

OVERVIEW AND SCRUTINY PERFORMANCE AND VALUE FOR MONEY

SELECT COMMITTEE

25/06/2020 at 6.00 pm



Present: Councillor Ahmad (Chair)
Councillors Phythian, Stretton, Byrne, Haque, Harkness and Shuttleworth

Also in Attendance:

Councillor Fielding	Leader of the Council and Portfolio Holder for Economy and Skills
Councillor Jabbar	Deputy Leader of the Council and Portfolio Holder for Finance and Green
Anne Ryans	Director of Finance
Emma Barton	Director of Economy
Naaira Zaman	Performance Improvement Team
Mark Stenson	Head of Corporate Governance
Lori Hughes	Constitutional Services
Mark Hardman	Constitutional Services

1 **APOLOGIES FOR ABSENCE**

There were no apologies for absence.

2 **URGENT BUSINESS**

There were no items of urgent business received.

3 **DECLARATIONS OF INTEREST**

There were no declarations of interest received.

4 **APPOINTMENT OF VICE CHAIR**

It was noted that the Select Committee was required to appoint a Vice Chair for the 2020/21 Municipal Year.

RESOLVED that Councillor Phythian be appointed Vice Chair of the Overview and Scrutiny Performance and Value for Money Select Committee for the 2020/21 Municipal Year.

5 **MINUTES OF PREVIOUS MEETING**

RESOLVED that the minutes of the Performance and Value for Money Select Committee held on 12th March 2020 be approved as a correct record.

6 **PUBLIC QUESTION TIME**

There were no public questions received.

7 **MINUTES OF THE OVERVIEW AND SCRUTINY BOARD**

RESOLVED that the minutes of the Overview and Scrutiny Board held on 3rd March 2020 be noted.

8 **MINUTES OF THE GMCA CORPORATE ISSUES AND REFORM OVERVIEW AND SCRUTINY COMMITTEE**

RESOLVED that the minutes of the GMCA Corporate Issues and Reform Overview and Scrutiny Committee held on 11th February 2020 be noted.

9 **MINUTES OF THE GMCA ECONOMY, BUSINESS GROWTH AND SKILLS OVERVIEW AND SCRUTINY COMMITTEE**

RESOLVED that the minutes of the GMCA Economy, Business Growth and Skills Overview and Scrutiny Committee held on 8th November 2019 be noted.

10 **COUNCIL PERFORMANCE REPORT MARCH 2020**

The Committee received a report presenting a review of Council performance as at March 2020.

The presentation of performance commenced with the provision of an 'Oldham Profile in Numbers' comprising basic data in respect of population, housing, education, crime, income and benefits, household information, health, and community in the Borough. Performance against each of the three corporate objectives of an inclusive economy, thriving communities and co-operative services was then reported, it being noted that 24 measures had achieved their target, ten were within tolerance, and 16 were currently outside tolerance.

The performance measures and the associated risks were considered in more detail within Appendices 1, 2 and 4 to the submitted report. As anticipated, performance at Quarter 4 had been affected by the impact of Covid-19 and a number of actions had fallen behind schedule, issues relating to library usage, food safety inspections and recycling rates being noted as examples. A review of the achieve-ability of measures was being undertaken given the ongoing impact of Covid-19. Where measures were showing a 'Red' rating, further information as to follow-up actions and assurance was presented within Appendix 3 to the report.

The reported performance on sickness absence was noted and this would be considered further when the issue received its scheduled consideration as listed in the work programme. Following queries concerning the reported number of resignations which related to the reasons for resignations, the length of service before resignation, and the costs of training and development of such staff, the Deputy Leader of the Council suggested that such detail might be considered alongside the submission of the programmed report on sickness absence.

Following expressed disappointment as to the Council being shown bottom of Greater Manchester authorities in terms of performance regarding household recycling rates, it was noted that the Council's performance had increased from 40.35% to 44.74% over the year and that the comparative data represented different time periods due to there being a time lag in collecting data from other authorities. It could be anticipated that when fourth quarter data for other authorities was available, these would reflect some impact from the early stages of the Covid-19 pandemic.

