester Health and Social Care Partnership who allocated the funding. Members queried arrangements for and services provided through the Troubled Families programme and further information would be provided for Members.

RESOLVED that the month 6 position on the 2019/20 Oldham Cares Section 75 pooled budget be noted.

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MEDIUM TERM PROPERTY STRATEGY

The Select Committee received an update in respect of the Council's Medium Term Property Strategy (MTPS) which outlined the plans, actions and approach that the Council's

Property Services were undertaking to meet the objectives set out in the Strategy.

The Council's approach to the Property Strategy was to divide the corporate estate into six categories –

- Service Delivery: Direct – assets occupied by the Council to deliver a Council service;
- Service Delivery: Indirect – assets occupied by third parties delivering a Council service which if not occupied by that party would need to be occupied by the Council; or property used to support the delivery of a Council objective;
- Regeneration – assets held to deliver/support Council and/or third party promoted current or future regeneration/development where the primary outcome to the Council is not financial, with the asset be reallocated to a different category on completion
- Co-operative Property – assets occupied by a 'community organisation' to deliver community-based services. including all Community Asset Transfers (CATs);
- Surplus / Vacant - non-income generating assets that are surplus to the Council's requirements and to be disposed of; and
- Income Generation - assets occupied by third party organisations and held to provide a financial return to the Council (income and/or capital).

The submitted report advised of the proposed first stage of the required £0.5m property efficiency savings that would be developed further into programmes of work for 2020 to 2023, once the work associated with the review of the Town Centre Master Plan, the Accommodation Strategy, the Local Asset Review and the Cluster Review approach was completed. The MTPS was intended to provide new facilities and working methodologies that would deliver wider property efficiency saving sand new income required to meet MTPS objectives. A number of premises that the first stage of the property rationalisation review had deemed surplus to the Council's Service Delivery category and which, subject to required approvals, would be disposed of or transferred to other user groups to generate the £0.5m 2019/20 revenue reduction saving required, were highlighted in the submitted report.

The Select Committee was advised that, since preparation of the submitted report, further work had commenced efficiency targets linked to alignment of Council and CCG structures and options related to the potential for joint use of CCG premises within the Borough. This represented a further challenge and the MTPS would be refreshed accordingly in the coming months.

Members sought clarification around the numbers and progress of CATs. It was acknowledged that this was a small number, it being suggested that around six premises may ultimately go through the process. The principal issue that inhibited

progression of CAT related to the development of sustainable Business Cases, particularly around issues of high repair and maintenance costs generally associated with the facilities linked to the CAT approach.

Members queried and sought further detail on premises listed within the submitted report, emphasising the need for consultation with local Members as considerations, including relocation and disposal proposals, developed. Properties considered were -

- Limeside Youth Centre which was vacant and had not been used for some time and for which re-purposing and/or relocating the facility was being considered;
- Walkers Road Tenants Hall where local Members would be consulted on options, though the Committee was asked to note the current position of low rent but significant repair and maintenance issues;
- Brownhill Visitors Centre where the background and issues that had led to a delay in progressing the now completed disposal were considered; and
- Werneth Music Rooms where actions being taken to consider options and funding for this building were reported.

RESOLVED that –

1. the report and the progress made to date in progressing the Medium Term Property Strategy be noted;
2. a further report on progression of the Medium Term Property Strategy be submitted to this Committee in January 2021.

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HOUSING STRATEGY - UPDATE

The Select Committee received the Oldham Housing Strategy 2019 Delivery Plan that had been developed in order to meet the objectives of the Housing Strategy that had been adopted by the Council at a meeting held on 10th July 2019 (Minute 14 refers).

There were four themes within the Housing Strategy –

- An attractive ‘Housing Offer’ to support an inclusive economy;
- Delivering the Housing Offer;
- Place offer to support the Oldham Plan; and
- Better Housing and support to improve people’s lives and health,

and the Delivery Plan broke these down into a series of Actions, each with a series of goals covering the short term (the period 2019-2021), the medium term (2021-26), and the long term (2026 onwards). The submitted paper considered these objectives and actions, together with the specific outcome each action was intended to contribute to the achievement of the Strategy’s objectives.

The Select Committee was asked to note that some initiatives would take time. For example, developing better accommodation for an aging population, including supported accommodation, took time to identify sites, partners, funding etc. The Delivery Plan would be updated over time to track delivery of programmes and actions. Further work being undertaken in conjunction with the Strategy, which included working with partners and stakeholders to develop the Strategy and necessary governance arrangements; stronger links between housing and health via the Oldham Cares Alliance; and developing a flexible housing fund that would enable development of a package of funds intended to help bring other parties to the table, was advised.

The Chair noted the very ambitious programme of works highlighted to address the identified problems in the housing market and queried the capacity of the Service to deliver this programme. The Select Committee was advised that there had been a recognition that internal capacity would need to increase, but there was also a need to see what other partners might be able to contribute to the process.

Actions to address empty homes were noted, and the extent to which such properties addressed housing need was queried. It was noted that demand existed across the board, including for both larger and smaller starter homes. The Service had identified a number of long term empty properties and had developed what was considered to be a good offer for them.

RESOLVED that –

1. the progress made in delivering the Housing Strategy be noted;
2. a further update report on delivery of the Housing Strategy be submitted to this Committee in January 2021.

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KEY DECISION NOTICE

RESOLVED – that the Key Decision Document covering decisions to be taken from 1st January 2020 be noted.

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WORK PROGRAMME

The Overview and Scrutiny Performance and Value for Money Select Committee Work Programme was considered.

The Committee was asked to note that, further to the schedule as shown for this meeting, the item related to Value for Money on Health Transition was now scheduled for the March meeting. Members further were advised that the Work Programme for that meeting should be regarded as 'indicative' pending review of the Work Programmes across all three Overview and Scrutiny Committees.

RESOLVED that -

1. the Overview and Scrutiny Performance and Value for Money Select Committee Work Programme be noted;
2. the date and time of the next meeting to be held on Tuesday, 23rd January 2020 at 6.00pm be noted.



The meeting started at 6.00 pm and ended at 7.47 pm