A concern was expressed that, despite assurances received from Officers, the report showing only 56.9% of Education, Health and Care Plans were completed within statutory timescales showed there was still much work to do in this area.

The Head of Corporate Governance undertook to seek further information as to progress on action ref DE191 relating to car parking charges and to report to the Chair accordingly.

It was noted that there were no current requests to make changes to performance measures and actions within the Corporate Performance Report.

RESOLVED that the report be noted.

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FINANCIAL OUTTURN FOR 2019/20

The Select Committee received details of the Council's financial outturn position for the financial year 2019/20 as included in the draft Statement of Accounts, the Council being required to prepare a Statement of Accounts for each financial year in accordance with statutory timelines and accounting practices set out by the Chartered Institute of Public Finance and Accountancy (CIPFA). While the government had agreed revised timescales for the preparation and audit of the accounts due to the Covid-19 pandemic, Oldham was still on course to have the accounts audited in line with the original statutory position. The Statement of Accounts were submitted for audit on 31st May 2020 and published on the Council's website on 1st June 2020.

A submitted report summarised the Council's financial outturn position for 2019/20 and the following matters were highlighted to the Select Committee –

- the overall revenue outturn position for 2019/20 was a surplus of £0.270m, an increase on the favourable variance of £0.065m projected at month 9 that was reported to Cabinet on 23rd March 2020. It was noted that the months 6 and 8 projections reported to the Select Committee in January and February 2020 had both shown projected overspends which had been caveated with anticipated movements on the budget;
- the year-end variances that are attributable to each Portfolio, with commentary being given as to the principle



adverse variances in the People and Place, Community Health and Adult Care, and Children's Services Directorates;

- Schools balances at 31st March 2020 were £5.487m but were offset by the deficit on the Dedicated Schools Grant (DSG) of £4.916m leaving a net balance of £0.571m held within Other Earmarked Reserves;
- the final Housing Revenue Account (HRA) balance was £21.796m;
- the balance on the Collection Fund was a surplus of £3.295m;
- the small reduction in revenue account Earmarked Reserves of £1.263m to a level of £79.360m, a decrease in other Earmarked Reserves of £4.431m to a level of £8.504m, and an increase in the General Fund balance of £0.270m to £15.110m which was reflective of the revenue outturn position;
- expenditure on the Council's Capital Programme for 2019/20 was £54.383m which was an increase on the month 9 forecast expenditure of £52.497m. The increase in expenditure required funding allocated to future years to be re-profiled to fully finance the Capital Programme in 2019/20;
- Capital Receipts in year totalled £9.914m, all of which were used to finance the Capital Programme in year;
- the significant items in each of the primary financial statements, the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet and the Cash Flow Statement;
- the preparation of Group Accounts incorporating the Council's two wholly owned companies – the Unity Partnership Ltd. and MioCare Community Interest Company; and
- the performance of the Finance Team in closing the accounts.

The budgetary implications of Covid-19 were considered and it was noted that the government had made some resources available to the Council. However, if further funding was not forthcoming and in light of reports of other Councils highlighting potential bankruptcy, the implications for Oldham were queried. The Director of Finance noted the level of reserves held and advised that additional revenue support from government could be anticipated, along with a further package of support to enable Councils to address the funding challenge in different ways. Notwithstanding, the Council needed to keep its position under control and a clearer view could be taken following further central government announcements. While it was too early for talk of Section 114 Notices, it was acknowledged that there would be implications if the government did not provide further resources. The Deputy Leader of the Council stressed that unless additional resources were provided to address the loss of income and additional expenditure incurred as a result of Covid-19, there was a serious possibility of Section 114 Notices. While

the Council may have healthy reserves, these would disappear very quickly if additional resource was not provided.



The Chair and Committee Members expressed thanks to the Director of Finance and staff for their work in production of the outturn data for 2019/20 budget. In noting the financial position of the Council going forward, the Chair suggested that the Committee needed more regular updating on the Council's budgetary position. The Director of Finance undertook to report further to the Committee and to review the availability of budget updates against the Committee's work programme and meeting dates.

RESOLVED that the Council's financial outturn position for the financial year 2019/20 be noted.

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CREATING A BETTER PLACE - PROGRAMME REVIEW PRINCIPLES

The Select Committee was reminded that the 'Creating a Better Place' strategic framework had been approved by Cabinet at a meeting held on 23rd January 2020 and the report considered by the Cabinet at that time which set out the purpose of and approach to the strategic framework, developed in response to the expectation on the Council to deliver economic growth and major regeneration while coping with financial challenges, was presented for information.

The Leader of the Council noted Creating a Better Place was a positive step forward, identifying possible levers to bring in additional investment into the Borough and presenting exciting plans for Oldham Town Centre and to invest in all parts of the Borough. Creating a Better Place focused on building more homes for our residents, creating new jobs through town centre regeneration, and ensuring Oldham is a great place to visit with lots of family friendly and accessible places to go.

However, it was noted that, in light of the Covid-19 pandemic, the Council has had to respond with significant funding support to ensure the safety and welfare of Oldham's local communities resulting in a serious impact on the Council's financial plans. The views of the Select Committee were being sought on proposed review principles to consider whether the programme was able to respond to support the post-Covid recovery plans; whether the use of public capital funds was still justified; and whether the original savings proposals were at risk or could be accelerated or enhanced in any way to reduce the demands and pressures on service baseline budget allocations.

The Director of Economy introduced the proposed principles for reviewing projects within the Creating a Better Place programme, these considering -

- whether a project contributed positively to the objectives of the Creating a Better Place strategic framework;

- whether a project contributed positively towards the performance targets contained within Creating a Better Place;
- whether a project would contribute positively towards revenue savings;
- whether a project had a business case that guaranteed ability to cover prudential borrowing costs;
- whether a project provided future cost avoidance, such as backlog maintenance or reduced whole life costs; and
- whether a project supported the post-Covid economic recovery.

The capacity of the organisation to deliver the Creating a Better Place programme was queried, the Committee being advised that the position had been reviewed and that Teams were in place to deliver along with provision for technical experts to be brought in as and when necessary. Timescales for the programme had been mapped out, though opportunities existed to bring items forward, for example if external funding opportunities arose. Further to a specific query, it was advised that Northern Roots formed part of Creating a Better Place and was programmed accordingly.

A Member, noting the objective for tourism and the recent experiences around Dovestones, commented that the necessary infrastructure needed to be in place to back-up this objective. Responding to a further comment that attention needed to be paid to the Town Centre market hall and that opportunities were presented by the objective linked to town centre living, the Leader of the Council acknowledged that the market hall was valued and advised that the Council was committed to independent traders. However, such facilities needed to adapt in order to attract new customers and, at a time when all town centres looked similar and had the same large stores, there was need to identify a unique offer to get people to come.

RESOLVED that the proposed review of Creating a Better Place and the review principles be noted.

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OVERVIEW AND SCRUTINY ANNUAL REPORT FOR 2019/20

The Select Committee gave consideration to the Overview and Scrutiny Annual Report for 2019/20.

The Annual Report outlined the purpose of overview and scrutiny, the roles and responsibilities of the three scrutiny Committees, and a summary of the work undertaken by the overview and scrutiny function in 2019/20. This included the overview and scrutiny of key plans and strategies, internal and external consultations, monitoring of services, motions referred to scrutiny by Full Council and the work of task and finish groups.

RESOLVED that the Overview and Scrutiny Annual Report for 2019/20 be commended to Full Council.



Oldham
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WORK PROGRAMME

The Select Committee gave consideration to the proposed Performance and Value for Money Select Committee Work Programme for 2020/21, outlining those issues which would be considered by the Select Committee during the municipal year. The Chair asked Members to note that the Work Programme might require re-working through the year as business related to Covid-19 might be expected to be brought forward.

The Head of Corporate Governance noted that a number of matters had been discussed during the meeting that would need inclusion in the work programme. These would be discussed with the Chair and Constitutional Services prior to the submission of an updated Work Programme to the next meeting of the Select Committee.

RESOLVED that the Performance and Value for Money Select Committee Work Programme 2020/21, as presented, be noted.

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KEY DECISION DOCUMENT

RESOLVED – that the Key Decision Document published on 1st June 2020 be noted.

The meeting started at 6.00 pm and ended at 7.15 pm